REPORT ON REGULATION, SUPERVISION AND OTHER ACTIVITIES '13

ANACOM

AUTORIDADE NACIONAL DE COMUNICAÇÕES

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The present report includes information on the activity pursued by ICP-Autoridade Nacional de Comunicações (ICP-ANACOM) during 2013. It has been submitted to the Government for presentation before Assembleia da República (Assembly of the Republic) in fulfilment of the stipulations of ICP-ANACOM's Statutes, as approved by Decree-Law no. 309/2001 of 7 December.

In addition to the present report, ICP-ANACOM produces other regular publications (Spectru newsletter, statistics on the various services) and also an annual report on the state of communications, annual report and accounts and three-year Management Plan; these provide stakeholders with a wide range of information on the electronic communications sector and ICP-ANACOM's activities.

Comments

ICP-ANACOM welcomes comments on this report. Comments and suggestions on the scope, content and format of the report should be sent to relatorio.regulacao@anacom.pt

Further information

Additional information about ICP-ANACOM is available on our website at www.anacom.pt, where this report is available in electronic format.

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Mission and activity of ICP-ANACOM

1. ICP-ANACOM's mission

ICP-ANACOM is a legal person governed by public law, construed as an independent administrative entity with administrative, financial and managerial autonomy and its own assets. It is ICP-ANACOM's mission to regulate the electronic communications market and postal sector, ensuring conditions which are conducive to the opening up of markets and increased competition, innovation and investment, enabling the development of a diverse range of competitively priced offerings which respond to consumer needs.

ICP-ANACOM's regulation activity is pursued in order to promote the proper functioning of markets, providing for the proper fulfilment of consumer needs, in terms of diversity of offerings and prices.

This regulatory activity includes controlling market power, the promotion of competition, management of the radio spectrum, promotion of communications security, standardization and oversight of the equipment market, supervision and monitoring of operators and providers of communications services and, within the scope of its responsibilities, intervention to uphold the legally protected rights of consumers.

ICP-ANACOM's functions also include representation of the Portuguese State at various international bodies and organisations, and technical representation at the various groups of the European Union (EU) and at international groupings of communications regulators, in pursuit of knowledge-sharing and the exchange of experience.

Finally, note should be made of ICP-ANACOM's work advising the Government. Under the law, ANACOM is called on to advise the Portuguese Government, upon its own initiative or upon the request of the executive, in the definition of general policy for the sector and the formulation of strategy, proposing policy or legislative measures.

1.1. Regulatory activity of ICP-ANACOM in 2013

Over the course of 2013, several developments occurred which were relevant to the market and ICP-ANACOM's regulatory activity. In particular:

- The merger between ZON TV Cabo Portugal, S.A. (ZON TV Cabo) and Optimus - Telecomunicações, S. A. (Optimus)[1].

- The acquisition of OniTelecom - Infocomunicações, S.A. (OniTelecom) by Altice Holdings, which already controlled Cabovisão - Sociedade de Televisão por Cabo, S.A. (Cabovisão).

- The announcement of the merger between Portugal Telecom and Brazilian operator Oi; while this development does not have a direct impact on the structure of the Portuguese market, it will have implications for this company's strategic direction.

- Launch of quadruple-play offers, combining television, voice, fixed and mobile broadband Internet services; this has introduced a new commercial dynamic into the market and has generated increased competition, in terms of offerings and prices, with benefits for consumers.

- Continued high levels of investment in next generation access networks (NGA), putting Portugal among the top ten European countries in terms of coverage by next generation networks (NGN)[2].

- Changes to the universal service of electronic communications, following the tender procedures launched by the Government. The universal service component consisting of connection to the network and provision of telephone services was awarded to Optimus (North and Centre zones) and ZON (South and Islands zones) for a period of five years. PT Comunicações, S.A. (PTC) will provide the public pay-telephone service, also for five years, and the telephone directory and directory enquiries service for 12 months - (this last component was allocated by a direct award procedure after the corresponding tender received a lack of responses).

- Government revocation of the bases of the public telecommunications service concession, enacted by Decree-Law no. 35/2014 of 7 March, and discontinuation, as a public service, of the fixed telex service, the fixed switched data transmission

[1] Kento*Unitel*Sonaecom Concentration process.

[2] Idate Consulting Study for FTTH Council Europe with reference to the end of 2013.

and telegraph services, together with mobile maritime services as a provision of public correspondence.

- In the postal sector, amendment by the Government of the bases of the concession granted to CTT, and privatisation of up to a 70 percent stake in the company through a public offer in the national market combined with a direct sale to a set of financial institutions, which were bound to carry out the subsequent distribution of shares in the capital markets among domestic and foreign investors.

- Approval of the framework law for independent administrative authorities with functions regulating the economic activity of the private, public and cooperative sectors (Law no. 67/2013 of 28 August); this Law establishes the principles and rules which govern these authorities, and led to the submission of a proposed amendment to ICP-ANACOM's statutes to reflect the rules introduced by the framework law.

In terms of ICP-ANACOM's regulatory activity, the following aspects are highlighted:

- Approval of interim and urgent measures in the wholesale market of termination at a fixed location, leading to a significant reduction in termination rates, effective from 1 October 2013. ICP-ANACOM has estimated that this measure will have a positive impact on end-consumers, particularly in terms of national fixed-fixed and mobile-fixed calls.

- Adoption of a draft decision which provides for the withdrawal of obligations imposed on the companies of Grupo Portugal Telecom (Grupo PT) in the retail markets for access to the network and for telephone services provided at a fixed location and for calls to non-geographic numbers.

- Adoption of a draft decision, in the wholesale market for call origination on the public telephone network at a fixed location, which proposed maintaining the obligations currently imposed on the companies of Grupo PT, specifying imposition of pre-selection and the Subscriber Line Resale Offer (SLWO) within this market.

- Implementation of various measures applying to the different wholesale offers: (i) RIO - completion of a simplified costing model for the billing, collection and non-collection risk services, number portability activation service and pre-selection

activation service; (ii) RELLO - the analyses that culminated in PTC adopting a reduction in prices for CAM circuits (Mainland - Azores - Madeira); and (iii) RPAO - review of conditions associated with the service of billing and collection of penalties applied to beneficiaries.

- With regard to the costing systems used in the postal sector, analysis was made of the results of SCA - sistema de contabilidade analítica (Analytical Accounting System) used by CTT, involving the auditing of results from the period from 2009 to 2011 and the contracting of auditing for CTT's SCA with reference to the 2012 and 2013 periods.

- In terms of electronic communications sector costing systems, note is made of: (i) the auditing of PTC's SCA for the years 2007-2009; (ii) the contracting of auditing for PTC's SCA with reference to the years 2010-2012; (iii) determining the rate of cost of capital to be applied by PTC in respect of the years 2012 and 2013 for the purposes of regulatory accounting; (iv) the launch of a public consultation on the methodological options to be employed in the implementation of the costing model for the service of voice call termination on individual fixed networks.

- The completion of the auditing of PTC's CLSU2007-2009 and the commencement and oversight of the auditing of the CLSU2010-2011. ICP-ANACOM determined a reduction of 19 percent in the initial CLSU values reported by the universal service provider for the 2007-2009 period, giving total CLSU - custos líquidos decorrentes da prestação do serviço universal (net costs of universal service provision) for the period of 66.8 million euros (23.6 million euros in 2007, 20.2 million euros in 2008 and 23 million euros in 2009).

- The definition of conditions and specifications related to the universal service provision of a comprehensive directory and of a comprehensive telephone directory enquiries service.

- A public consultation on the draft decision on the methodology to be used for calculating the net costs of the universal postal service and the concept of unfair

financial burden[3] and another on the control of prices, superseded by legislative amendment.

- The work undertaken on coverage obligations imposed on mobile network operators in the 800 MHz frequency range, including the methodology to be used to verify compliance with these coverage obligations.

- The public consultation on possible alternatives for the evolution of the digital terrestrial television network (DTT), in order to find a solution which guarantees a higher quality of signal reception that is sufficiently robust and stable and which has a reduced impact on the population. As a result it was found that the evolution towards a multi-frequency network (MFN) from a single frequency network (SFN) was the most fitting option, with implementation taking place in a phased manner. In parallel, ICP ANACOM continued to monitor the quality of the DTT signal on the ground - it was decided to create a new evaluation mechanism comprising a national network of 400 probes enabling the monitoring of DTT signal quality 24 hours a day, seven days a week. In 2013, a pilot went into operation, consisting of four probes. Furthermore, towards the end of the year, a new public consultation was under preparation, in collaboration with ERC - Entidade Reguladora para a Comunicação Social (Media Regulatory Authority), to review and define the future of DTT.

- Approval of the 2013 Addendum to the National Table of Frequency Allocations (NTFA), which was subject to public consultation and updated the NTFA 2010/2011.

- In terms of numbering, a new model was launched for disclosure of the PNN - Plano nacional de numeração (National numbering plan) on ICP ANACOM's website.

- Revocation of the registration of four providers of audiotext services, following their adoption of practices deemed harmful to the interests of consumers, resulting in repeated breaches of prevailing legislation. The companies in question were using the numbers which had been assigned to them for tele-voting and surveying

[3]The corresponding final decision was adopted in 2014.

services in a scheme that misled people and which involved calls being made to value-added Audiotext numbers - these calls were time-consuming and could result in very significant costs, harming consumers.

As part of its supervision work, ICP-ANACOM conducted around 3,500 enforcement actions, comprising 1,537 market inspections, focusing on electronic communications, the postal sector and compliance with ITED/ITUR rules. Many of ICP-ANACOM's activities stem from the analysis of complaints sent to it by consumers. During the year, ICP-ANACOM received 63,822 complaints, 12 percent more than in 2012, with the majority (81 percent) referred to the electronic communications sector. From the enforcement actions conducted in 2013, 265 resulted in the instigation of new breach proceedings, of which 592 were concluded.

In terms of international participation, ICP-ANACOM's activity was intense, seeking to defend national interests and to participate in the development of the EU internal market.

In 2013, ICP-ANACOM took part in all the regular meetings of the Body of European Regulators for Electronic Communications (BEREC) and the meetings of the Contact Network, as well as meetings with the European Commission (EC).

It should be noted that the chairman of ICP-ANACOM's Management Board, Fátima Barros, was elected to take over as chair of BEREC in 2015, and will hold the position of BEREC vice-chair in 2014 and 2016.

Likewise, reference should be made to the presidency of the Euro-Mediterranean Regulators Group (EMERG), as a result of which it fell to ICP-ANACOM to organise the plenary meeting in February, in Lisbon. Meanwhile, ICP-ANACOM took part in the various workshops and continued efforts to ensure the EC's continued financial support for EMERG.

ICP ANACOM also attended all the plenary meetings of the European Regulators Group for Postal Services (ERGP) as well as the preparatory and contact network meetings.

As adviser, ICP-ANACOM participated in the working groups of the EU, at both Council and EC level.

In 2013, it fell to ICP-ANACOM to perform the functions of the secretariat of ARCTEL - Associação de Reguladores de Comunicações e Telecomunicações da CPLP (Association of Communications and Telecommunications Regulators of CPLP)[4]. ARCTEL held its V General Assembly in Lisbon, after the signing of new statutes that enshrine its financial and administrative autonomy and the association's legal capacity.

Active participation in the reform of Regulatel - Fórum Latino-americano das Entidades Reguladoras de Telecomunicações (Latin-American Forum of Telecommunications Regulatory Authorities), which brings together regulators from South America and Europe, makes up another important part of ICP-ANACOM's work.

ICP-ANACOM worked intensively in the area of cooperation, with a focus on relations with the regulators of Portuguese-speaking countries.

In 2013 as part of its work advising the Government, the following work which was not included in the plan is particularly important:

- Preparation of the second tender for the provision of the universal service of the directories and directory enquiries service.

- Negotiations concerning the revocation of PTC's concession contract, involving: (i) auditing of the amount of compensation provided for in the agreement to revoke the concession; and (ii) an opinion on the contents of the statement of reasons justifying the amount of compensation.

- Preparation of the drafts of the contracts associated with provision of the universal service's different components.

- Revision of the CTT concession contract and amendment of the Lei postal (Postal law).

- Adaptation of ICP-ANACOM's statutes to the framework law of regulators and monitoring of the process.

  The following actions, while not included in the plan, are also of note given their relevance and the resources involved in their prosecution:

[4] Comunidade dos Países de Língua Portuguesa (Community of Portuguese Language Countries).

- Definition of criteria governing the establishment of the prices of the universal postal service.

- Compliance analysis of the proposed price of the universal postal service which came into force in April 2013.

- Cooperation with AdC with regard to concentration processes (Zon/Optimus, Cabovisão/Altice, SportTV, etc.).

- Definition of the methodology for setting the reference speeds associated with coverage obligations in the 800 MHz frequency band.

The allocation of resources to actions not foreseen during preparation of the Multi-Annual Activities Plan meant that some of the planned actions could not be performed, while in other cases planned actions were not performed as a result of factors beyond ICP-ANACOM's control.

Some of actions that were unfulfilled relate to the following issues:

- Review of relevant markets in the light of the current and new EU regulatory framework, with possible update of obligations, particularly in terms of regulated wholesale offers.
- Assessment of the need to define rules governing access to the postal network and postal infrastructure elements of the universal service provider, given the lack of requests for ICP-ANACOM's intervention, pursuant to article 38 of the lei postal (Postal Law).
- Definition of the objectives of postal network density and minimum offer of services and of the exceptional circumstances or geographical conditions that justify the non-daily collection and delivery of mail covered by the universal service and/or not delivering mail to the addressee's premises, given that the concession bases were not reviewed until the end of November 2013.

- Evaluation of the CLSU of the electronic communications and postal sectors, in the first case following rescheduling of the process to evaluate the results of the provider's SCA, and in the care of the universal postal service, because CTT did not report costs.

- Analysis was not concluded for certain wholesale offers (the Rede ADSL PT wholesale offer), given that this is dependent on the results of the PTC's SCA for 2013.

- Actions related to the PNN, particularly with regard to the management of MNC (Mobile Network Code), evaluation of the opportunity to create a regulation on the use of CLI (Calling Line Identification) and proceeding with the adoption of measures on voice over Internet protocol (VoIP).

  ICP-ANACOM's Management Board met 58 times in 2013, approving 293 determinations and six opinions. 28 draft decisions were submitted to public consultation, and in 72 percent of cases the respective final decisions were adopted and disclosed in the timeframe specified in the activities plan, which compares to 68 percent in 2012.

1.2. Efficiency and sustainability

In the accomplishment of its mission, ICP-ANACOM has sought to become increasingly efficient and environmentally sustainable, which has helped it achieve its goals of reducing costs.

In terms of improving its effectiveness, in 2013, ICP-ANACOM continued efforts to dematerialise processes and extended the range of features available on its website (www.anacom.pt).

Following the entry into operation of the Numbering Management Solution, a new PNN publication model was launched on ICP-ANACOM's website, which includes the numbering resources managed by other international organisations where ICP-ANACOM has notification responsibilities. With this model, PNN data (updated to the previous day) can be dynamically searched, viewed and obtained; the model also introduces added advantages in enabling the automatic and editable download of data in various formats and the ability to search this information in two ways: by numbering resource or by provider/operator.

During the year, the eNTFA frequency website was launched, an electronic platform that allows users to consult information related to the planning and use of frequencies through dynamic and interactive search.

With regard to the management of amateur and amateur satellite services, a tool was brought into operation which collects and processes data for internal analysis. In the future, it may allow the external provision of information on the amateur and amateur-satellite service, including information on amateur aptitude tests and the geographical distribution of amateurs. The electronic and interactive forms in the area reserved for users of these services were improved, in the online services section of ICP-ANACOM's website, and an area was launched to search amateur and amateur satellite data, especially data on common use station licences - associations, individual amateur stations and temporary call signs.

In the context of electronic services for radio licensing, a platform was completed for electronic licensing (eLic) which, in 2014, will enable the consultation and submission of radio licensing requests.

On environmental sustainability it is noted that ICP ANACOM's environmental footprint results mainly from its consumption of electricity, water and printing consumables - paper and toner. The adoption of new behaviour and practices has enabled significant reductions in this type of consumption:

- electricity consumption was reduced by 9.5 percent in 2013;
- water consumption was reduced by 22 percent;
- the volume of printing was reduced by 64 percent over two years (2012-2013), enabling an equal reduction in paper consumption, as a result of the dematerialisation of work processes and electronic document management;
- consumption of toner was reduced to the same extent.

ICP-ANACOM's policy of selective collection of various materials for recycling continued through 2013, including computer consumables, electronics, electrical waste, batteries, plastic packaging, paper and cardboard.

2. Communication with stakeholders

Communication is a basic element of transparency, a principle which provides a constant guide to ICP ANACOM's actions. Accordingly, ICP-ANACOM submits all decisions

impacting the market and its various agents to public consultation and publishes these decisions on its website.

ICP ANACOM employs a range of different communication platforms to bring relevant information to service providers, consumers, other regulators, Government, public authorities and other stakeholders.

- Public consultations

Public consultations are ICP-ANACOM's main instrument of communication with the market, since, in the majority of issues, they provide a vehicle for the regulator to set out its positions and views and to compile input before making final decisions. In total, 28 public consultations were launched over 2013.

- ICP-ANACOM's institutional website

The public consultations to which ICP-ANACOM submits all its decisions are published on its institutional website, www.anacom.pt, together with the contributions received and the respective reports. ICP-ANACOM also publishes a wide range of legislation on its website, information on the composition of its management boards, plans, budgets, reports and accounts, regulations, determinations, instructions and a variety of statistical information and studies.

Over the course of 2013, ICP-ANACOM updated the information provided on its website on a continuous basis, and also reformulated the content of the website's thematic and transversal areas, with a focus on the legislation and international activity areas and links. The ultimate goal is always to make the website more simple and intuitive for users to find and consult information.

The model for consulting and searching the PNN was also renewed, enabling users to search the numbering resources included and organized in different numbering plans, including those defined under international standards and recommendations.

In 2013, ICP-ANACOM's website received 755,675 visits from 526,314 users. There were 2,458,562 views of informational and transactional content.

In 2013, the process of restructuring ICP ANACOM's website was begun, in order to reorganise the information according to the requirements of the targeted user and improvements were made to ANACOM's Consumers' Website.

- *Spectru Newsletter*

The Spectru Newsletter is another platform used by ICP-ANACOM to communicate. Spectru is a monthly publication that provides information about ICP-ANACOM's activity, and reports on the most relevant national and international news in the areas of electronic communications and postal services. The website has versions in Portuguese and English, both available for free on ICP-ANACOM's website. On 31 December 2013, Spectru had 2,282 Portuguese and international subscribers.

- Social Networks

In addition to the website, ICP ANACOM has maintained an account on Twitter - http://twitter.com/ICP_Anacom - since 2009, with 4,623 followers as on 31 December 2013, representing a 150 percent increase over 2012. This platform enhances the dissemination of information published daily on ICP-ANACOM's website.

2.1. Information as a way to protect consumers

The activity pursued by ICP-ANACOM is always aimed at ensuring that the interests and rights of consumers are protected, creating conditions which enable more and better offers in the market at appropriate prices. To this end, ICP-ANACOM provides a wealth of information on its institutional and consumers' websites, making it possible for consumers to make better informed choices.

A number of important actions were taken in 2013 in support of consumers:

- Launch of NET.mede on 5 December 2013, a service that consumers can use to test the speed of their Internet connection in under 30 seconds, and compare the speed obtained with the maximum speed contracted from their service provider. NET.mede can also be used to test 'traffic shaping', a mechanism used by operators to manage Internet traffic by applying restrictions to traffic and to contracted speeds. This new service, supporting customers, gives Internet users objective information that may be useful in managing their relationship with their

service providers, in particular when questioning their providers about quality of service provided. It also provides the market with more information, instilling greater transparency.

- Publication on ANACOM's Consumers' Website and institutional website of links to information made available on the websites of providers of electronic communications services, in relation to the residential segment, about the conditions governing the offers and use of services provided.

- Re-launch of the Roaming Light information campaign, aimed at providing information about the new maximum prices that operators can apply to roaming communications between countries of the European Economic Area (EEA). ICP-ANACOM is using the campaign to inform consumers about things they should do before travelling, helping to ensure that they know about the maximum tariffs of roaming communications, also allowing the search of useful information about international roaming.

  The campaign took a presence on the Internet and in the press, and ICP-ANACOM worked with ANA - Aeroportos de Portugal to distribute an information leaflet in all national airports (during the summer and at Christmas).

- Analysing, registering and responding to complaints, helping consumers, wherever possible, to overcome difficulties with operators, with 63,822 complaints received in 2013. ICP ANACOM produces reports giving data on the number of complaints received by provider and by subject, and publishes this information on its Consumers' Website, contributing to greater consumer awareness and transparency in the sector.

- Publication of a set of information on the Consumers' Website that can help consumers improve their knowledge about the offer of products and services, especially with regard to key aspects: contract lock-in rules, unlimited traffic, equipment unblocking, contract terminations, means of dispute resolution, etc.

Although not launched in 2013, it is important to highlight use of ICP-ANACOM's tariff comparison tool - COM.escolha - as a useful tool to help consumers find out about and compare the tariffs which are best suited to their needs. Like NET.mede, this tool can be accessed through ICP ANACOM's consumers' website. In 2013, the

COM.escolha simulator received a total of 73,038 visits by 59,688 users. Compared to the previous year, the number of visits increased by 59.5 percent and the number of users increased by 75.29 per cent. In 2013, 362,147 pages were visited, representing an average of 4.96 pages per visit.

2.2. Accountability and transparency

According to its statutes, ICP-ANACOM is required to present the Report on Regulation, Supervision and Other Activities to the Government on an annual basis, for presentation to Portugal's Assembleia da República (Assembly of the Republic), summarizing the activities carried out over the year. ICP-ANACOM is also required to send the Annual Report and Accounts and Activities Plan and Budget to the Government, for ministerial approval.

Its statutes further set out that ICP-ANACOM shall respond to requests made by the competent Parliamentary committee to attend hearings to provide information or clarification about its activity. In 2013, in April, ICP-ANACOM appeared before the Committee on Ethics, Citizenship and Communication to provide clarification to Members of Parliament about the DTT migration process.

ICP-ANACOM's work also remains subject to scrutiny by the courts, Portugal's Court of Auditors, the Inspector-General of Finances, the Ombudsman and the CNPD - Comissão Nacional de Proteção de Dados (National Data Protection Commission).

Regulation and supervision

3. Market analysis

3.1. Broadband markets

On 21 September 2013, an EC Recommendation was published in the Official Journal of the European Union (OJEU) on consistent non-discrimination obligations and costing methodologies to promote competition and enhance the broadband investment environment (the EC Recommendation on non-discrimination).

While ICP-ANACOM began analysis of the wholesale markets for network infrastructure access at a fixed location and broadband access in 2012, leading to approval of a draft decision on the matter in the same year, neither the concentration operations referred to above nor the EC Recommendation on non-discrimination could be ignored. Accordingly, ICP-ANACOM decided to await the outcome of these proceedings and wait until 2014 until concluding these analyses.

During 2013, some trends which had been observed in previous years in broadband markets were reinforced, especially given announcements of major investments in NGA.

As a result of NGA investment trends, by the end of 2013, about 41.4 percent of broadband accesses had speeds equal to or in excess of 30 Mbps, when at the end of 2010 only 9.3 percent of broadband accesses had access speeds of this magnitude. Meanwhile, at the end of 2013, there were about 4.1 million dwellings connected to cable distribution networks with DOCSIS 3.0 technology, about 2.6 million dwellings cabled with fibre (FTTH) and about 1.3 million customers who used services supported over FTTH and DOCSIS 3.0 accesses, which represented more than half of customers with broadband access.

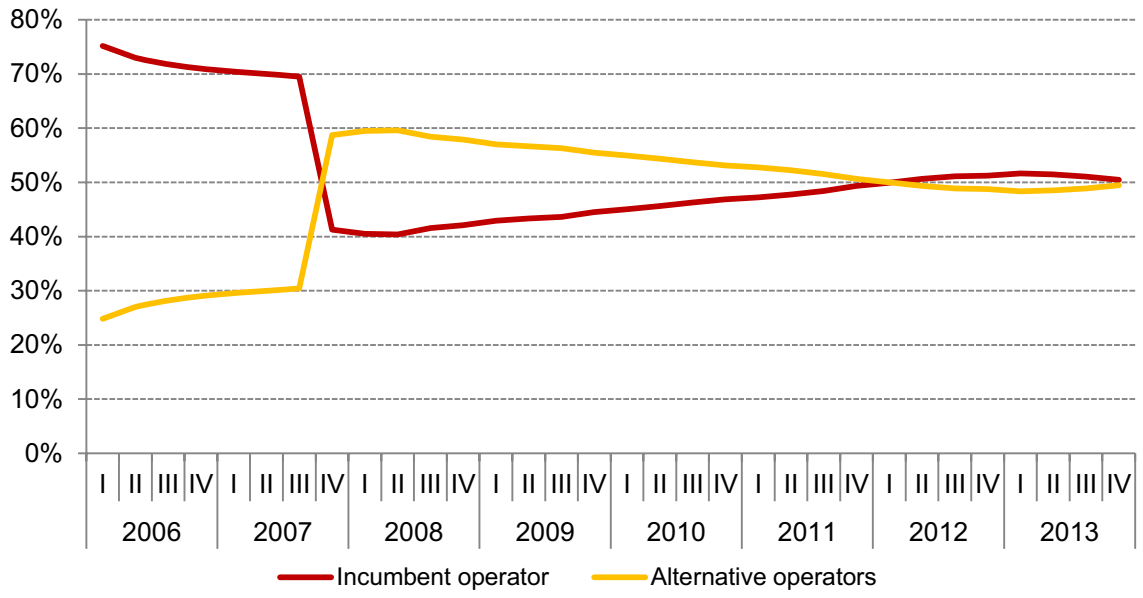
In wholesale markets, the trends of previous years continued, with other service providers (OSPs) curtailing their use of the wholesale Rede ADSL PT offer while maintaining continuous demand for access to physical infrastructure, including ducts in the context of the RDAO, with a view to the installation of their own optical fibre networks.

As far as accesses based on local loop unbundling (LLU) are concerned, a reversal was seen at the end of 2013 in the downward trend seen in recent years, as detailed in the section relating to this offer.

In 2013, a reversal was also seen in the upward trend in Grupo PT's market share in the broadband access market - Grupo PT's share shrank by about 0.8 percentage points during 2013, falling from 51.3 in December 2012 to 50.5 in December 2013.

In 2012, Grupo PT had more fixed broadband accesses than all alternative operators combined (*see* following graph); although this situation persisted through 2013, it may be reversed in 2014 if the trend began in the second quarter of 2013 continues.

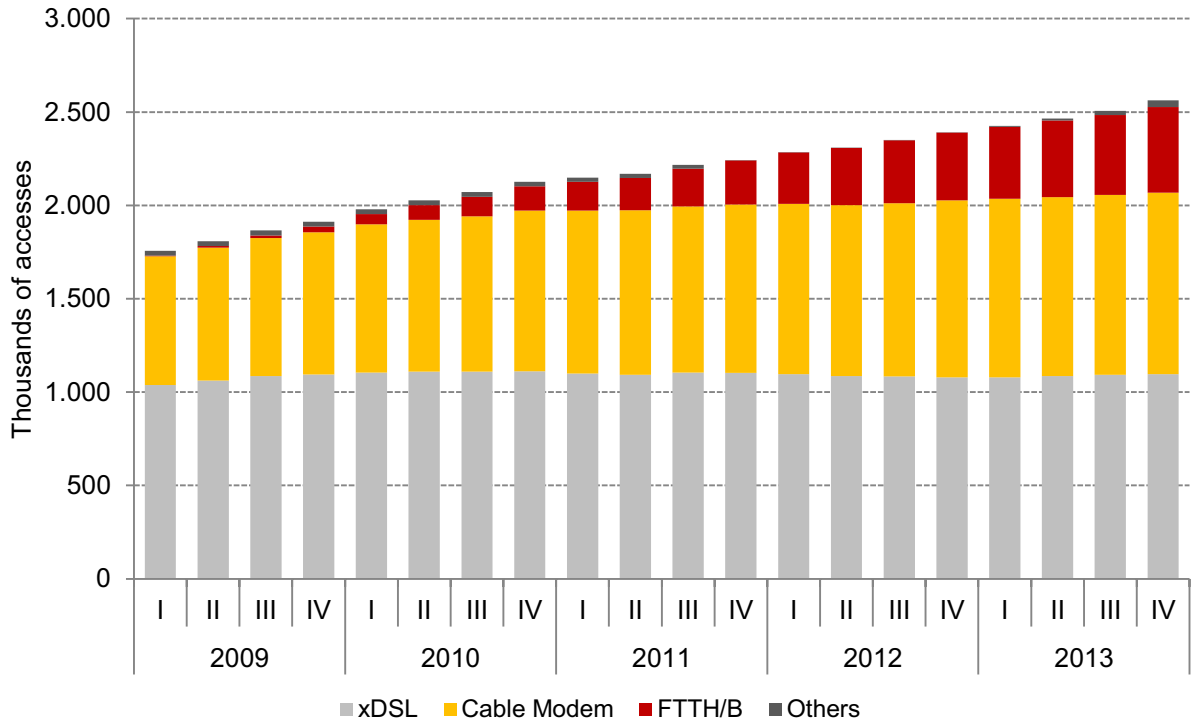
Graph 1 – Distribution of fixed broadband accesses in Portugal by operator



Source: ICP-ANACOM based on operator data.

Overall, there were about 2.6 million customers in Portugal with fixed Internet access at the end of 2013, which represents an increase of 7.2 percent over 2012.

Graph 2 – Evolution in number of fixed broadband accesses in Portugal by technology



Source: ICP-ANACOM based on operator data.

ADSL remains the main internet technology for fixed broadband (FBB) Internet access (42.8 percent of the total), followed by cable modem (37.9 percent) and optical fibre - FTTH/B (17.9 percent). In terms of net additions, in 2013, the number of fibre accesses increased by 96.2 thousand, more than the combined number of accesses for remaining technologies. It is likely that the weight of asymmetric digital subscriber line (ADSL) accesses in the total number of broadband accesses will continue to fall, although this type of access still has a key role, above all in areas without coverage by cable distribution or optical fibre networks.

Even while mobile broadband accesses (BLM) have not, to date, been included in the definition of relevant markets for broadband access, it is important to examine how these products are involving, especially in terms of accesses using cards/modem. This type of access has been decreasing for several years, and at the end of 2013, there were about 759 thousand MBB users with cards/modem, which represents a reduction of about 22 percent from the end of 2012; this reduction may be associated with the discontinuation of the Government's *e-iniciativas* programme and increasing take-up of smartphones.

3.2. Narrowband markets

On 27 August 2013 and with immediate effect, ICP-ANACOM approved the interim and urgent measures contained in the document "wholesale market for call termination on the public telephone network at a fixed location - Definition of product and geographic markets, assessment of significant market power (SMP) and imposition, maintenance, amendment or withdrawal of regulatory obligations". It was determined that these measures, which included the establishment of new termination rates to apply from 1 October 2013, should remain in force until such time as the new procedure of market definition and analysis is concluded and regulatory obligations imposed with respect to the wholesale market for call termination on the public telephone network at a fixed location, including respective notification to the EC pursuant to article 57 of the LCE - Lei das Comunicações Eletrónicas (Electronic Communications Law)[5] and final decision of ICP ANACOM.

[5] Law no. 5/2004 of 10 February, as amended and republished by Law no. 51/2011 of 13 September, and as subsequently amended by Law no. 10/2013 of 28 January, by Law no. 42/2013 of 3 July and Decree-Law no. 35/2014 of 7 March.

Later, since it was found that, in some cases, implementation of the price control obligation imposed within the interim and urgent action was compromising the objectives underlying its determination, on 27 November 2013, ICP ANACOM approved the adoption of new, interim and urgent measures concerning the obligation of price control imposed on the wholesale market for call termination on the public telephone network at a fixed location.

Also with regard to narrowband markets, by determination of 19 December 2013, ICP-ANACOM approved a draft decision on markets 1 and 2 of Commission Recommendation 2007/879/EC of 17 December 2007, i.e.:

- Retail markets of access to the public telephone network at a fixed location and markets of telephone services provided at a fixed location - definition of relevant markets, assessment of significant market power (SMP) and imposition, maintenance, amendment or withdrawal of regulatory obligations.

- Wholesale market for call origination on the public telephone network provided at a fixed location - definition of product and geographic markets, assessment of SMP and imposition, maintenance, amendment or withdrawal of regulatory obligations.

These draft decisions were submitted to the prior hearing of interested parties and public consultation, with the adoption of respective final decisions due in 2014.

3.2.1. Wholesale markets for call termination on the public telephone network at a fixed location

As mentioned above, on 27 August 2013, ICP-ANACOM approved a decision on wholesale markets for call termination on the public telephone network at a fixed location[6]. In this context, all operators providing the service of voice call termination on individual public telephone networks provided at a fixed location were identified as having SMP, including operators with geographic and nomadic ('30' range) numbering resources.

Consequent to the existence of SMP, a number of obligations were imposed on the operators in question, including the obligation to respond to reasonable requests for access and obligations of non-discrimination, transparency, price control, accounting

[6] Market 3 of Commission Recommendation 2007/879/EC of 17 December 2007.

separation and cost accounting (the accounting separation and cost accounting obligations applicable to PTC only).

The measures approved, on an urgent and interim basis, were adopted by draft decision on 1 March 2013, which was submitted to a prior hearing of interested parties and public consultation, with preparation of a report on the consultation and prior hearing procedure as well as the corresponding draft decision.

Given the position taken by the EC, and in particular considering that the need to safeguard competition and protect user interests warrants urgent action, ICP-ANACOM approved the provisional and urgent measures mentioned above on 27 August 2013, taking immediate effect.

Among the measures adopted, note should be made of the price control obligation. In this respect, ICP-ANACOM set new maximum prices for call termination on public telephone networks provided at a fixed location, effective from 1 October 2013, based on a benchmark of 'pure' Long Run Incremental Costs (LRIC) reported by countries which, as on the date of ICP ANACOM's determination, had developed models in accordance with the EC Recommendation on terminations and notified the respective values to the EC. The maximum termination prices thereby took a reference value of 0.1114 eurocents per minute.

In this regard, ICP-ANACOM took the view that the consideration of termination pricing near marginal costs through the application of prices which are equivalent to those obtained with application of 'pure' LRIC cost models leads to greatest efficiency in the functioning of the market and brings most benefits in terms of competition and for end-users. This approach is in line with the EC Recommendation on terminations and the respective explanatory note.

ICP-ANACOM also determined that all existing asymmetries as regards call termination pricing on public telephone networks provided at a fixed location would be eliminated.

It should also be highlighted that, following the adoption of these measures, ICP-ANACOM found that the application of the obligation to control prices by some SMP operators in the wholesale markets for call termination at a fixed location was compromising the goals that were underlying its determination, specifically the need to eliminate pricing asymmetry among the various operators with SMP in the markets in

question. In this context, ICP ANACOM approved a set of new urgent and interim measures concerning the price control obligation.

Given the above, the maximum prices that were established and as are currently in force, in relation to PTC, are as follows:

Table 1 – Maximum termination prices to be practiced by PTC at different levels of interconnection

Local interconnection	Single transit interconnection	Double transit interconnection
0.1026	0.1411	0.1642

Source: ICP-ANACOM, values in eurocents per minute.

Specifically, the calculation of the maximum price charged for each level of interconnection (local, single transit and double transit) was set so that, given its weighting with the interconnection traffic at each of these levels, an average price results of 0.1114 eurocents per minute.

For remaining operators, in light of the fact that the respective network architectures may be very different from the architecture of PTC's network, and in light of the need to eliminate existing inequalities, ICP-ANACOM determined the possibility of making available a simplified tariff structure with a single price level which, in this case, may not exceed 0.1114 eurocents per minute; or, alternatively, ICP-ANACOM determined the possibility of making a tariff structure available with multiple levels of interconnection rates, with equivalence to the prices charged by PTC at the same levels of interconnection.

It was also determined that from July 2014, the price in force would be the price resulting from the 'pure' LRIC costing model under development at that time.

ICP-ANACOM considered that the reduction in termination rates will have positive effects in terms of production and allocation efficiency, providing improved competitive conditions, particularly for smaller operators, and estimated that the impact on end-consumers might be as much as 11 million euros (in national fixed-fixed and mobile-fixed calls) over the subsequent year.

Following ICP-ANACOM's determination of 27 November 2013, work continued on the new procedure of market definition and analysis, and on imposition of regulatory

obligations on the wholesale market for call termination on the public telephone network at a fixed location, with a view to the publication of a new draft decision, to be submitted to public consultation and the hearing of interested parties in early 2014, including in particular obligations applying to the different operators in terms of IP interconnection.

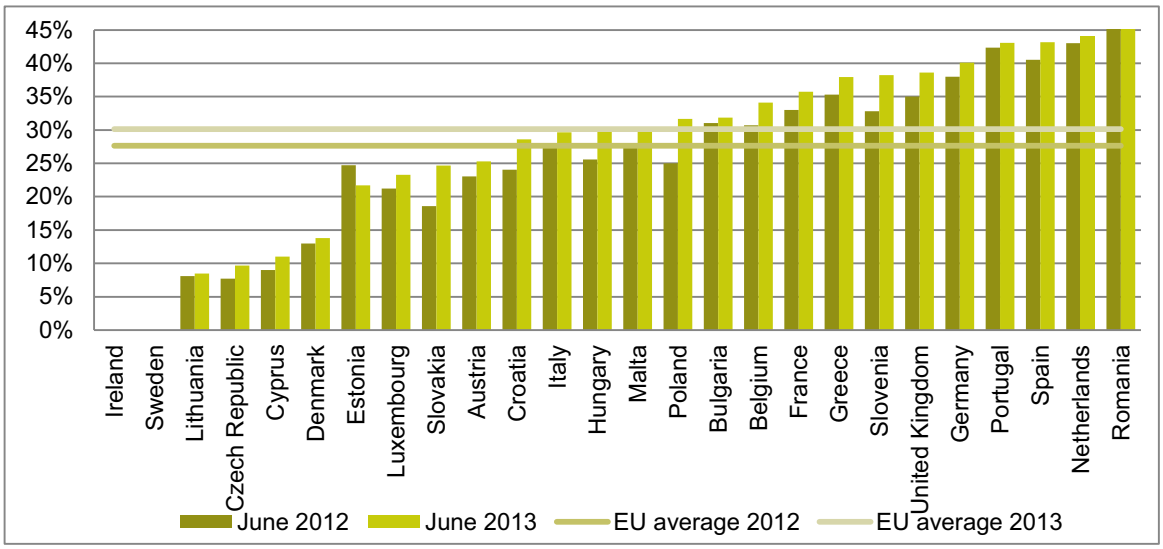
3.2.2. Retail markets for access to the public telephone network at a fixed location and markets for telephone services provided at a fixed location

Through 2013, ICP-ANACOM developed an analysis of retail narrowband markets, at the level of the access and of telephone services, putting the corresponding draft decision to public consultation and a hearing of interested parties on 19 December 2013.

It is noted that ex ante regulatory obligations can only be imposed on operators identified as having SMP, whereas undertakings cannot be identified as having SMP unless a market is considered relevant for the purposes of imposing ex ante obligations, to the extent that a market cumulatively fulfils the three criteria set out by the EC: the existence of barriers to entry, a structure that does not tend towards effective competition and that application of competition law alone would not adequately address any market failures.

In terms of the retail market for access to the public telephone network at a fixed location, the analysis carried out by ICP-ANACOM has indicted that there are no barriers to entry into the relevant markets under review. It was found that the companies that entered the market had launched tariffs that were relatively innovative and competitively priced, whereby they succeeded in increasing their customer base, resulting in frequent successful market entries. This was demonstrated by the increase in market share reported by alternative operators and the consequent sustained decline in Grupo PT's market share, which was reported at 57 percent at the end of 2013. In this regard, it should be noted that, in the second half of 2012, the share of direct access subscribers reported by alternative providers in Portugal (more than 40 percent), was the third highest in the EU - see the following graph.

Graph 3 – Share of direct access subscribers reported by alternative providers in the EU



Unit: %

Source: Digital Agenda 2013 and Digital Agenda Scoreboard 2014 (provisional data)

Note: Data not available for Latvia and Finland.

It was also considered, within the context of the draft decision, that maintaining pre-selection of calls and wholesale offers such as the SLRO made it possible for operators to enter and/or remain in the market on the back of relatively small investments, noting that the determination of conditions of access to fibre in the context of the wholesale markets for network infrastructure access at a fixed location could also instil conditions of increased competition as regards broadband accesses used in the provision of the telephone service.

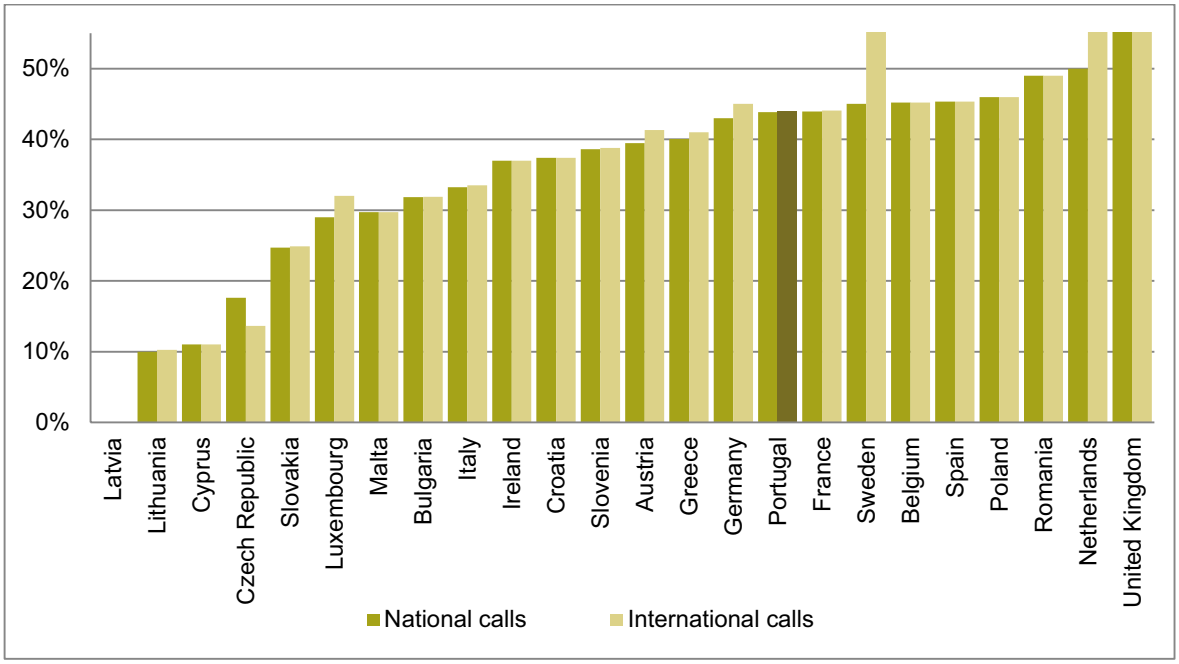
Also with respect to these markets, in the draft decision, ICP-ANACOM set out changes resulting from the process of designating the universal service provider(s), a process completed in 2013; since PTC ceased to be the provider of the universal service of connection to a public communications network at a fixed location and of publicly available telephone services, Optimus and ZON would become subject to the conditions laid down in the tender for the designation of the universal service provider, including the obligation to provide a universal service tariff which is uniform throughout the national territory. It was assumed that this will enable the maintenance of competitive pressure on Grupo PT, even without the imposition of specific obligations on the company, thereby continuing to protect vulnerable consumers and reducing the risks of maintaining any captive group of PTC customers.

It was noted in the same draft decision that competition law or ex post regulation would be sufficient to address any possible distortions to competition that might occur in the market for access to the public telephone network from a fixed location in an effective and timely manner, considering it unlikely that an operator would be able to act independently of its competitors and end-users. This view is based, in particular, on the existence of a level of competition which, supported both by regulated offerings imposed on wholesale markets and by the prevalence of competition in infrastructure, would reduce the practical effectiveness of restrictive behaviour.

Taking the analysis into account, the draft decision demonstrates that the market for access to the public telephone network at a fixed location does not fulfil the requisites that would make it susceptible to ex-ante regulation.

With respect to the retail markets for telephone services provided at a fixed location, and as in the access market, it was found that the operators present in the markets for telephone services at a fixed location were able to enter the market, accumulating a substantial share of the traffic volume, thereby reducing the market power enjoyed by Grupo PT over the years, and that frequent and successful market entries were occurring. The following graph illustrates the proportion of customers who used alternative operators to make national and international calls, highlighting that, to date, this proportion was higher in Portugal than in the majority of other EU countries.

Graph 4 – Percentage of customers who use alternative providers for fixed voice calls , June 2013



Unit: %

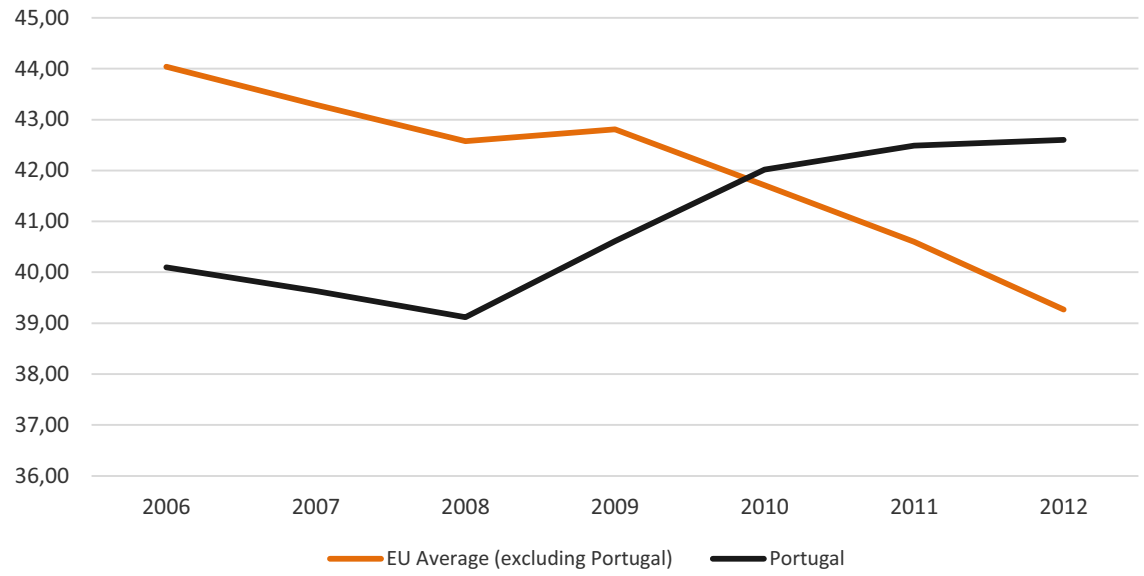
Source: EC Digital Agenda 2014 (provisional data)

Note: Data not available for Denmark, Estonia, Finland and Hungary.

It should also be noted that technological evolution, the evolution of the markets (with increasing investment in own networks) and the existence of wholesale measures imposed in terms of call-by-call selection, pre-selection and SLRO, as well as those associated with access obligations in market 4 (wholesale market for network infrastructure access at a fixed location), indicated that barriers to entry are not significant in the markets in question.

Note was also made of the fact that the penetration rate of the telephone service in Portugal is following an upward trajectory, countering the trajectory in the EU average. In Portugal's case, this is due, in the most part, to the growth in the number of broadband connections used for the provision of the telephone service, mostly used by alternative operators.

Graph 5 – FTS penetration in Portugal and EU28 average



As such, and in line with the access market, it was noted in the draft decision that competition law or ex-post regulation would be sufficient to address any possible distortions to competition that might occur in the markets for telephone services provided at a fixed location and telephone services for non-geographic numbers.

In light of the above, it was indicated in the draft decision that the markets for telephone services at a fixed location and for calls to non-geographic numbers are not subject to ex-ante regulation, whereby an assessment of SMP in these markets was not deemed warranted. This view, as set out in the draft decision, is in line with the 2007 Recommendation on relevant markets, which also did not list the retail markets for telephone services at a fixed location as relevant markets for the purposes of ex-ante regulation.

In conclusion, given the analysis set out in the draft decision, the markets for network access and for telephone services provided at a fixed location and services of calls to non-geographic numbers do not fulfil the three criteria necessary for the imposition of ex-ante regulation, whereby it was proposed that all obligations previously imposed on the companies of Grupo PT, as an undertaking designated with SMP in these markets, should be withdrawn.

In any case, it was established that Grupo PT would remain subject to the obligation to ensure the provisions of the universal service and to the associated conditions until such

time as the new providers initiate their respective provisions under the conditions specified in the tender to designate the universal service providers.

3.2.3. Wholesale market for call origination on the public telephone network provided at a fixed location

On 19 December 2013, and in conjunction with the draft decision on narrowband retail markets, ICP-ANACOM also approved a draft decision on the wholesale market for call origination on the public telephone network provided at a fixed location.

In the draft decision, it is considered that this is a national market comprising the origination of voice calls on the public telephone network from a fixed location to geographic and non-geographic numbers, and the call origination services in respect of the call-based Internet access service delivered at various network levels and irrespective of the transport technology and interconnection interface used.

In light of the analysis conducted, it was found that: there were constraints to effective competition between companies, given the market shares enjoyed by the companies of Grupo PT and the prices practised by these companies, the size of the market leader and the degree of concentration; the existence of barriers to expansion; and the absence of countervailing buyer power. Consequently, it was set out in the draft decision that the companies of Grupo PT operating in this market hold SMP (individual dominance).

In this context, note was made of how important the wholesale call origination service provided by the SMP operator was for certain operators in the retail market, as it allows them to provide a retail service throughout the national territory, which would not be feasible if only supported on their own network.

In fact, it was noted that a guaranteed presence in different parts of the Portuguese territory is especially important for operators who have clients, usually in the business segment, who are located at various sites and who will only remain as clients of these operators if they are able to access the telephone service provided at a fixed location through a single operator and bound by a single contract from any point in the territory.

Given that it is incumbent upon ICP-ANACOM to impose one or more regulatory obligations in markets where it is concluded that SMP exists, or to maintain or amend such obligations where obligations are already in place, ICP-ANACOM analysed the

current regulatory obligations to assess whether they should be maintained, amended or withdrawn, and evaluated the need to impose additional obligations from amongst those which may be imposed in this wholesale market. This analysis resulted in a proposal to impose the following obligations on Grupo PT:

- obligation to respond to reasonable requests for access;
- non-discrimination in the offer of access and interconnection and in the respective provision of information;
- transparency in the publication of information, including the maintenance of interconnection reference offers;
- price control (applicable to call origination services and billing and collection services, and also to pre-selection and SLRO), and cost accounting;
- separation of accounts.

It should be noted that, in respect of the access obligation, provision was made in the draft decision to impose the obligation of selection and pre-selection[7] and availability of an SLRO[8].

Maintenance of the obligation of selection and pre-selection, as now advanced in the context of the wholesale market for call origination, is considered important to ensure that operators which lack their own infrastructure or whose own infrastructure does not cover the entire national territory are able to maintain and/or gain more customers, by supporting the provision of retail services on the ubiquitous network of the SMP operator.

Although the draft decision recognizes the need to maintain the obligation of call selection and pre-selection, given the fact that these services have lost significant weight with the

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[7]Selection and pre-selection consists of a company (the company that provides direct access) providing its subscribers with the ability to access the telephone services provided at a fixed location supplied by another company (a company that provides indirect access) with which it is interconnected, by routing calls from the terminal point where the call originates to the point of interconnection of the selected indirect access operator to which the customer is not directly connected.

It is recalled that the availability of pre-selection and selection was imposed in the retail markets for access to the telephone network at a fixed location in 2004 under the provisions of article 84 of the LCE, as this article was then worded. As a result of the conclusions that ICP-ANACOM sets out in the draft decision with regard to these markets, in which is proposed that all previously imposed obligation be withdrawn, the draft decision on the wholesale origination market considered the imposition of specific obligations on PTC in relation to call-by-call selection and pre-selection.

[8] The SLRO is a wholesale offer of the right, at a given price, of telephone line billing by PTC, allowing other legally eligible companies to establish their own retail offerings while incorporating the re-rental of the line with telephone traffic services.

introduction of competition in telephone services at a fixed location, it was proposed that the obligation imposed on Grupo PT which prohibited the company from taking steps aimed at recovering customers (win-back) for a four-month period should be withdrawn.

In the draft decision, ICP-ANACOM proposed the obligation to present the SLRO, the availability of which has some advantages in the integration of access and services which are relevant to beneficiary companies; this enables beneficiary companies to offer bundles of services which make their commercial offer more attractive and gives it added value, corresponding to the tendency of the market to favour bundles that integrate access and communications components.

It was also proposed in the draft decision that the prices of pre-selection activation should continue to be set based on the principle of cost orientation of prices and that the prices of the SLRO monthly charge should continue to adhere to the retail minus principle.

3.3. Markets for voice call termination on individual mobile networks

By ICP-ANACOM decision of 30 April 2012, a glide-path was defined for the maximum prices of voice call termination on individual mobile networks of the three operators designated with SMP in the respective wholesale termination markets. The final price of this glide-path was applied from 31 December 2012, remained in force throughout 2013, and was calculated based on a pure BU-LRIC type model.

It is recalled that one of ICP-ANACOM's main motivations in reducing maximum termination rates is to create conditions conducive to a reduction in the differentiation of retail prices between calls terminated on the same network and inter-network calls. In this respect, it is noteworthy that during 2013, the market saw a focus on tariffs that do not differentiate prices between calls terminated on the same network and calls terminated on other national networks, both in terms of stand-alone tariffs and in terms of offers included in quadruple-play bundles of services. Another important motivation in reducing maximum termination rates is to contribute to the effective reduction of barriers to entry and mobility in the mobile market. The movements seen, in 2013, in the market shares reported by mobile virtual network operators which had been set up in the previous year, indicates a degree of mobility in the market, even while the commercial activity of these operators is focused on a relatively specific segment, in particular international communications.

4. Regulated offers

4.1. Reference interconnection offer (RIO)

In 2013, the RIO was amended to reflect the new maximum termination rates set by ICP-ANACOM.

The work of defining a simplified costing model for the billing, collection and non-collection risk services, number portability activation service and pre-selection activation service, which was under development, was concluded at the end of 2013 by the consultant contracted for the purpose.

4.1.1. Call origination and termination prices

As noted in Section 3.2.1, following determination of 27 August 2013, whereby ICP-ANACOM examined the wholesale market for call termination on public telephone networks provided at a fixed location[9], the RIO prices applicable to call termination services on the fixed network were amended.

The new maximum prices were established by benchmark, with reference to the average of 'pure' LRIC prices notified to the EC by the EU's sector regulators, in accordance with the EC Recommendation on terminations.

These amendments resulted in a reduction of around 80 per cent in prices charged by PTC for fixed termination, which was also accompanied by a significant reduction in the termination prices of alternative operators which became subject to the same reference average price.

Table 2 – PTC termination rates

	Prices in effect until 30 September 2013			Prices in effect from 01 October 2013
	Call activation	Price per minute		Price per minute
		Peak Hours	Off-peak hours	

[9] Having established an obligation to control prices, effective from 1 October 2013, later specified with determination of 27 November 2013.

Local	0.48	0.38	0.19	0.1026
Simple Transit	0.48	0.51	0.26	0.1411
Double Transit	0.48	0.62	0.33	0.1642

Source: PTC's RIO; prices in eurocents excluding VAT.

The following table compares call termination prices, as on 1 January 2014, in countries that have already notified the 'pure' LRIC termination price to the EC in accordance with the provisions of the Recommendation on terminations, where the EC has not initiated formal investigations (Phase II), and where the prices in question, on the date specified, are already 'pure' LRIC prices. In this regard it should also be noted that the remaining EU countries not included in the table do not yet have established prices in force based on the 'pure' LRIC costing methodology, whereby, generally, higher termination rates are applied than those reported here.

Table 3 – *'Pure' LRIC Benchmark on 1 January 2014*

Country	Price Per Minute in Eurocents
United Kingdom	0.0412
Malta	0.0443
Denmark (1)	0.0733
Sweden (2)	0.0779
France	0.0800
Ireland	0.0980
Italy (3)	0.1040
Austria (1)	0.1110
Portugal	0.1114
Slovakia	0.1234
Hungary	0.1347
Bulgaria	0.2556

Assumptions:

Exchange rates as on 31 December 2013 (UK 0.862; Denmark 7.4593, Sweden 8.7937, Hungary 297.04 and Bulgaria 1.9558).

(1) Denmark and Austria: 50 percent traffic in peak hours and 50 percent off-peak; DMC = 3 minutes.

(2) Sweden: distribution profile between ST and DT reported by Swedish regulator.

(3) Italy: the 'pure' LRIC price is applicable from July 2013, which takes into account the migration process from TDM to IP (assumes 66 percent of the traffic is routed over IP).

Source: EC, notifications and ICP-ANACOM calculations.

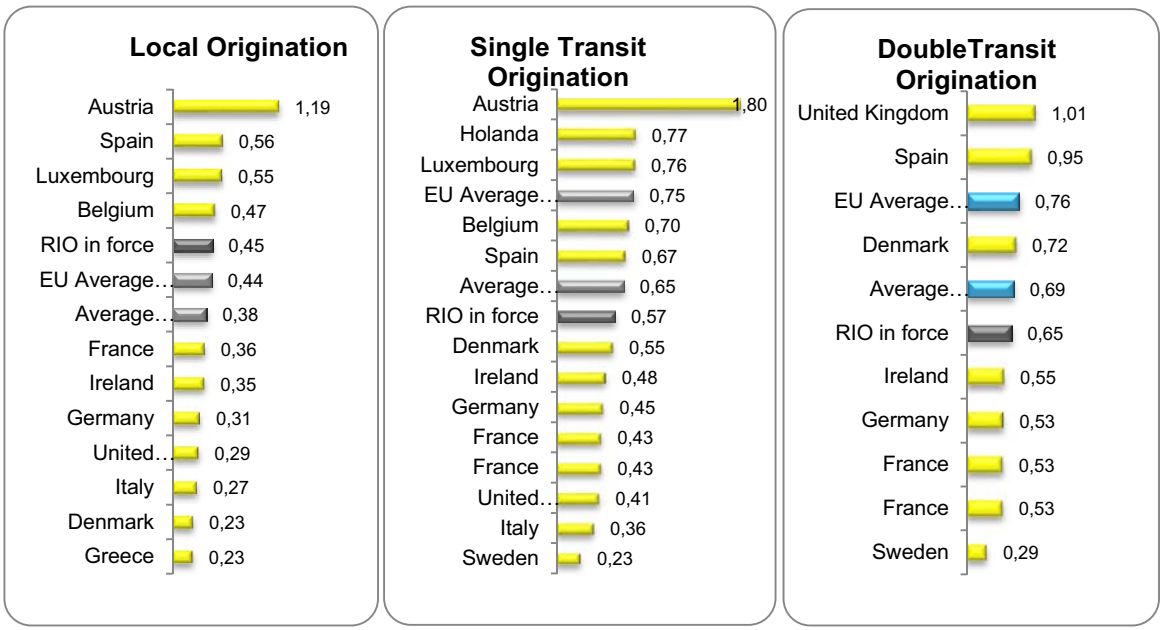
With regard to the RIO prices applicable to call origination services on the fixed network, in 2013, the option was taken to make no amendment, given that any amendment would depend on the approval of the analysis of the wholesale market for call origination at a fixed location, as referred to in Section 3.2.3 above, in particular with regard to the obligation of price control.

Nevertheless, it was found that average origination prices in 2013, following changes to the traffic profile, were below the values calculated for 2012 at all levels. The following

graphs compare the prices applicable to the incumbent operator as on 31 December, at various levels for origination, were it is seen that, at the level where most of the traffic is routed (local level), the price lies slightly above the EU15 average (without Portugal). For single transit and double transit origination, prices are below the EU average, when considering the set of EU15 Member States.

It could be concluded that, overall, the maximum prices in 2013 for the origination service were close to the EU15 average.

Graph 6 – European comparisons - fixed interconnection prices (call origination)[10]



Source: ICP-ANACOM calculation based on information from Cullen International. Amounts in eurocents and excluding VAT. Price per minute for a three-minute call.

4.1.2. Prices of the pre-selection activation service, number portability activation and billing, collection and non-collection risk service

In 2013, the maximum prices of the pre-selection activation service, number portability activation and billing, collection and non-collection risk services were maintained, following completion of the consultation with a view to the development of a simplified model for the pricing of each of these services.

[10] Except in situations where the regulator itself sets a price per minute, the values presented above for each country were obtained by applying the profile of interconnection traffic reported in 2013 to the interconnection tariff in force in each of the Member States (average price per minute for a three-minute call).

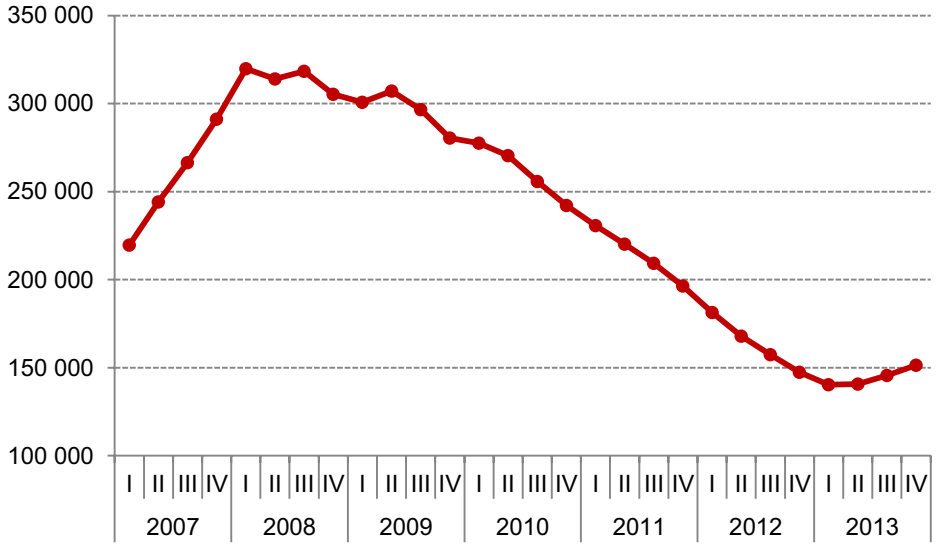
Given the completion of this project, and following a final decision on the wholesale market for call origination at a fixed location, in 2014, the developed models may be taken into account when setting maximum prices for the services in question, subsequent to the public consultation procedure.

4.2. Reference Unbundling Offer (RUO)

In 2013, there was an increase in demand for LLU accesses, despite the fact that the main users of this offer were simultaneously investing in NGA, i.e. their own infrastructure, to cover the main areas covered by the exchanges where they are co-installed for the purposes of LLU.

The falling trend in the number of LLU accesses seen since the second quarter of 2008 reversed in the second quarter of 2013. The number of loops grew in net terms, increasing 2.7 percent from the end of 2012 (and 8 per cent over the minimum in the first quarter of 2013), with the upward trend seen in second quarter of 2013 strengthening in the last two quarters.

Graph 7 – Number of unbundled loops

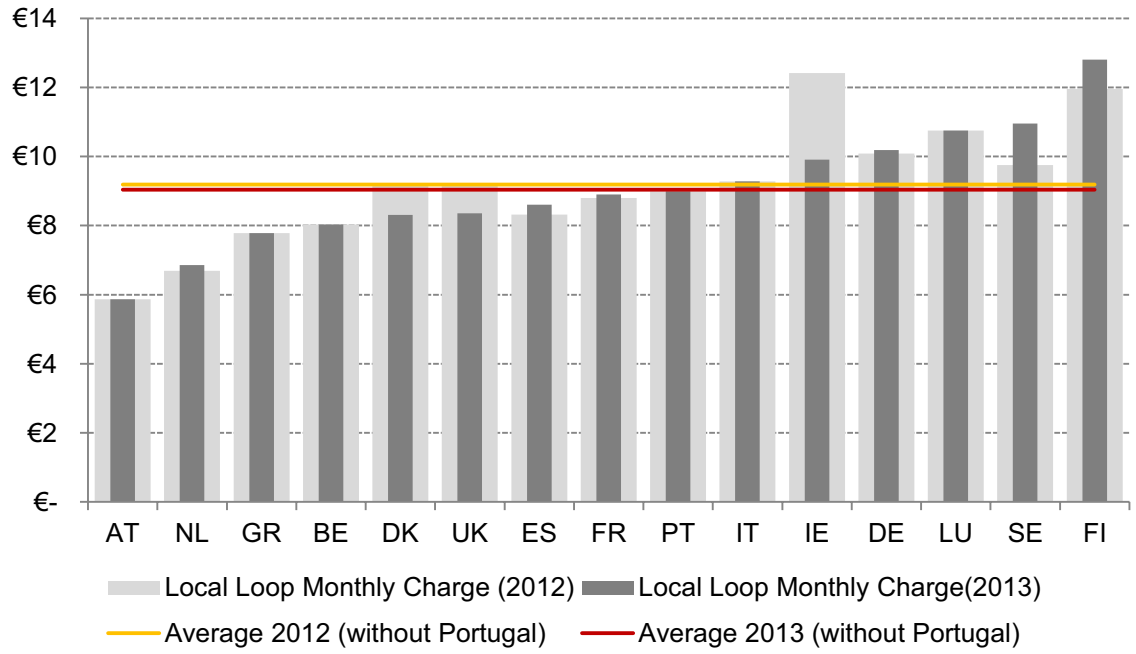


Source: ICP ANACOM based on data from PTC.

In 2013, ICP ANACOM continued to monitor the conditions applied in Portugal, including:

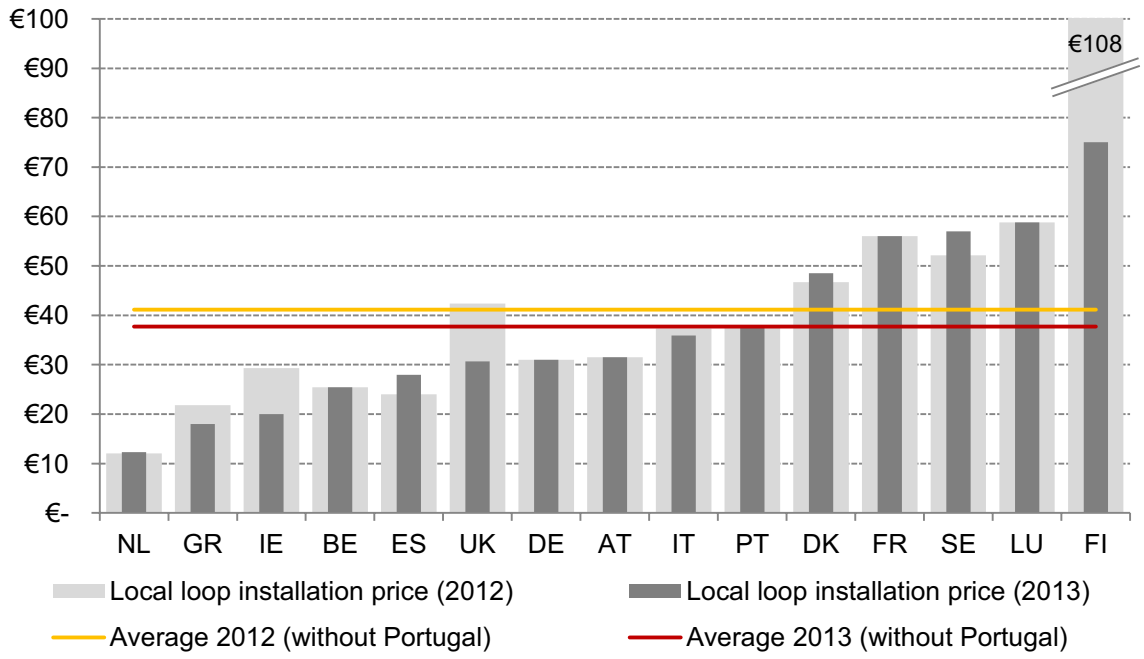
- The installation and monthly charges of the local loop, which compare favourably with the prices charged in other European countries - graphs 8 and 9.

Graph 8 – Monthly charge for local loop unbundling (full access) - EU15 comparison



Source: ICP-ANACOM based on data from Cullen International (October 2013).

Graph 9 – Prices for installation of local loop (full access) - EU15 comparison

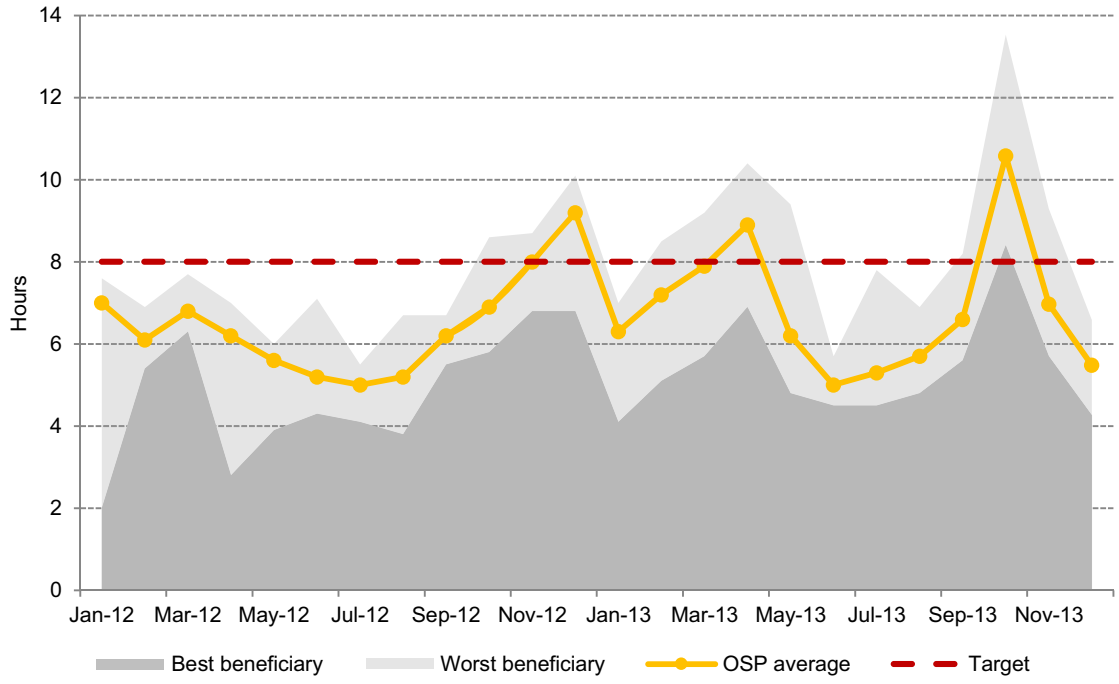


Source: ICP-ANACOM based on data from Cullen International (October 2013).

● Quality of service, noting that, in general, PTC has been in compliance with fault repair deadlines - Graphs 10 and 11. The time taken for installation is not verifiable since, according to PTC, it is common for operators to agree an installation date

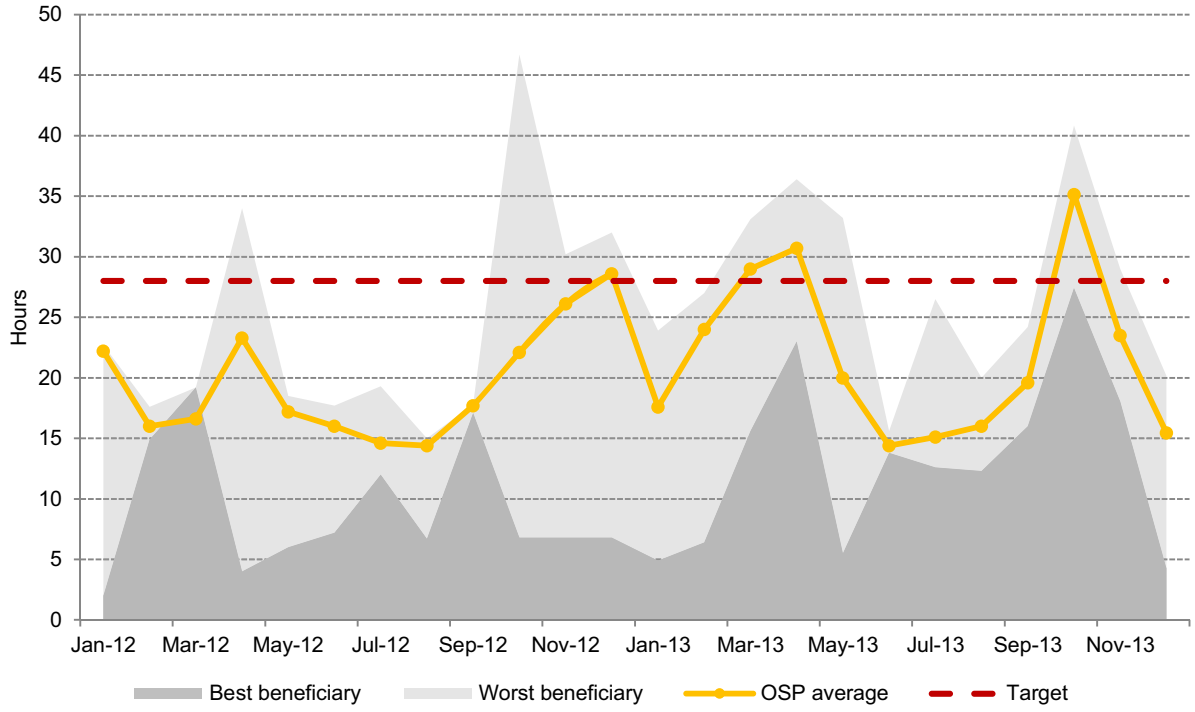
beyond the applicable deadline. But these times do not deviate significantly from the objective (seven working days) - Graph 12.

Graph 10 – Service of access to the local loop - average time taken to repair faults (8 hours - 100 percent)



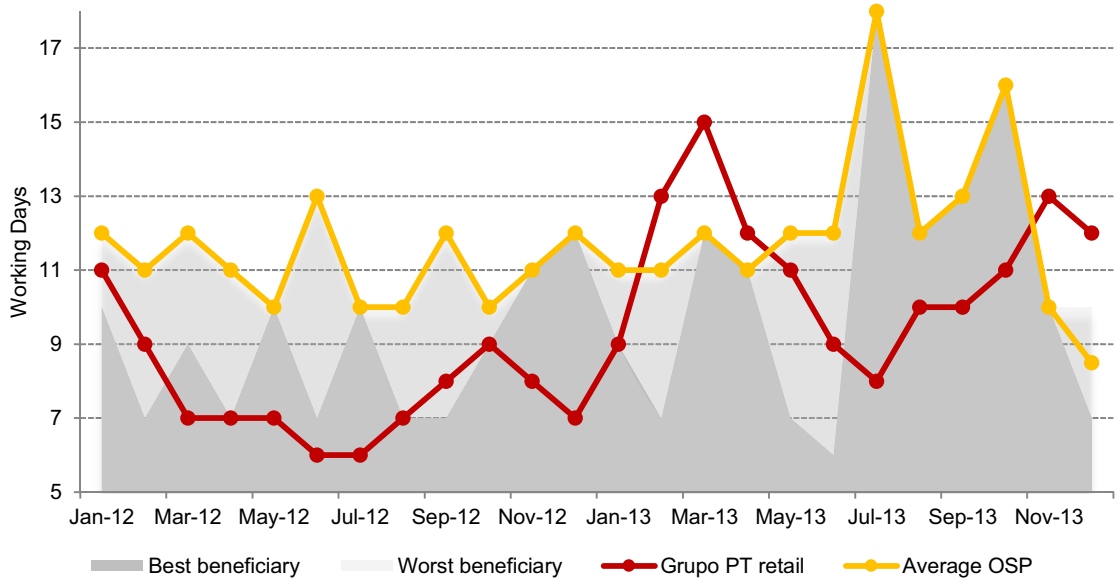
Source: ICP-ANACOM based on quarterly data from PTC on regulated wholesale offer performance indicators.

Graph 11 – Service of access to the local loop - average time taken to repair faults (28 hours – 95 percent)



Source: ICP-ANACOM based on quarterly data from PTC on regulated wholesale offer performance indicators.

Graph 12 – Time taken to supply loop without portability - maximum



Source: ICP-ANACOM based on quarterly data from PTC on regulated wholesale offer performance indicators.

4.3. Rede ADSL PT Offer

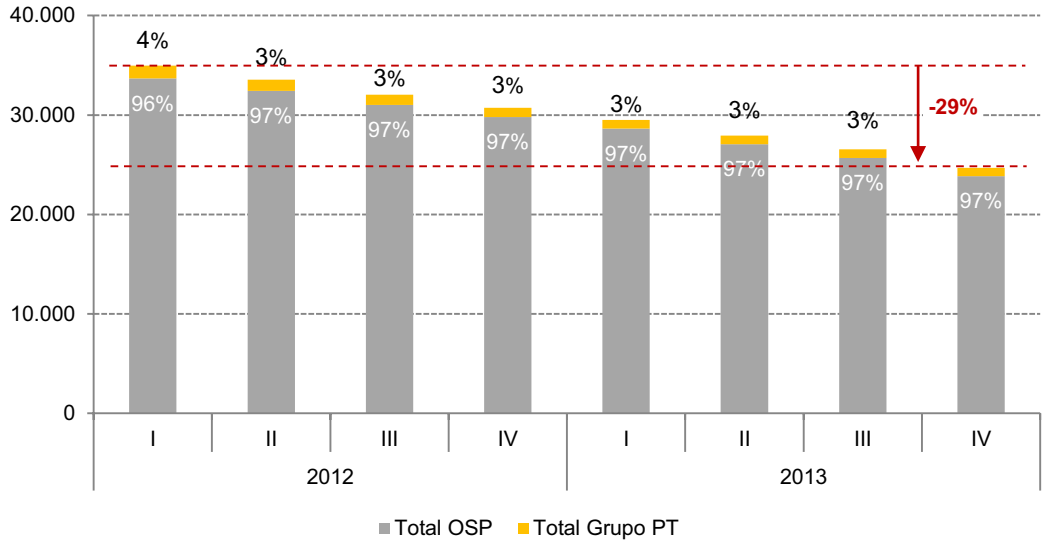
The number of alternative operator accesses supported using the Rede ADSL PT wholesale offer has been declining since the end of 2007. This offer, which, in part, has not been regulated since the beginning of 2010[11], is essentially used by some of the OSPs in the enterprise market, allowing provision of integrated offers to clients who have premises in different parts of Portugal.

At the end of 2013 there were about 24 thousand alternative operator accesses supported using the Rede ADSL PT offer, representing an annual reduction of around 20 percent. From the first quarter of 2012 until the end of 2013, the total number of accesses using this offer declined by about 29 percent, as can be seen in Graph 13.

This reduction in the number of access is, as the downward trend seen in the RUO in previous years, explained at least in part by increased investment by alternative operators in their own networks; this is in line with what is sometimes called the investment ladder theory, which holds that operators commence their activity based on offers where investment is lower - such as the Rede ADSL PT Network - and evolve by investing increasing amounts in the network, thereby getting closer to the end-user with their own infrastructure.

[11] The Rede ADSL PT offer is available on a commercial basis in designated competitive areas in the wholesale broadband access market, and is regulated on an ex-ante basis in other areas of the national territory.

Graph 13 – Evolution of OSP accesses supported by the Rede ADSL PT offer

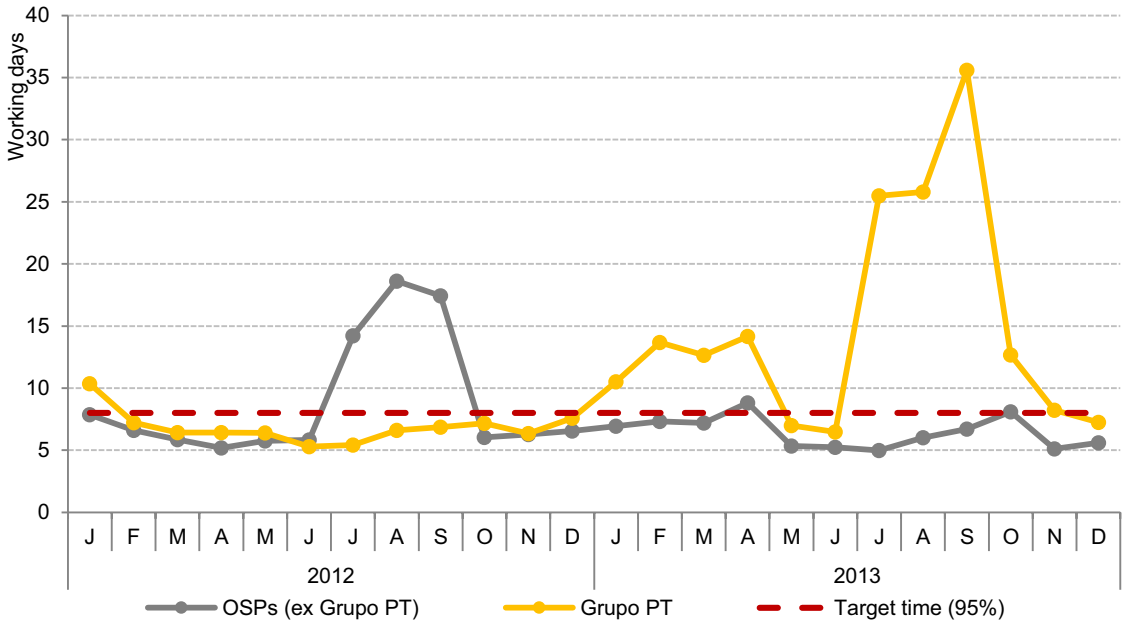


Source: ICP-ANACOM based on PTC data.

As in the case of the RUO, ICP-ANACOM also monitors offer conditions prevailing in the Rede ADSL PT offer, with particular focus on quality of service. Two graphs are given below on fault repair times, whereby it is concluded that in 2013, PTC generally fulfilled, for all OSPs, the objectives set for fault repair times (average time of eight working hours in 100 per cent of cases - Graph 14 - with a maximum of 28 hours for 95 percent of cases - Graph 15) with the exception of two months (April and October) and with an improvement reported compared to 2012.

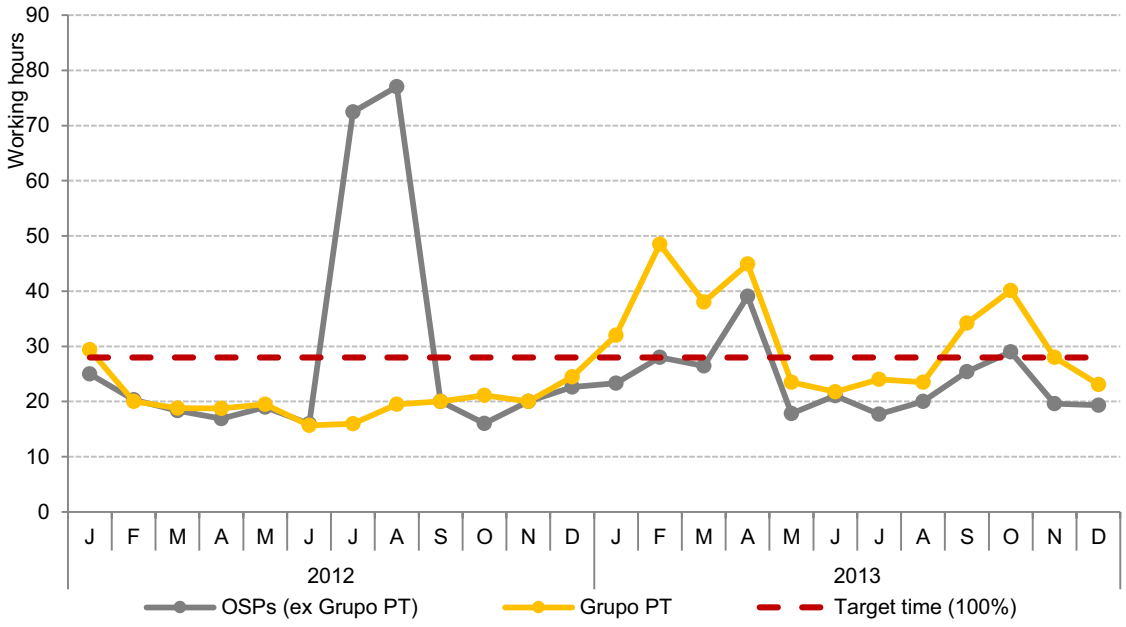
According to data provided by the company, PTC's performance was better for wholesale customers than for its own retail customers, as shown in the same graphs.

Graph 14 – Evolution of the average working time taken to restore service in PTC's Rede ADSL PT offer and in the ADSL service



Source: ICP-ANACOM based on PTC data.

Graph 15 – Evolution reported in the maximum working time taken to restore service in PTC's Rede ADSL PT offer and in the ADSL service



Source: ICP-ANACOM based on PTC data.

4.4. Leased lines Reference Offer (LLRO) and Reference Ethernet leased lines offer (RELLO)

The leased lines reference offers (LLRO and RELLO) are used by alternative operators to complement their networks or to interconnect with the network of other operators, particularly PTC's network.

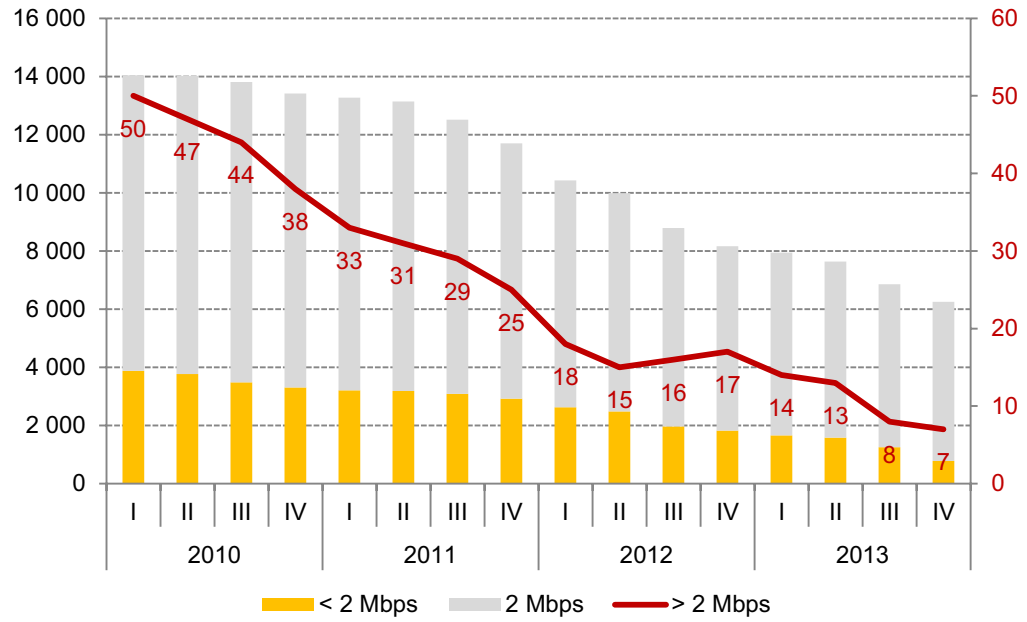
As OSPs invest in their own networks, the need to resort to PTC's leased lines decreases, at least in certain areas or on certain routes.

Consequently, in the analysis of the leased lines market performed in 2010, ICP ANACOM concluded that there were certain competitive routes where PTC ceased to be subject to obligations on an ex-ante basis. Nevertheless, PTC remains subject to regulatory obligations with respect to all terminal segments of leased lines and with respect to trunk segments on non-competitive routes; these obligations stem from the LLRO and RELLO wholesalers offers.

Nevertheless, in ICP ANACOM's review of the LLRO and RELLO in 2012, it was found that alternative operators were leasing fewer and fewer lines from PTC, particularly as a result of reduced demand for traditional circuits, given that demand for Ethernet circuits has continued to increase, as seen in 2012.

Graph 16 shows the evolution of lines leased under the LLRO, with a sustained decline seen, irrespective of line capacity.

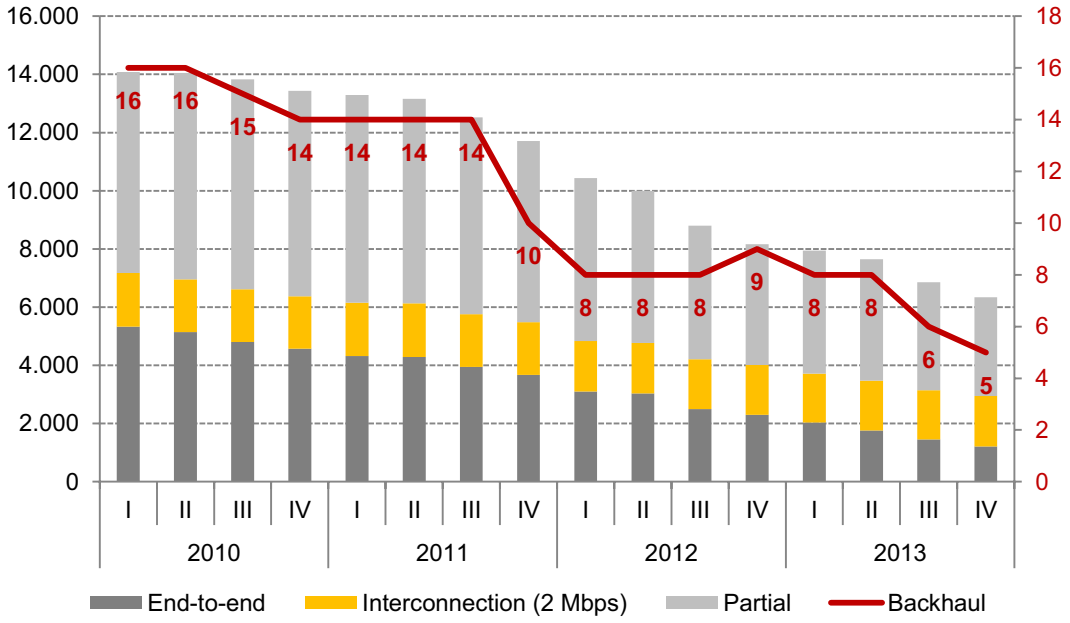
Graph 16 – Leased lines (under LLRO), reported by class of capacity



Source: ICP-ANACOM based on PTC data.

Graph 17, shows the evolution of lines leased under the LLRO by type of line, with a decline seen in the various types of line, except in the case of interconnection circuits.

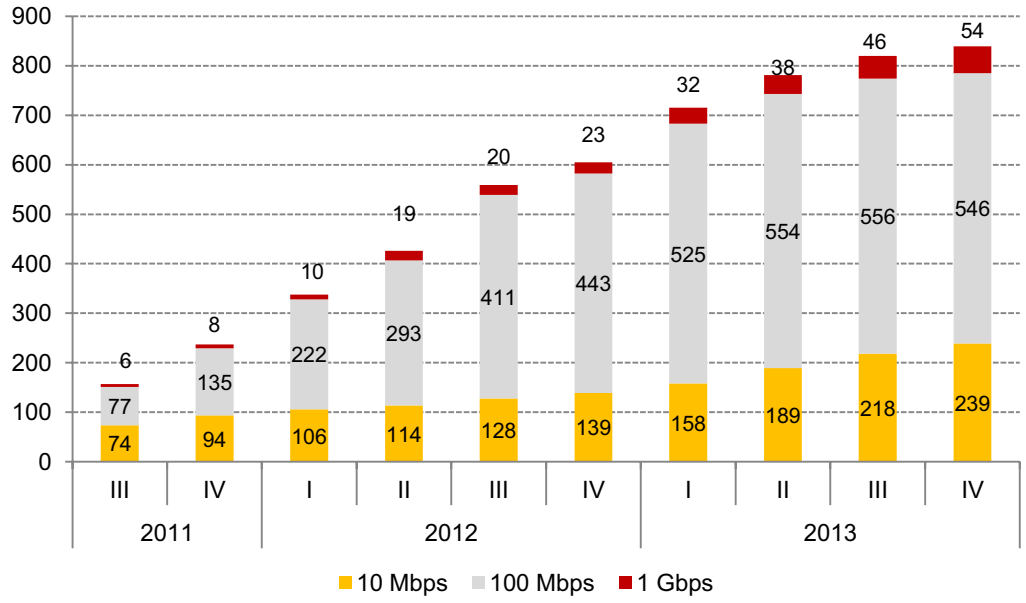
Graph 17 – LLRO leased lines by type of circuit



Source: ICP-ANACOM based on PTC data.

In the RELLO - Graph 18 -, and as observed in 2012, there is a clear growth trend in all contracted capacities, and especially for 10 Mbps and 1 Gbps circuits.

Graph 18 – Leased lines under RELLO, by capacity class



Source: ICP-ANACOM based on PTC data.

In 2013, subsequent to ICP-ANACOM's analysis, PTC took the initiative to reduce the prices of CAM circuits (Continent - Azores - Madeira) under the RELLO, in the case of 100 Mbps circuits by up to 45 percent (CAM circuits prices under the LLRO were reduced in 2012 by ICP-ANACOM determination).

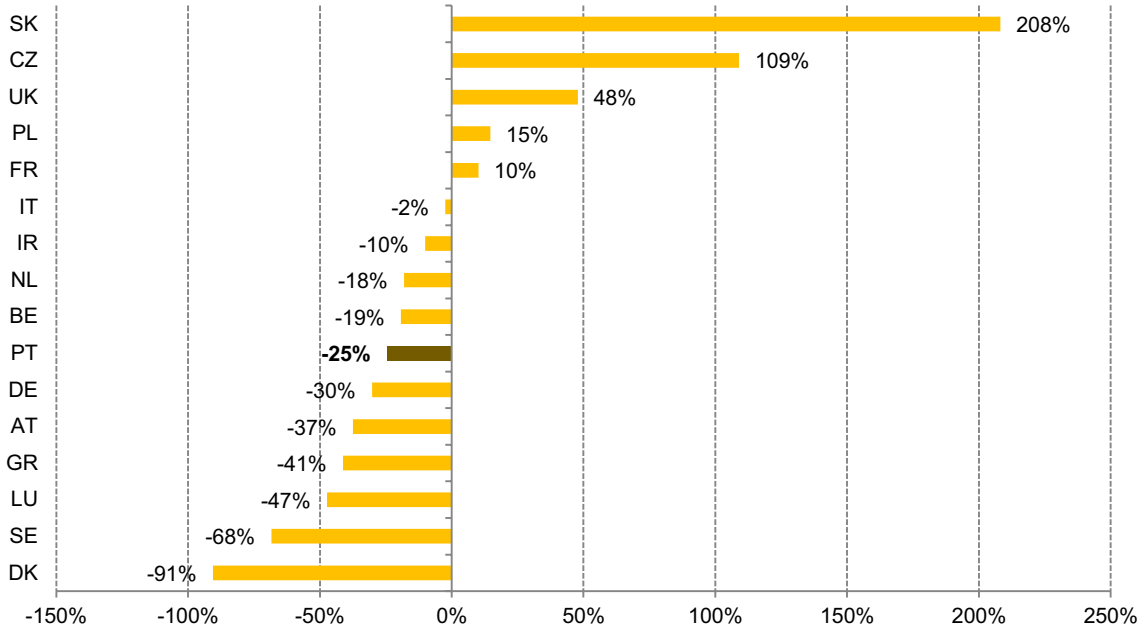
The comparison of retail leased lines, prepared by Teligen based on data from November 2013[12], shows that, in the case of lower speed circuits (2 Mbps), prices in Portugal remain below the average of the prices of the European countries analyzed, which is not the case with the prices of higher-speed circuits (34 Mbps).

[12] To perform the comparison of leased lines and calculate the average price of a circuit of given capacity, Teligen takes into account the prices charged by the incumbent operator in each country and weights them according to the basket of distances used by the OECD (2010) which involves six distance segments:

Distances	2 km	20 km	50 km	100 km	200 km	500 km
2 Mbps	50%	18%	6%	8%	8%	8%
34 Mbps	42%	18%	15%	9%	8%	8%

The following graphs show these comparisons - the retail prices for the types of circuits referenced, measured in terms of deviation from the average for the countries considered[13].

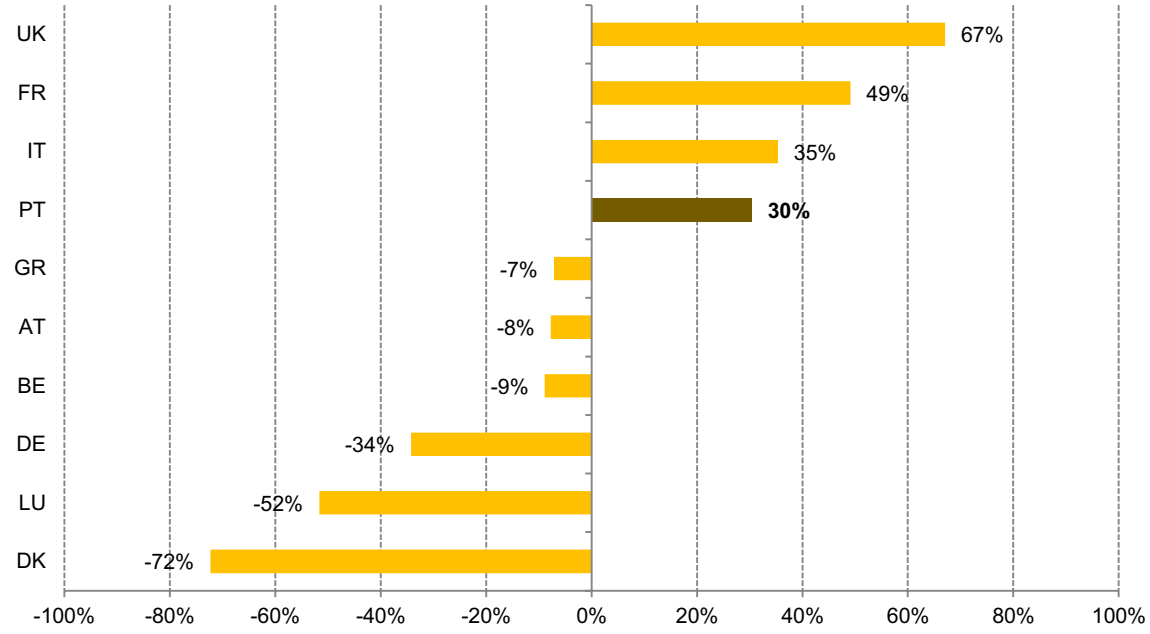
Graph 19 – Dispersion of annual price of 2 Mbps digital circuits in Europe (November 2013) - deviation from average



Source: ICP-ANACOM based on data from the OECD Leased Line Price Benchmarking prepared by Teligen, Strategy Analytics Ltd., UK.

[13] The average is calculated excluding prices for Portugal.

Graph 20 – Dispersion of annual price of 34 Mbps digital circuits in Europe (November 2013) - deviation from average

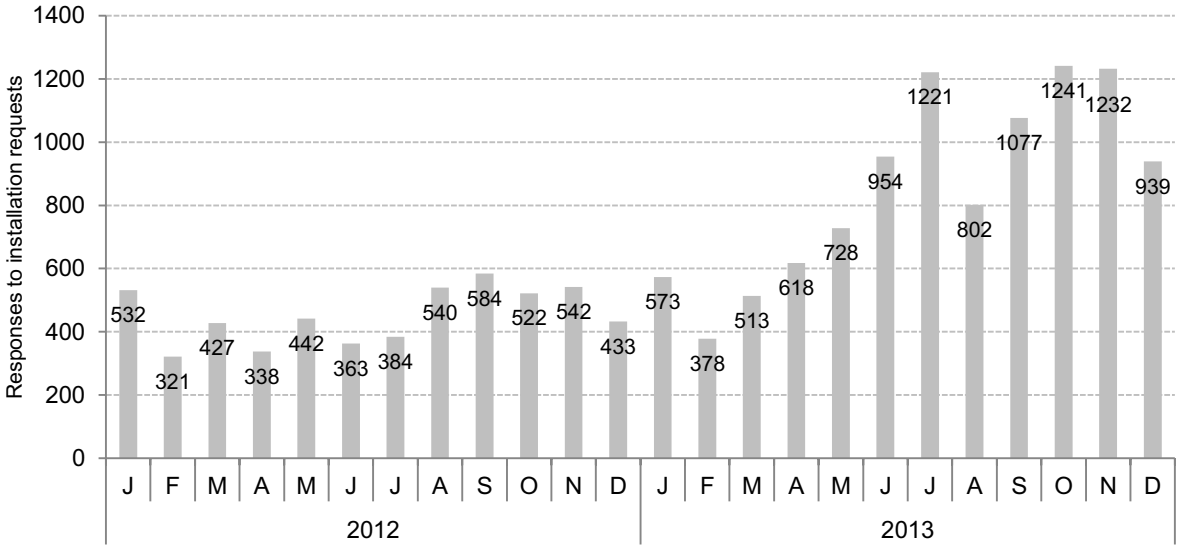


Source: ICP-ANACOM based on data from the OECD Leased Line Price Benchmarking prepared by Teligen, Strategy Analytics Ltd., UK.

4.5. Reference Duct Access Offer (RDAO)

In 2013, there was renewed interest in access to the ducts of PTC, mainly due to investments by other operators in optical fibre networks. As seen in graph 21, in 2013, the number of responses to requests to install cables in PTC ducts was higher in nearly every month than the peak in monthly requests reported in 2012. By August, the number of responses to installation requests in 2013 already exceeded the total number of responses reported during the whole of 2012, while total requests in 2013 were almost double the number of requests reported in 2012.

Graph 21 – Number of responses to requests to install cables in PTC ducts



Source: ICP-ANACOM based on PTC data.

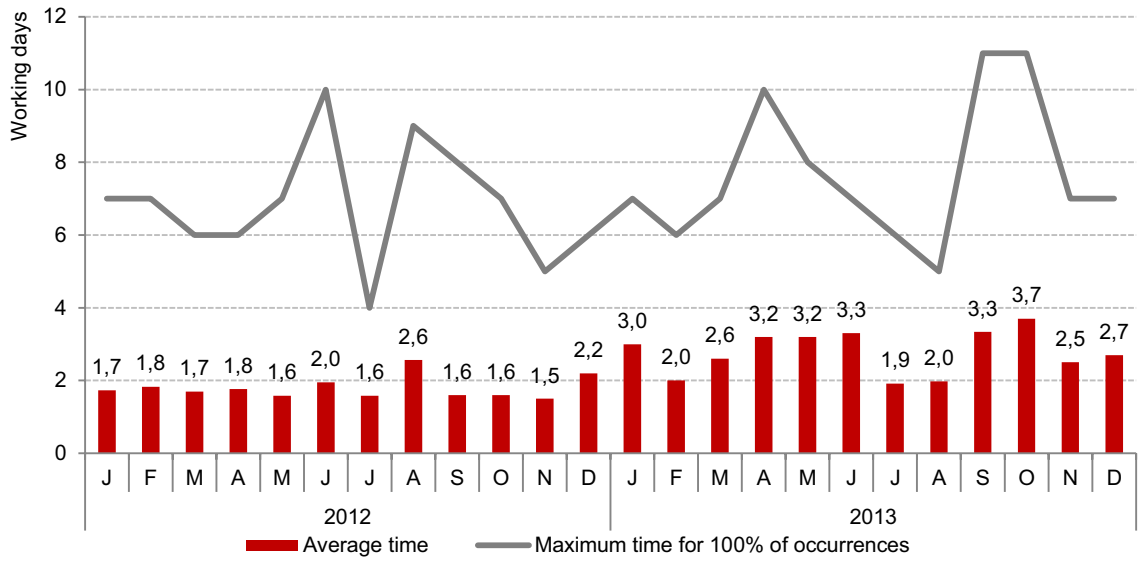
Use of the RDAO has been intensive despite the significant coverage of national territory by alternative infrastructure to the incumbent's, including networks and cable distribution networks supported over optical fibre; this suggests that alternative operators are continuing to expand their networks.

In terms of timings, the most relevant is the time taken to respond to installation requests. It appears that the objective (a maximum of five working for all cases) was not accomplished by PTC; however, this does not mean that there is widespread non-compliance with this deadline. Indeed, since these quality of service indicators apply to 100 percent of cases, the values refer to the worst occurring case[14].

Therefore, it is important to note that the average response time for 100 percent of cases remained close to 2 working days throughout 2013, substantially less than the objective stipulated in the offer. In this regard, compensation payments are defined in the event that PTC fails to accomplish objectives established in the RDAO.

[14] That is, in an extreme scenario, there may be only one situation in which the response time exceeded 5 working days while, as shown in Graph 21, there were several thousand responses to requests for installation in 2013.

Graph 22 – Time-limits for responding to requests to install cables in PTC ducts



Source: ICP-ANACOM based on PTC data.

During 2013, a focus was maintained on the verification and confirmation that the information in the RDAO Extranet (referring to the existence of inspection chambers, duct routes, access extensions and duct occupation levels) remained up-to-date and current with the situation on the ground. A series of enforcement actions were performed to analyse this matter, identifying a need to improve the accuracy of the information provided on the Extranet.

4.6. Reference Poles Access Offer (RPAO)

In line with the RDAO, the RPAO allows operators to install their cables using PTC's infrastructure. In the first offer, this installation takes place in ducts while in the second case, installation uses poles.

This wholesale offer has been defined to enable integrated use with the RDAO, ensuring continuity of beneficiaries' own infrastructure, especially in the transition between aerial and underground infrastructure.

This offer is mainly used in less populated rural areas, making it possible for alternative operators to expand their networks with a consequent positive impact on the development of the information society and in the fight against info-exclusion in these areas.

On 19 September 2013, ICP-ANACOM approved a decision on billing and collection of penalties applied to the beneficiaries of PTC's RPAO. This decision followed a request for intervention put by ZON and Cabovisão given their disagreement with the application of penalties by PTC and with the terms on which they were charged and the values made payable.

ICP-ANACOM decided that PTC should amend the RPAO, taking effect as from the date of publication of the first version, setting a limit of 325 euros for the penalty applied when beneficiaries fail to comply with the deadline for submission of records, requiring rectification and reimbursement of the RPAO beneficiaries in the first invoice issued subsequent to the determination.

ICP-ANACOM also had the RPAO amended in order to bring the deadline applicable to the submission of compensation claims by PTC to beneficiaries into line with the deadline applicable to the submission of compensation claims by beneficiaries to PTC.

4.7. Subscriber line resale offer (SLRO)

The SLRO is a wholesale offer which allows other companies to bill PTC's telephone line, at a given price, so that they might establish their own retail offering to incorporate the re-rental of the line with telephone traffic services.

This offer is of interest to the general market, since it creates a potential means by which undertakings can gain entry and retain a position in the market for the provision of voice services at a fixed location, without entailing significant investment. Nevertheless, this offer has lost relevance.

In fact, since the second half of 2007, a marked reduction has been reported in the number of analogue accesses with active SLRO, whose number peaked in June 2007 with 173,510 accesses.

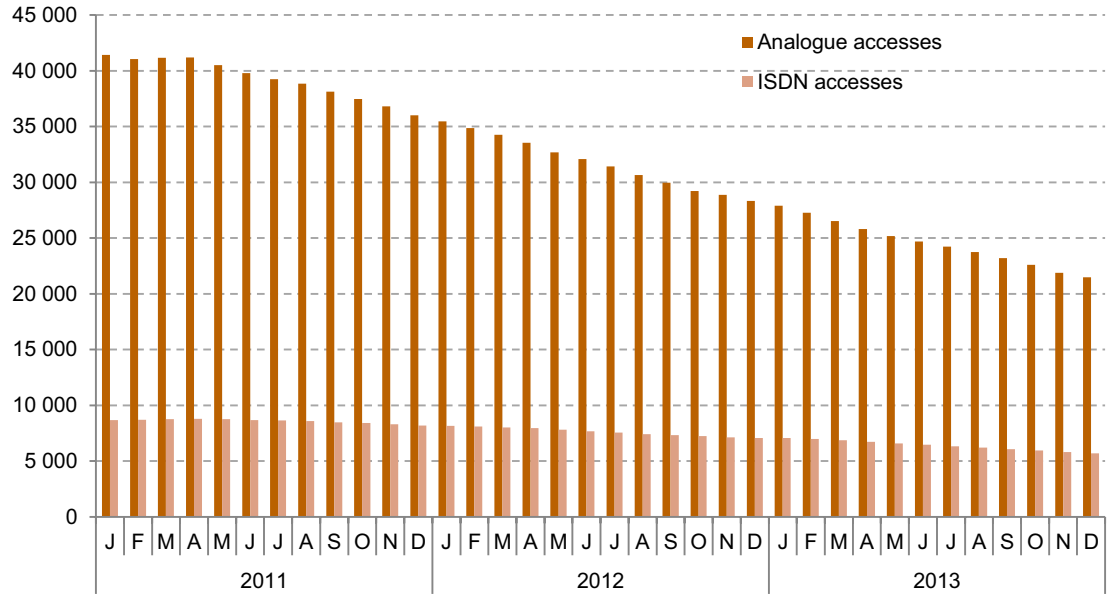
Since then, significant annual reductions have been reported in the number of analogue accesses with active SLRO; this is explained by the reduction in FTS provision in the form of indirect access and, more recently, by a reduction in the number of companies with this offering (currently four companies following incorporation of PT Prime into Grupo PT in 2012.

As such, at the end of 2013 there were 21,486 analogue accesses with active SLRO, which constitutes a reduction of about 24 percent from 2012 to 2013; this is similar to the reduction seen between 2012 and 2011 (21 percent).

Meanwhile, the number of Integrated Services Digital Network (ISDN) accesses fell by around 20 percent over the year, with only 5,675 ISDN accesses (basic and basic ISDN plus) with active SLRO.

The following graph shows the evolution in the number of accesses with active SLRO.

Graph 23 – Information presented by PTC on analogue and ISDN (basic and plus) accesses with active SLRO, excluding activations of Grupo PT companies



Source: PTC.

5. Costing systems

5.1. SCA - Sistema de contabilidade analítica (Analytical Accounting System) of PTC

As an undertaking with SMP in various markets, PTC is under obligation to control prices, and to ensure accounting separation and cost accounting, providing for said purpose an SCA - Sistema de contabilidade analítica (Analytical Accounting System) which aggregates data on revenues and costs, by product or service. It is incumbent upon ICP

ANACOM, or another independent entity designated by ICP ANACOM, to audit the SCA and verify its compliance with applicable legislative and regulatory provisions.

Furthermore, as concessionaire of the public telecommunications service, PTC is required to ensure, provision of the fixed telex service, the broadcasting distribution and telecommunications broadcast signal distribution service, telegraph service, and on a transitional basis, until the respective transfer to another entity, the maritime mobile service (MMS)[15].

The negative operating margins, resulting from the obligation to provide these services, are compensated, on an annual basis, by means of direct compensation by the State. Under the terms of the law, ICP-ANACOM reported the negative operating margins to the IGF - Inspeção-Geral de Finanças (Inspectorate-General of Finance), following an audit conducted by an independent auditor.

5.1.1. SCA used by PTC for 2007 financial year

By determination of 4 April 2013, and following the results of the audit of the SCA used by PTC in respect of 2007, ICP-ANACOM approved the SCA's respective declaration of conformity, together with a set of determinations and recommendations for the SCA's improvement.

On the same date, ICP-ANACOM approved a decision on the auditing of negative operating margins of the telex, telegraph, terrestrial broadcasting and mobile maritime services for the 2007 financial year, which was forwarded to IGF.

5.1.2. SCA used by PTC with reference to the 2008 and 2009 financial years

By determination of 6 June 2013, following the auditing of the results of PTC's SCA reported in respect of the 2008 and 2009 financial years, ICP-ANACOM approved the SCA's respective declarations of conformity, together with a set of determinations and recommendations for the SCA's improvement.

[15] The public telecommunications service concession contract concluded in 2013 between the Portuguese State and PTC was revoked; this will be reported in further detail in section 20.2.

On the same date, ICP-ANACOM approved a decision on the auditing of negative operating margins of the telex, telegraph, terrestrial broadcasting and mobile maritime services for the 2008 and 2009 financial years, which was forwarded to IGF.

5.1.3. SCA used by PTC for the 2010-2012 financial years

During 2013, auditing was conducted of the results of PTC's SCA (2010-2012) and of the estimates of the CLSU presented by PTC (2010-2012 financial years); this work was awarded to the company SVP Advisors, S.L.[16], and a draft decision is expected on this issue, including a draft decision on the auditing of the operating margins of the telex, telegraph, terrestrial broadcasting and mobile maritime services, in the first half of 2014.

5.1.4. Decision on the methodology to be used for calculating the rate of PTC's cost of capital applicable from the 2012 financial year

By determination of 5 December 2013, ICP-ANACOM approved the final decision on the methodology to be used for calculating the rate of PTC's cost of capital, applicable from the 2012 financial year, following notification of the respective draft decision to the EC, BEREC and the National Regulatory Authorities (NRA) of the other EU Member States. In this sense, ICP-ANACOM determined that the rate of cost of capital to be used for 2012 and 2013 were 10.85 percent and 11.69 percent respectively.

5.2. Long run incremental cost models of electronic communications (for fixed and mobile operators)

With the publication, on May 2009, of the EC Recommendation on the regulatory treatment of fixed and mobile termination rates in the European Union, NRAs are bound to calculate the incremental costs of providing the voice termination service (fixed or mobile) by an efficient operator, mainly based on a bottom-up modelling approach that uses long run incremental costs (LRIC[17]) as the relevant costing methodology.

With a view to the implementation of the Recommendation as regards the costing model for the service of voice call termination on individual fixed networks, by determination of 1

[16] By determination of ICP ANACOM of 6 September 2012, and following the launch of an internationally published public tender.

[17] *Long Run Incremental Cost.*

February 2013, ICP-ANACOM awarded the work to carry out this costing model to the consultant Analysys Mason, Ltd.

In the context of developing the costing model for the service of voice call termination on individual fixed networks, by determination of 27 November 2013, ICP ANACOM approved the launch of a public consultation on the methodology to be incorporated into the model.

The deadline for the receipt of contributions in response to the public consultation, set initially for 30 December 2013, was subsequently extended until 15 January 2014, in accordance with ICP ANACOM of 12 December 2013.

During the term of this consultation, on 13 December 2013, ICP-ANACOM conducted a working session with the operators involved, which was attended by the consultant, with the explicit goal of fostering free and open discussion on the key concepts to be incorporated into the model under construction.

5.3. SCA used by CTT - Correios de Portugal, S. A. (CTT)

The Lei de Bases dos Serviços Postais (Basic Law for Postal Services)[18] granted ICP-ANACOM, as postal sector regulator[19], the power to approve and oversee the correct application[20] of the SCA that CTT is required[21] to employ, as universal service provider. Likewise, ICP-ANACOM is required to publish an annual declaration attesting to the conformity of the said SCA and of the results obtained.

Under the postal sector regulatory framework, ICP-ANACOM defined principles to govern the development of the SCA to be implemented by CTT, seeking determination of the revenues and direct and indirect costs of each of the reserved services and non-reserved services, and separation between the costs associated with the various basic operations making up the postal services (collection, handling, transportation and distribution).

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[18] Law no. 102/99 of 26 July, as amended by Decree-Law no. 112/2003 of 12 June (subsequently repealed on 26 April 2012 by Law no. 17/2012).

[19] Paragraph 2 of article 18 of Law no. 102/99 of 26 July.

[20] Paragraph 2 of article 19 of Law no. 102/99 of 26 July.

[21] Paragraph 1 of article 19 of Law no. 102/99 of 26 July, and paragraph 1 of Base XIII of Decree-Law no. 448/99 of 4 November.

5.3.1. SCA used by CTT for 2009 and 2010 financial years

By determinations of 7 February 2013 and 19 December 2013, and following the results of the audit of the 2009 and 2010 results of CTT's SCA, ICP-ANACOM approved the declarations of conformity for the 2009 and 2010 financial years, together with a set of determinations and recommendations for the SCA's improvement.

5.3.2. SCA used by CTT for the 2011 financial year

During 2013, auditing was conducted of the 2011 results of PTC's SCA and the respective draft decision is currently being prepared.

5.3.3. SCA used by CTT for the 2012 and 2013 financial years

By determination of 6 September 2013, ICP-ANACOM approved the launch of a tender to conduct an audit of the results of CTT's SCA, with reference to the financial years 2012 and 2013. By determination of 7 November 2013, the auditing work was awarded to Baker Tilly, PG & Associados, SROC, S.A. with the work on the audit of the 2012 financial year ongoing.

6. Universal Service

6.1. Universal service of electronic communications

6.1.1. Affordability - residential FTS tariff provided within the scope of the universal service

On 25 October 2012, PTC submitted a proposal to ICP-ANACOM to amend the FTS residential tariff, within the scope of the universal service, to take effect from 01 January 2013.

By determination of 29 November 2012, ICP-ANACOM decided not to oppose the proposal presented by PTC with respect to the main tariff (applicable by default) and the alternative tariff (applicable optionally upon the request of users), given its compliance with regulatory principles (such as compatibility with the applicable price-cap - based on the rate of inflation entered in the Draft State Budget for 2013 (0.9%), the price-cap

applicable in 2013 would be -1.85 percent). The tariff entered into force on schedule and no further alterations were made during 2013.

It was also concluded that the alternative operators would be able to replicate the prices of PTC's main and alternative tariff, based on PTC's wholesale offers, and that the revenues earned by PTC through subscription and traffic charges would be sufficient to cover the costs incurred, resulting in an estimated positive margin.

As such, compared to the tariff previously in force and with respect to the main tariff, the tariff introduced on 1 January 2013 brought in a reduction of 23.3 percent in the price per minute of calls during peak hours, giving the values shown in the following table.

Table 4 – Main FTS tariff proposed by PTC (in force since 1 January 2013)

Values exclude VAT	Initial price (euros)		Time credit (seconds)		Price per minute (euros)	
	Working days 9am - 9pm	Remaining times	Working days 9am - 9pm	Remaining times	Working days 9am - 9pm	Remaining times
Local/National	0.0700	0,0000	60,00	-	0,0244	0,0000
Installation						71.83
Subscription						12.66

Source: PTC. Values excluding VAT.

With respect to the alternative tariff, the tariff introduced on 1 January 2013 brought in a reduction of 2.27 percent in the price of the monthly subscription.

Table 5 – Alternative FTS tariff proposed by PTC (in force since 1 January 2013)

Values exclude VAT	Initial price (euros)		Time credit (seconds)		Price per minute (euros)	
	Working days 9am - 9pm	Remaining times	Working days 9am - 9pm		Working days 9am - 9pm	Remaining times
Local/National	0.0700	0,0700	60,00	60,00	0,0277	0,0084
Installation	71.83					
Subscription	11.65					

Source: PTC. Values excluding VAT.

6.1.2. Parameters and levels of quality of service

The following table shows the established objectives and the levels accomplished by the universal service provider (PTC during the years in question) for each of the indicators in 2012 and 2013.

Table 6 – Universal service quality of service parameters

Universal Service - quality of service parameters	Target	2012	2013
QSP1. Supply time for initial network connection			
(a) Supply time for connection when customer does not specify a date (days)	21	7	11
(a1) which corresponds to the 95% percentile of the fastest installations	43	23	26
(a2) which corresponds to the 99% percentile of the fastest installations			
(b) Percentage of requests for the supply of connections satisfied on or before the date agreed with the consumer in cases where the consumer specifies a target date	85%	98%	95%
(c) Ratio between the number of initial connections provided where a target date is specified by the consumer and the total number of initial connections supplied	n.a.	29%	14%
QSP2. Fault rate per access line	0.10	0.12	0.13
Total number of faults reported per access	n.a.	164245	156517
QSP3. Fault repair time (hours)			
(a) Repair times of faults on local access network	72	29	61
(a1) corresponding to the 80% percentile of fastest repairs	165	75	150
(a2) corresponding to the 95% percentile of fastest repairs			
(b) Repair times for other faults	47	28	64
(b1) corresponding to the 80% percentile of fastest repairs	108	72	148
(b2) corresponding to the 95% percentile of fastest repairs			
(c) Percentage of faults repaired within the deadline established by the universal service provider as objective governing provision to its customers	80%	88%	74%
QSP4. Response time for operator services			
(a) Average response time for operator services (seconds)	11.0	17.0	14.0
(b) Percentage of calls to the operator services answered with 20 seconds by human operator	80%	91%	96%
QSP5. Unsuccessful calls			
(a) No. of calls eligible for the calculation of QSP5	n.a.	1274480905	1244819
– national calls	n.a.		
– international calls			
(b) Percentage of unsuccessful national calls	n.a.	0.06%	0.12%
(c) Percentage of unsuccessful international calls	n.a.		
QSP6. Time taken to establish calls			
(a) Total number of calls eligible for the calculation of QSP6 of	n.a.	n.d.	n.d.
– national calls	n.a.	n.d.	n.d.
– international calls			
(b) Time taken to establish national calls (seconds)	n.a.	n.d.	n.d.
(b1) corresponding to the 100% percentile of fastest calls	n.a.	n.d.	n.d.
(b2) corresponding to the 95% percentile of fastest calls			
(c) Time taken to connect calls for international calls (seconds)	n.a.	n.d.	n.d.
(c1) corresponding to the 100% percentile of fastest calls	n.a.	n.d.	n.d.
(c2) corresponding to the 95% percentile of fastest calls			
QSP7. Response time for directory enquiries services			
(a) Average response time for directory enquiries services (seconds)	5.0	0.3	0.0
(b) Percentage of calls to directory enquiries services answered within 20 seconds by a human operator or by equivalent answering systems	95%	99%	100%
QSP8. Proportion of coin and card operated public pay-telephones in working order			
The total number of complete days during which existing public pay-telephones are in full working order compared to the potential number of operational days of the average public pay-telephones park.	96%	97%	96%
QSP9. Bill correctness complaints			
Percentage of bills resulting in complaints compared to the total number of bills issued	0.04%	0.03%	0.03%

Source: PTC.

It should be noted that PTC invoked the impact of adverse weather conditions (storm in late January) on its infrastructure, seeking, for purposes of calculating QSP2 (fault rate) and QSP3 (time taken to repair faults), non-consideration of the associated values for February. In this respect, the annual measurements presented for these indicators exclude data from this month.

Table 7 – Universal Service quality of service parameters excluding data from February 2013

Universal Service - quality of service parameters	Target	2013
QSP2. Fault rate per access line	**0,10**	**0,12**
Total number of faults reported per access	**n.d.**	**139 600**
QSP3. Fault repair time (hours)		
(a) Repair times of faults on local access network		
(a1) corresponding to the 80% percentile of fastest repairs	**72**	**55**
(a2) corresponding to the 95% percentile of fastest repairs	**165**	**142**
(b) Repair times for other faults		
(b1) corresponding to the 80% percentile of fastest repairs	**47**	**64**
(b2) corresponding to the 95% percentile of fastest repairs	**108**	**145**
(c) Percentage of faults repaired within the deadline established by the universal service provider as objective governing provision to its customers	**80%**	**75%**

Source: PTC.

Compared to 2012, there was a general deterioration in the performance of most parameters, except QSP4 (response time for operator services) and QSP7 parameters (response time for directory enquiries services). In 2013, performance objectives were not met for the following indicators: QSP2 (fault rate per access line), QSP3(b) (time to repair other faults), QSPS3(c) (percentage of faults repaired within the deadline established by the universal service provider as an objective in its offer to customers) and the QSP4(a) (average response time for operator services). The non-consideration of performance data from the month of February 2013 does not change these conclusions.

Given the failures in compliance that have been observed, ICP-ANACOM has instigated breach proceedings.

6.1.3. Public pay-telephones

Throughout 2013, PTC sent ICP-ANACOM quarterly information on the evolution of its stock of public pay-telephones; this information includes data on the public pay-telephones by municipality and data on public pay-telephones installed at sites of special social interest, as established in ANACOM determination of 15 July 2004.

The following table provides a summary of the information on the stock of public pay-telephones as at the end of 2012, reported by district, and information with reference to the end of 2013.

Table 8 – Stock of public pay-telephones of PTC

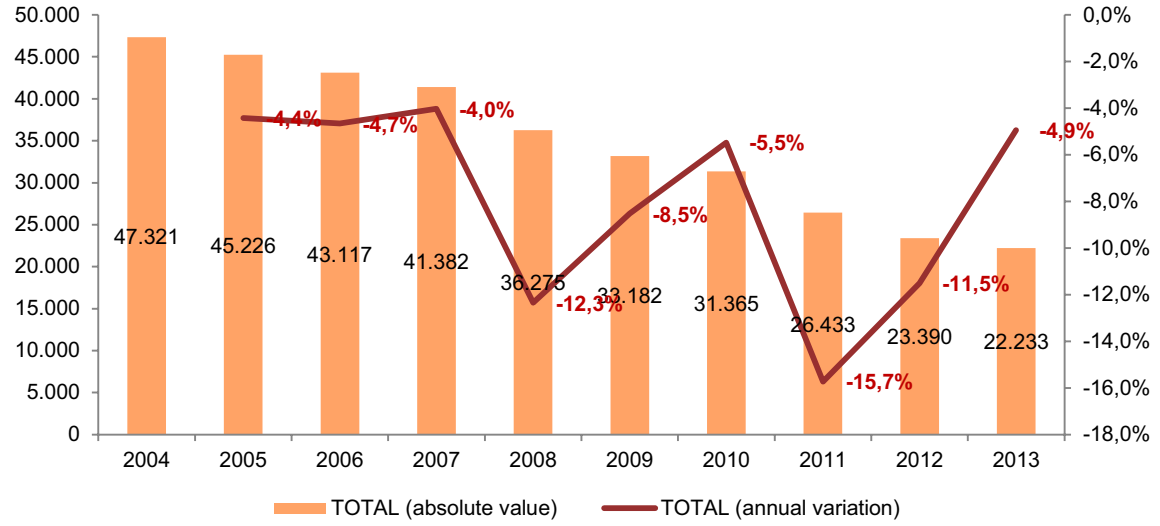
Zones	Districts	Actual 2012	Actual 2013	Actual 2013 versus actual 2012 (absolute difference)	Actual 2013 versus actual 2012 (% difference)
North	Braga	1 410	1 351	-59	-4.2%
	Porto	3 085	2 823	-262	-8.5%
	Viana do Castelo	783	639	-144	-18.4%
	Bragança	563	541	-22	-3.9%
	Vila Real	834	802	-32	-3.8%
	Aveiro	1 237	1 192	-45	-3.6%
	Guarda	681	666	-15	-2.2%
	Viseu	1 317	1 277	-40	-3.0%
Centre	Castelo Branco	841	812	-29	-3.4%
	Coimbra	1 283	1 246	-37	-2.9%
	Leiria	1 113	1 070	-43	-3.9%
	Lisbon	4 513	4 387	-126	-2.8%
	Santarém	806	786	-20	-2.5%
South and Islands	Madeira	387	349	-38	-9.8%
	Azores	340	328	-12	-3.5%
	Portalegre	276	250	-26	-9.4%
	Évora	360	327	-33	-9.2%
	Setúbal	1 634	1 583	-51	-3.1%
	Beja	572	532	-40	-7.0%
	Faro	1 355	1 272	-83	-6.1%
Total		23.390	22 233	-1 157	-4,9%

Source: PTC and ICP-ANACOM calculations.

An effective reduction of public pay-telephones can be seen in 2013, with a total of 22,233 public pay-telephones, 4.9 percent below the figure recorded at the end of 2012, representing a decrease of 1,157 public pay-telephones.

The following graph summarises the information on the evolution reported in the stock of public pay-telephones in the period 2004-2013 - with a total reduction reported of 53 percent.

Graph 24 – Evolution reported in the stock of public pay-telephones in the period 2004-2013



Source: PTC and ICP-ANACOM calculation.

Meanwhile, the number of public pay-telephones sited in places of social interest (hospitals, health centres, educational establishments and airports) saw a reduction of about 5 percent in 2013. In absolute terms, the largest reduction was reported in public pay-telephones located in educational establishments, as can be seen in the following table. Meanwhile, 2013 saw the introduction of 13 public pay-telephones in Lojas do cidadão (citizen's bureaux).

Table 9 – Variation in PTC stock of public pay-telephones in 2013, compared to total stock in 2012

Type of location	Actual 2012	Actual 2013	Variation between total stock 2013 and total stock 2012 (absolute difference)	Variation between total stock 2013 and total stock 2012 (% difference)
Hospitals and health centres	638	601	-37	-5,8%
Educational establishments	416	348	-68	-16,3%
Airports	160	160	0	0,0%
Prisons	331	338	7	2,1%
Bus terminals	88	87	-1	-1,1%

Type of location	Actual 2012	Actual 2013	Variation between total stock 2013 and total stock 2012 (absolute difference)	Variation between total stock 2013 and total stock 2012 (% difference)
Rail terminals	212	210	-2	-0,9%
Metro stations	140	140	0	0,0%
Courts and Halls of Justice	9	8	-1	-11,1%
Hotels, hostels and residences	72	59	-13	-18,1%
Citizen's bureaux	-	13	-	-
Total located in sites considered of special interest	2066	1.964	-102	-4,9%

Source: PTC and calculations of ICP-ANACOM.

The 22,233 pay-telephones that constituted PTC's total stock as at the end of 2013 represent nearly three time the stock stipulated in the universal service tender (8,222 pay-telephones).

6.1.4. CLSU - custos líquidos decorrentes da prestação do serviço universal (net costs of universal service provision)

In 2013, ICP-ANACOM completed the audit of the CLSU for the 2007-2009 period and auditing of the CLSU for the 2010-2011 period.

The auditing work for the 2007-2009 CLSU was awarded in July 2012 to SVP Advisors, S.L. (SVP)[22] and consisted of a thorough, systematic and comprehensive analysis of the CLSU estimates presented by PTC for the 2007 to 2009 financial years. Following this audit, PTC was called on to submit new CLSU estimates for the 2007-2009 period, in order to reflect the recommendations made by SVP; these were presented by PTC in February 2013.

During February 2013, SVP completed the audit and delivered the final report, concluding that, "in general, the results and calculations reviewed by PTC are in accordance with the

[22] After the award of work to SVP, the company changed its name, to AXON Partners Group Consulting S.L.

principles, criteria and conditions laid down in the determinations of ICP-ANACOM, and the data, assumptions and calculations used are sufficiently appropriate." However, the auditor cited three exceptions to its conclusions, which it qualified as having "minor to negligible impact on the results" and one situation considered as having material impact on the results, concerning the processing of non-recurring costs and revenues (one-off) regarding non-profitable customers in profitable areas

Following this audit, and after a hearing of interested parties and market consultation, by determination of 20 June 2013, ICP-ANACOM ordered PTC to submit new CLSU estimates for the 2007-2009 period, in order to reflect the final results of the SCA for the same years; the decision also determined consideration of non-recurring installation costs/revenues, in annualized form and correction of a situation relating to the number of access lines in the area model.

In the same determination, ICP ANACOM determined a number of adjustments to the methodology used in calculating the CLSU with an impact on estimates for years subsequent to 2009[23].

On 28 June 2013, PTC submitted reformulated estimates to ICP-ANACOM for the CLSU of 2007-2009, which were subject to a new audit by AXON, resulting in the presentation of the final report and statement of compliance on 25 July 2013.

The auditors concluded that, with the exception of issues related to reconciliation, the values re-submitted by PTC on 28 June 2013 were consistent with the principles, criteria and conditions stipulated by ICP-ANACOM. In relation to the reconciliation situations, the auditors were of the view that this may have had the effect of under-valuing the final value of the CLSU, and they also stated that, notwithstanding the situations mentioned, the explanations given by PTC on the matter are acceptable for 2007-2009.

Taking into account the results of the audit and respective declaration of conformity, on 19 September 2013, ICP-ANACOM approved the latest accounts presented by PTC on 28

[23] The main adjustments to the methodology for calculating the CLSU with impact on estimates for years subsequent to 2009 relate (i) to the determination of the relevant services provided outside the scope of universal service; (Ii) presentation of the differences between the distribution of avoidable costs considering only lengths of the loops of retail lines and considering the lengths of loops of retail and wholesale lines; (Iii) application of the new plausibility criteria; (Iv) application of the criterion of effective competition; and (v) the means of calculating the indirect benefit with regard to "corporate reputation and brand enhancement".

June 2013, and determined the final values of the CLSU in respect of the years 2007 to 2009:

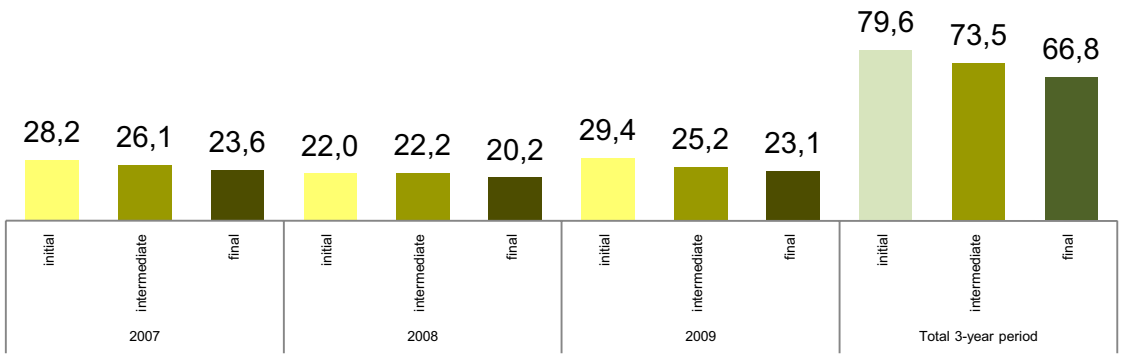
Table 10 – Final values of CLSU for the years 2007-2009

2007	2008	2009
23 584 976.93 euros	20 168 431.93 euros	23 057 573.48 euros

Source: ICP-ANACOM.

Accordingly, for the period 2007-2009, a total CLSU value was calculated of 66.8 million euros; the following graph shows the evolution that occurred in the 2007-2009 CLSU estimate, given both the aspects identified in the audit and the determinations of ICP-ANACOM. In this last case, note is made of the determination of 12 October 2012 on the implementation of the concept of "unusually high access costs" and the determination of 20 June 2013, including with regard to the treatment of non-recurring installation costs (and respective revenues) in calculating the CLSU of non-profitable customers (one-off costs).

Graph 25 – CLSU estimates for the years 2007 to 2009



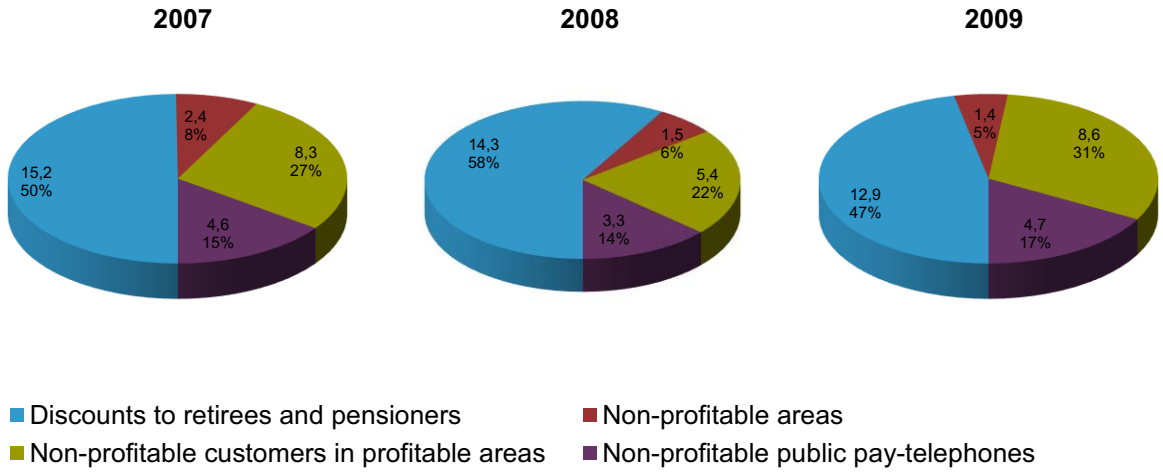
Source: ICP-ANACOM. Amounts in millions of euros.

As can be seen, the final values of the CLSU estimates for the years 2007 to 2009 decreased by 19 percent from the initial values, the equivalent of 12.8 million euros, with an average annual CLSU value over these years of 22.3 million euros.

The following graph shows the evolution reported in terms of submitted net costs with respect to the final values obtained in each of the CLSU models, specifically as regards non-profitable areas, non-profitable customers in profitable areas, public pay-telephones

and retirees and pensioners[24] and the weight of each of these components in the CLSU total before indirect benefits.

Graph 26 – Net costs before indirect benefits by component (2007-2009)



Source: PTC and ICP-ANACOM calculations. Absolute values expressed in millions of euros.

It is found that the component which takes greater weight in total net costs before indirect benefits is that of discounts provided to retirees and pensioners - near or even above 50 percent.

The weight assumed by this component is not surprising, given the fact that the number of retirees and pensioners benefiting from the 50 percent discount on the monthly FTS subscription (including SLRO beneficiaries) is significant, albeit in a declining trend - above 223 thousand in 2007, above 209 thousand in 2008 and above 189 thousand in 2009.

The component with second highest weight - above 20 percent - relates to non-profitable customers in profitable areas; there were around 159 thousand non-profitable customers in profitable areas in 2007, 89 thousand in 2008 and 143 thousand in 2009. It is noted, however, that depending on the year in question, the percentage of non-profitable customers in profitable areas represented between 4 and 7 percent of the total, confirming the expectation that these represent only a small portion of the total.

24 Reference is made to the difference between avoidable costs and lost revenue.

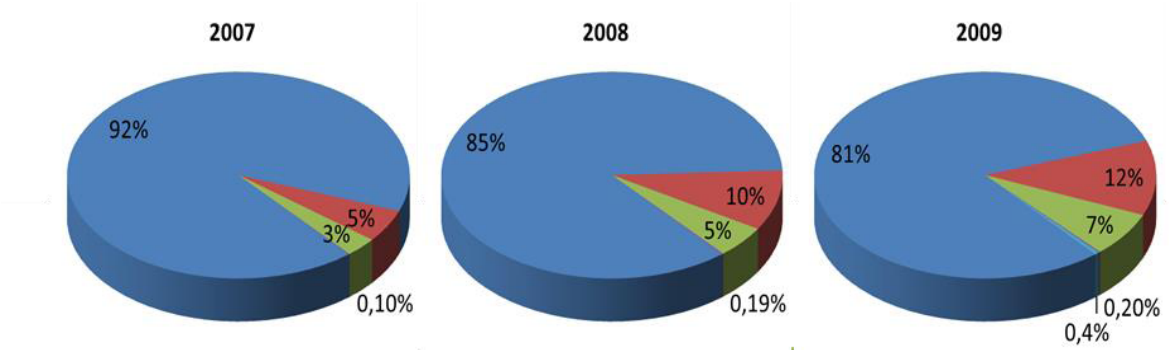
The non-profitable public pay-telephone component is the third largest in terms of its weight in the CLSU total before indirect benefits with about 15 percent. It was calculated in the audit that about 70 percent of public pay-telephones (in 2007 and 2008) and about 83 percent of public pay-telephones (in 2009) in the all areas were non-profitable.

Finally, it was found that the component having least weight was that associated with unprofitable areas, with an expression of 5 to 8 percent. As such, the CLSU calculation model covers 1,853 areas, with 45 areas considered as non-profitable in the years in question (2.4 percent of the total), comprising 0.7 to 0.8 percent of total customers.

Meanwhile indirect benefits have taken on a significant weight in terms of the reduction in the total value of costs, despite the decrease reported in 2008/2009 versus 2007 - above 16 percent.

In terms of indirect benefit taking on greater weight in total benefits, it has been noted, as shown in the graph below, that corporate reputation and brand reinforcement is the indirect benefit with greatest expression, with a weight of over 80 percent during the three years.

Graph 27 – Final values of indirect benefits by type of benefit (2007-2009)



	2007	2008	2009
Corporate reputation and brand reinforcement	6.358	3.677	3.717
Pay-telephone publicity	0.355	0.408	0.539
Mailing	0.209	0.215	0.321
Ubiquity	0.007	0.008	0.009
Regulation fees			0.018

Source: PTC and ICP-ANACOM calculations. Amounts in millions of euros.

With regard to the CLSU values for 2010-2011, auditing work commenced in 2013 and it is expected that the final report will be completed in the first quarter of 2014; auditing of the 2012 and 2013 CLSU is due to begin in 2014.

6.1.5. Procedure to designate provider(s) of the universal service

In 2013, the universal service providers were selected by tender; as illustrated in the following table.

Table 11 – Tenders to designate the universal service providers

	Results of tenders	Selected companies
Tender 1 - FTS	11.9 million euros	Optimus (zones 1 and 2) ZON (zone 3)
Tender 2 - Public pay-telephones	12.3 million euros	PTC
Tender 3 - Telephone directory and directory enquiries services	No proposals were submitted. PTC then presented a proposal and was awarded provision by direct award procedure.	

Source: ICP-ANACOM.

The work done by ICP-ANACOM on this matter is detailed in the specific section of the report on the provision of advice to the Government, referring to the determinations taken to specify the conditions associated with the provision of universal service.

Accordingly, note is made of the determination of 1 March 2013, whereby ICP-ANACOM decided, in the context of the tenders to select the universal service provider(s) of electronic communications, to publish updated information as regards net costs in 2011.

Likewise, it is important to refer to ICP-ANACOM's determination of 19 August 2013 (amending determination of 7 February 2012, as amended and republished by determination of 5 July 2012), regarding the conditions and specifications of each of the provisions constituting the universal service as related to provision of a comprehensive directory and of a comprehensive telephone directory enquiries service.

This determination was approved following a lack of response to the tender restricted by prior qualification and in light of a decision by the Government to select a provider by means of a direct award procedure under point a) of paragraph 1 of article 24 of the Código dos Contratos Públicos (Public Procurement Code), with invitations made to undertakings which were qualified according to the previous tender restricted by prior qualification. Under this decision, the Government set a twelve-month term for this designation, extendable for a further period of six months; this term is shorter than the term specified in the tender restricted by prior qualification (five years), given the need for ICP-ANACOM to adapt the conditions and specifications, especially in terms of the periodicity with which the universal service provider is required to report quality of service information with regard to the provision of the telephone directory and directory enquiries services.

6.2. Universal postal service

6.2.1. Regulatory framework for postal services

Through Decree-Law no. 160/2013 of 19 November, the Government proceeded to amend the bases of the universal postal service concession[25], bringing the concession bases into line with the legal framework resulting from Lei Postal (Postal Law - Law no. 17/2012, of 26 April)[26].

In this context, the most important amendments include:

- amendment of the concession object, bringing it into line with the new scope of the universal postal service following the entry into force of the Lei Postal (Postal Law), so that it no longer includes direct mail, the sending of national postal parcels or international outgoing mail between 10 and 20 kg;

- amendment of the concession period, which now terminates on 31 December 2020, along with the period of CTT's designation as provider of the universal postal service.

[25] Approved by Decree-Law no. 448/99 of 4 November, amended by Decree-Laws nos 150/2001 of 7 May, 116/2003 of 12 June, and 112/2006 of 9 June.

[26] For further details on the amendments introduced by Lei Postal (Postal Law), see the Report on Regulation, Supervision and Other Activities of ICP ANACOM, for the year 2012, pages 49-51.

Meanwhile, CTT retains powers, as regards the network of postal establishments, to open and close postal establishments and to alter the opening hours of postal establishments, taking into account the objectives of postal network density and minimum services established under the concession. The establishment of these objectives begins with the submission of a proposal by CTT, no later than 31 December 2013, which should take the following factors into account: i) the distribution of population across the national territory; ii) distance between access points; iii) urban or rural nature of areas covered; and iv) evolution in traffic and demand.

Until these objectives are established, CTT is bound to maintain, as a minimum, the levels of network density and services offered by them as on 31 December 2013.

The referenced Decree-Law no. 160/2013 of 19 November, also made some specific changes to the Lei Postal (Postal Law) related to the regime applicable to quality and pricing in the universal postal service and to the cancellation of postal service provider registrations.

One change concerns the introduction of a multi-annual minimum period of three years during which time the quality of service obligations of the universal postal service and the criteria governing the formulation of universal service pricing, as defined by ICP-ANACOM pursuant, respectively, to articles 13 and 14 of the Lei Postal (Postal Law) are to apply; The Postal Law, as originally worded, contained no minimum duration.

Another amendment led to the modification of the pricing regime applicable to special tariffs, specifically excluding ex-ante intervention by ICP ANACOM on special tariffs.

Accordingly, article 14 (new) of the Lei Postal (Postal Law) states that special tariffs and associated conditions of postal services that comprise the universal service provision, as applied by universal service providers, i.e. as regards services for businesses, bulk mailers or consolidators of mail from different users, shall adhere to the principles of transparency and non-discrimination, while also taking account of the avoided costs, as compared to the standardised service covering the four operations[27] making up the postal service. Special tariffs and the conditions governing said tariffs are to be applied equally, regardless of the type of beneficiary and are to be available to users who post items under similar conditions, in particular individual users and small and medium-sized enterprises.

[27] Collection, handling, transportation and distribution.

ICP ANACOM's intervention with respect to these tariffs, which shall take place on an ex-post basis (i.e. subsequent to the respective prices entering into force), shall be limited to the verification of the above principles. As such special tariffs are no longer subject to the rules of the Universal Postal Service Convénio de Preços (Price Convention) of 10 July 2008, which, on a temporary basis, apply to the remaining service tariffs included within the scope of the universal postal service by application of the transitional rule in paragraph 7 of article 57 of the Lei Postal (Postal Law).

It should be noted that the amendments introduced by Decree-Law no. 160/2013 of 19 November, took effect from 25 November 2013, whereby a large part of the regulatory measures adopted by ICP ANACOM in 2013 and described in this report did not take these amendments into account.

6.2.2. Prices of the universal postal service

It is incumbent upon ICP-ANACOM to ensure that the pricing proposals submitted by CTT as provider of the universal postal service are in compliance with the prevailing rules governing the establishment of universal postal service pricing.

In this context, in 2013, ICP-ANACOM did not oppose the entry into force of two proposals to amend the universal service tariff presented by CTT:

- entry into force, from 1 April 2013, of the tariff for the services of postal parcels up to 10 kg in weight and correspondence up to 2 Kg in weight, including registered and insured mail, within the scope of the universal postal service (determination of 27 March 2013);

- entry into force, from 1 June 2013, of the tariff for the service of newspapers, periodicals and non-periodicals and books (determination of 16 May 2013).

Both proposals were analysed by ICP-ANACOM in light of the Convénio de Preços (Price Convention), as temporarily in force under paragraph 7 of Article 57 of the Lei Postal (Postal Law).

The first of these determinations (determination of 27 March 2013), was submitted to public consultation under article 9 of the Lei Postal (Postal Law), as having impact on postal services which had been fully liberalised since 27 April 2012 and which had not

seen any price increase since June 2010 - as such it was considered likely that the price proposal would have a significant impact on the market. ICP-ANACOM also informed consumer associations of generic interest, and submitted the determination to a prior hearing of CTT and, together with the tariff proposal, to the opinion of the Advisory Council of ICP ANACOM, in accordance with point c) of article 37 of ICP-ANACOM's Statutes.

The main points of the price proposal submitted by CTT, included:

- increase in overall average price of about 3.7 percent on 1 April 2013;
- phased alteration of the prices to send items of the national *correio normal* (non-priority mail) service weighing up to 20 grams in the casual user segment, in two stages - the first stage took place on 1 April 2013, when the price rose from 0.32 euros to 0.36 euros (an increase of 12.5 percent); and the second stage took place on 1 November 2013, when the price rose from 0.36 euros to 0.40 euros (an increase of 11.1 percent). Together these increases corresponded to a total cumulative rise of 25 percent versus the price in force at the end of 2012;
- tariff differentiation between the casual and contract segments, cutting across the entire offer range of correspondences services;
- implementation of geographic price differentiation for national items of non-priority bulk mail weighing up to 50 grams (offer available to the contract segment only), through the definition of two tariff zones according to the destination of postal items (one zone corresponding to the conurbations of Lisbon and Porto, and a second zone covering all remaining destinations);
- discontinuation of the *correio económico internacional* (economical international mail) service, with the exception of the special regime (mail to Guinea-Bissau, Sao Tome and Principe and Timor Leste), considering, according to CTT, the widespread use of routing by air.

In addition to its non-opposition to the entry into force of the proposed prices, ICP-ANACOM recommended that application of national bulk non-priority mail prices covering items weighing up to 50 grams accepted at the four corporate mail centres located in Lisbon (Cabo Ruivo and Pinheiro de Fora), Coimbra (Taveiro) and Porto (Maia) should be

extended by CTT to cover current and future mail acceptance centres, provided that the unit costs of acceptance are similar.

As regards the determination of 16 May 2013 on the proposed price for the service of newspapers, publications and books, which consisted of an increase on 1 June 2013 of 4 percent in the prices of the subsidised national tariff of the newspapers and periodicals service, while maintaining the prices applicable to other services, ICP-ANACOM did not oppose the entry into force of the prices proposed by CTT; ICP-ANACOM also determined:

- to arrange a detailed analysis of the service's costs and margins in order to define the criteria to be satisfied in the formulation of prices under the criteria to be defined pursuant to article 14 of the Lei Postal (Postal Law). These criteria replace the application of the rules laid down in the Convénio de Preços (Price Convention) on the application and evaluation of the principles of cost orientation of prices, incentivising efficient provision of a universal postal service that is accessible to all users, in a framework which promotes effective competition;

- to recommend to CTT, that future pricing proposals for this service are communicated to ICP-ANACOM and users with more notice in relation to the date of their entry into force, given the impact they may have on the activity of the service's users, including their subsequent ability to pass on price changes, i.e. in the subscription prices of editorial mail/newspapers and publications;

- to submit the price proposal for the opinion of the Advisory Council.

By determination of 29 July 2013, ICP-ANACOM approved a draft decision on the criteria governing the formulation of pricing of the universal postal service provided by CTT, submitting it to the prior hearing of interested parties, the public consultation procedure and the hearing of consumer organisations. It was also submitted to the opinion of ICP-ANACOM's Advisory Council.

The amendments made to the Lei Postal (Postal Law) by Decree-Law no. 160/2013 of 19 November, as already referenced for having an impact on the pricing regime of the universal postal service, in particular as regards the minimum duration of the rules and in particular as regards the scope of application of paragraph 3 of article 14, made it

necessary to discontinue this procedure; it is expected that the criteria for setting the prices of universal postal service will be adopted in 2014.

In the meantime, under the terms of and pursuant to article 14 of the Lei Postal (Postal Law), on 13 December 2013, CTT presented a proposal for a special price to cover the provision of CTT bulk mail services (national and international non-priority bulk mail service), to take effect from 1 January 2014.

6.2.3. Quality of the universal postal service

The Convénio de Qualidade (Quality Convention) concluded between ICP-ANACOM and CTT on 10 July 2008 (amended on 10 September 2010) remained in force on a transitional basis in 2013, pursuant to paragraph 7 of article 57 of the Lei Postal (Postal Law).

The Convénio de Qualidade (Quality Convention) defines ten quality of service indicators (QSI) in the context of the universal service and the respective minimum values (Min) and target values (Obj), to be accomplished annually by CTT. The Convention also establishes a global indicator of quality of service (GI), which is calculated based on the levels of quality of service accomplished by CTT and on the accomplishment of each one of the agreed minimum and target values.

In the event that quality levels are reported which are below the pre-defined minimum values, or in the event that the GI is less than 100, the Convénio de Qualidade (Quality Convention) stipulates application of a deduction of up to 1 percentage point with respect to the maximum variation in reserved services prices permitted for the year following the respective lack of compliance. However, this price deduction may, in exceptional situations duly substantiated by CTT, be substituted by alternative measures to provide customers with compensation. Such measures must have a financial value that is equivalent to the decrease in revenue that would result from implementation of the reduction in prices.

Table 12 – Quality of service indicators defined in the Convénio de Qualidade (Quality Convention

Quality of service indicators		Convénio de Qualidade (Quality Convention)			Quality of service observed in 2013 (a)
		RI	Established value		
			Min.	Obj.	
QSI1	Transit time for Non-Priority Mail (D+3)	45.0	95.5%	96.3%	97.6
QSI2	Transit time for Priority Mail - Mainland (D+1)	15.0	93.5%	94.5%	94.9
QSI3	Transit time for Priority Mail - CAM (D+2)	4.0	84.0%	87.0%	93.3
QSI4	Non-priority mail not delivered within 15 working days (per one thousand letters)	5.0	2.3‰	1.4‰	1.5
QSI5	Priority mail not delivered within 10 working days (per thousand letters)	3.0	2.5‰	1.5‰	1.3
QSI6	Transit time for Newspapers and Periodicals (D+3)	11.0	95.5%	96.3%	97.5
QSI7	Transit time for Intra-community cross-border mail (D+3)	3.5	85.0%	88.0%	93.1
QSI8	Transit time for intra-community cross-border mail (D+5)	3.5	95.0%	97.0%	98.9
QSI9	Transit time for non-priority parcels (D+3)	5.0	90.5%	92.0%	95.5
QSI10	Waiting time at postal establishments (% of waiting time up to 10 minutes)	5.0	75.0%	85.0%	90.4
GI - INDICATOR OF OVERALL QUALITY OF SERVICE (b)			N/A	N/A	228

Notes: D+X, means delivery to the recipient up to X working day(s) following deposit of the item in a mail reception point.

RI - relative importance.

Min. - Minimum value.

Obj. – Target value.

N/A – Not applicable.

Source: (a) CTT. Unaudited figures. (b) ICP ANACOM calculation.

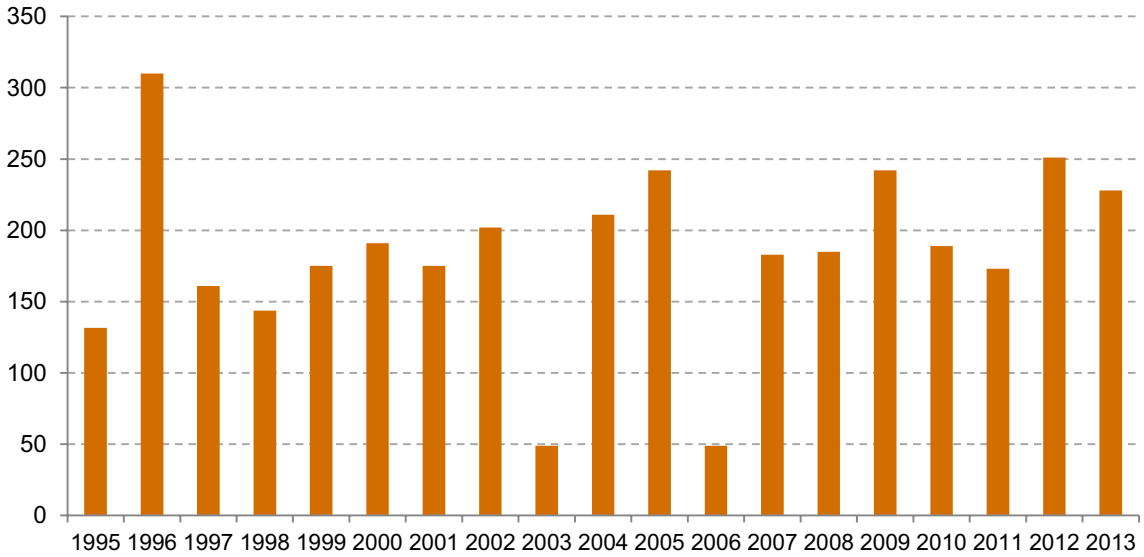
In 2013, respective target values were attained for all QSI with the exception of QSI 4 (non-priority mail not delivered within 15 working days), which only attained the minimum value. Since minimum values were reached for all QSI and since the value of the GI exceeded 100, no penalty measures were applied to CTT. The table above shows the annual values of the QSI and GI reported by CTT in 2013.

Calculations of the annual values achieved took into account the exclusion of records covering distribution of *correio normal* (non-priority mail) and *correio azul* (priority mail) directly impacted by restrictions affecting the use of national airspace resulting from bad weather in the Azores and records directly impacted by the general strike held on 27 June

2013, in accordance with ICP-ANACOM determinations of 27 June and 26 September 2013, respectively.

On the other hand, the annual values do consider all records related to items sent during the strike held by CTT employees, on 7 June 2013, after ICP-ANACOM denied the CTT's application to deduct records of *correio azul* (priority mail) and *correio normal* (non-priority mail) directly affected by this strike. ICP-ANACOM did not consider that the strike constituted a situation of force majeure or phenomenon whose occurrence and evolution were outside the control of CTT. It also considered that the request put by CTT was inadmissible under paragraph 3 of article 6 of the Convénio de Qualidade (Quality Convention), which, until accomplishment of the full liberalisation of the postal sector in Portugal, permits the deduction of the inputs for concerned periods of time and geographic flows in the event that internal work disruptions at CTT impair the quality of service provided; ICP-ANACOM considered that the employee strike occurred subsequent to the full liberalisation of the postal sector.

Graph 28 – Global quality of service indicator



Note: Given that the value of the GI results from the individual values of the QSI, any comparison of the evolution of the GI should take account of the alterations made at the level of QSI for each year and in terms of the methodology used for their calculation.

Source: ICP-ANACOM calculations.

Graph 28 shows an upward trend in the GI's value between 1997 and 2013, when a slight decline was reported over the previous year.

In addition to monitoring the QSI, ICP-ANACOM monitors indicators on complaints and information requests related to the services encompassed by the universal postal service. As illustrated in the table below, 54,056 complaints were answered by CTT in 2013 as related to the universal postal service, with responses taking an average of 22.3 days. CTT also provided 43,973 responses to requests for information within the scope of the universal postal service.

Table 13 -— Complaints and information requests in 2013

Category	Complaints			Information requests		Processes received in year
	Answered in the year	Answered in the year leading to payment of compensation	Average response time (calendar days)	Answered in year	Average response time (calendar days)	
Total	54 056	10 185	22.3	43 973	16.3	98 365
National	32 027	1620	8.2	19 670	4.2	51 384
International	22 029	8 565	42.7	24 303	26.0	46 981

Source: CTT.

Independently of the universal postal service provider, ICP-ANACOM also conducts verification of the levels of quality of service provided, in order to ensure their accuracy.

In this context, by determination of 12 December 2013, ICP-ANACOM approved and published the report on the results of the verification undertaken on levels of quality of service provided by CTT in 2011. ICP-ANACOM also adopted a set of determinations and recommendations to improve the system used to monitor the quality of service indicators and complaint handling system of CTT.

By the same determination, indicators on complaints were defined for measurement and publication by CTT. The indicators to be published annually by CTT are listed in Table 13 Complaints and information requests registered in 2013 above.

ICP-ANACOM also approved the launch of a public tender to conduct an audit of CTT's indicators of quality of service, complaints and information requests (2012 and 2013), which is due to take place in 2014.

6.2.4. Network of postal establishments

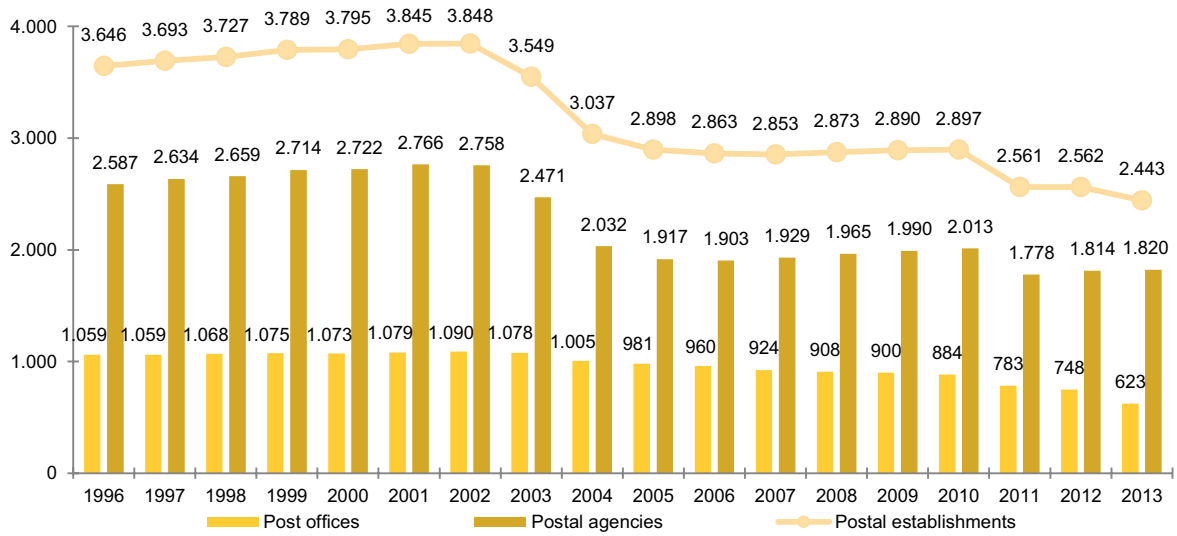
Under the terms of the universal postal service concession (base XX), CTT is responsible for the establishment and closure of postal establishments and for the alteration of their working hours, bearing in mind service needs and levels of demand.

Until the amendment of the concession bases, arising from the entry into force of Decree-Law no. 160/2013 of 19 November, CTT was obliged to notify ICP ANACOM on the decisions taken on this matter, and in cases of closure and reduction of opening hours of post offices, to give basis to their decisions in terms of service need, levels of demand and satisfaction of the communication needs of the population and economic activities.

In 2013, notifications were received from CTT on 138 post offices, with reference to:

- the closure of 51 post offices;
- the closure of 72 post offices, replaced by postal agencies[28];
- reduction in opening hours affecting eight post offices;
- extension of opening hours affecting seven post offices.

Graph 29 – Evolution reported in the number of postal establishments

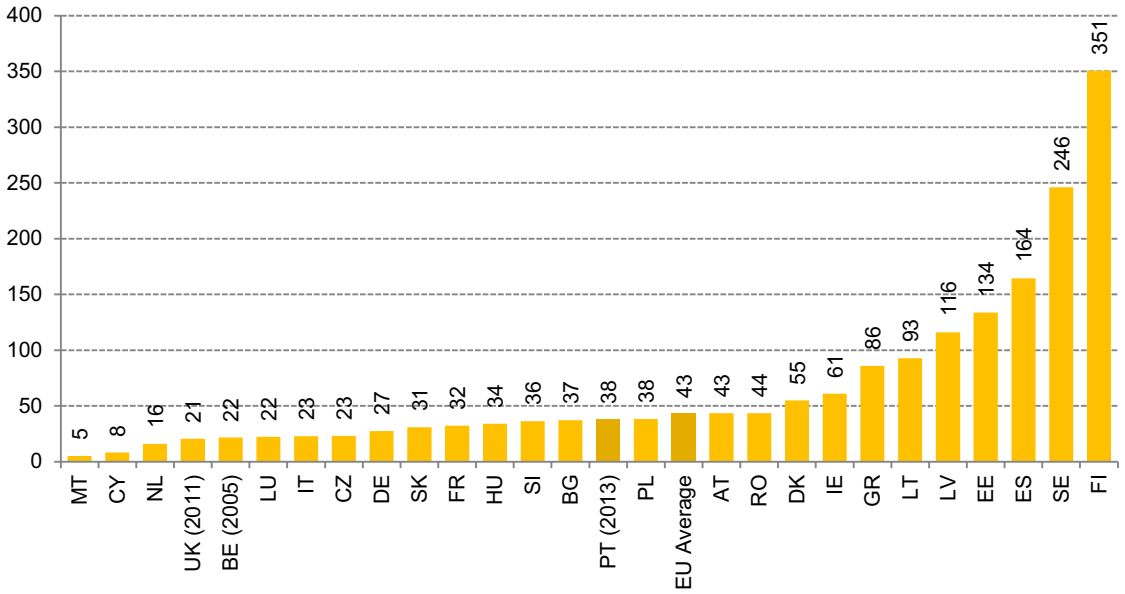


Source: CTT. Values at the end of each year.

[28] According to CTT, postal agencies are establishments operated under contract by third parties, with all such establishments providing the postal services included in the universal service.

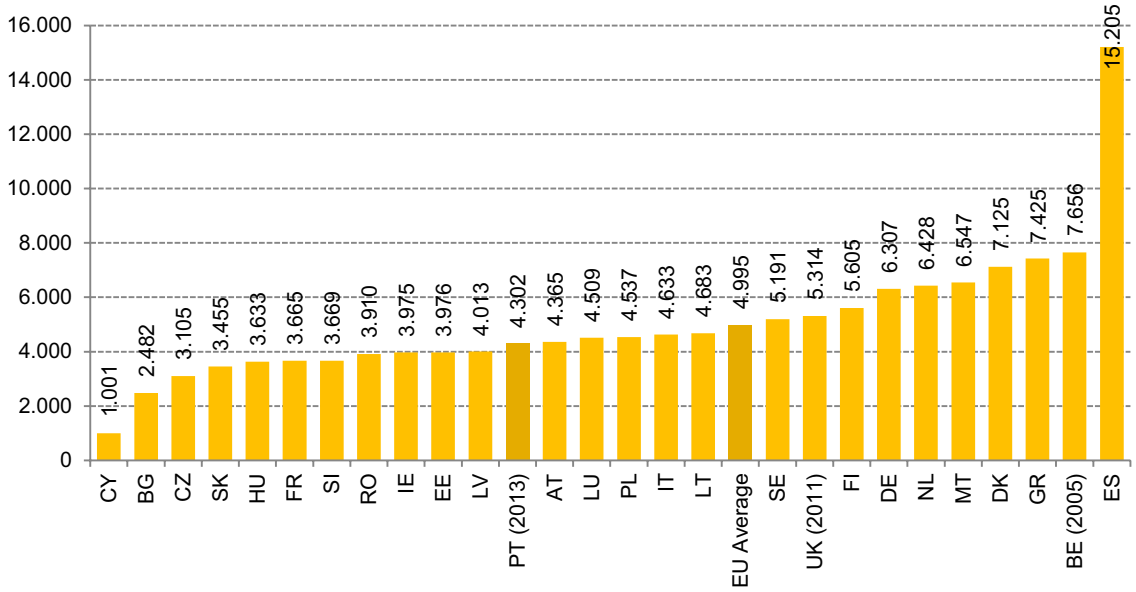
Based on available data from the Universal Postal Service (UPU) on the networks of permanent postal establishments belonging to the universal service providers in EU Member States, with reference to 2012, it can be concluded that the situation in Portugal compares favourably with the EU average (excluding Portugal), both in terms of postal coverage (see Graph 30) and in terms of density index (Graph 31).

Graph 30 – Coverage of permanent postal establishments in EU Member States in 2012 (km² per postal establishment)



Source: UPU. For countries for which 2012 data was unavailable, use was made of the most recent data available from the UPU (reference year in brackets). EU average without Portugal. PT (3Q2013): Value for Portugal at the end of 3rd quarter 2013.

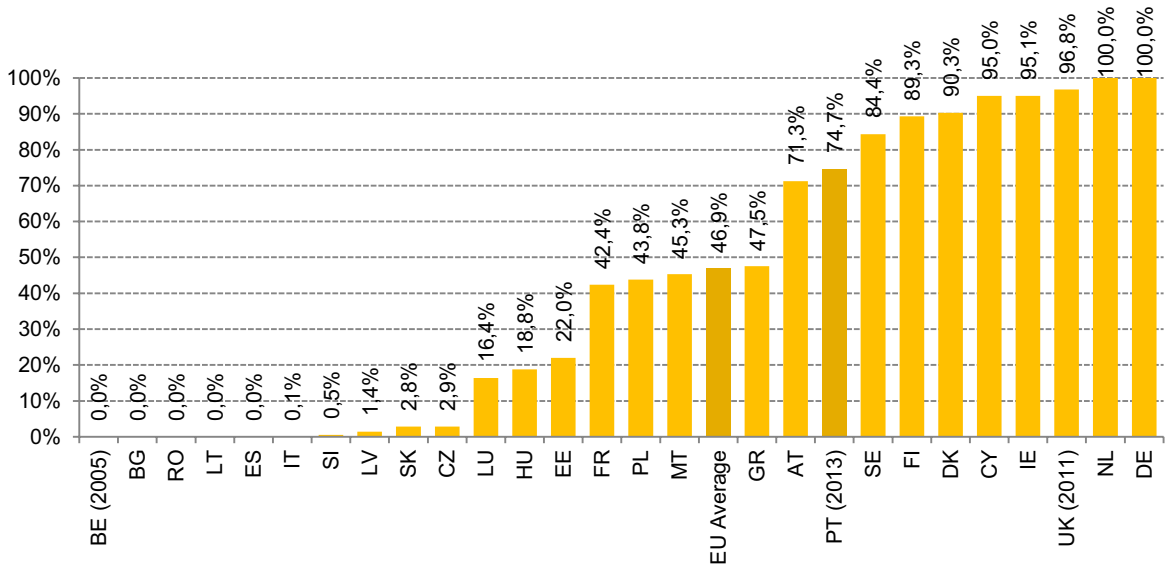
Graph 31 - Density of postal establishments in EU Member States in 2012 (population per postal establishment)



UPU. For countries for which 2012 data was unavailable, use was made of the most recent data available from the UPU (reference year in brackets). EU without Portugal. PT (3Q2013): Value for Portugal at the end of 3rd quarter 2013.

In Portugal, about 75.4 percent of permanent postal establishments are managed by third parties, versus an EU average of 46.9 percent. According to the data available from the UPU, the percentage of postal establishments managed by third parties is lower in Portugal than in eight Member States - see graph 32.

Graph 32 – Relative importance of permanent postal establishments managed by third parties (2012)



Source: UPU. For countries for which 2012 data was unavailable, use was made of the most recent data available from the UPU (reference year in brackets). EU without Portugal. PT (3Q2013): Value for Portugal at the end of 3rd quarter 2013.

The postal network's evolution is dependent on the objectives of network density defined under base XV of the universal postal service concession, in accordance with the wording introduced by Decree-Law no. 160/2013 of 19 November.

CTT presented an incomplete proposal on 31 December 2013, which it completed in January 2014, giving rise to the process of defining the density goals for the 2014 to 2016 period.

6.2.5. Net costs of universal postal service provision

In 2013, ICP-ANACOM sought to complete definition of the concept of unfair financial burden and definition of the methodology to be used for calculating the net costs of the universal postal service. This is to ensure the suitability and predictability of conditions governing compensation of any net costs of universal service in the postal sector and avoid or minimize market distortions arising from the compensation.

In 2013, ICP-ANACOM approved a draft decision on these matters, with respective final decisions adopted in February 2014.

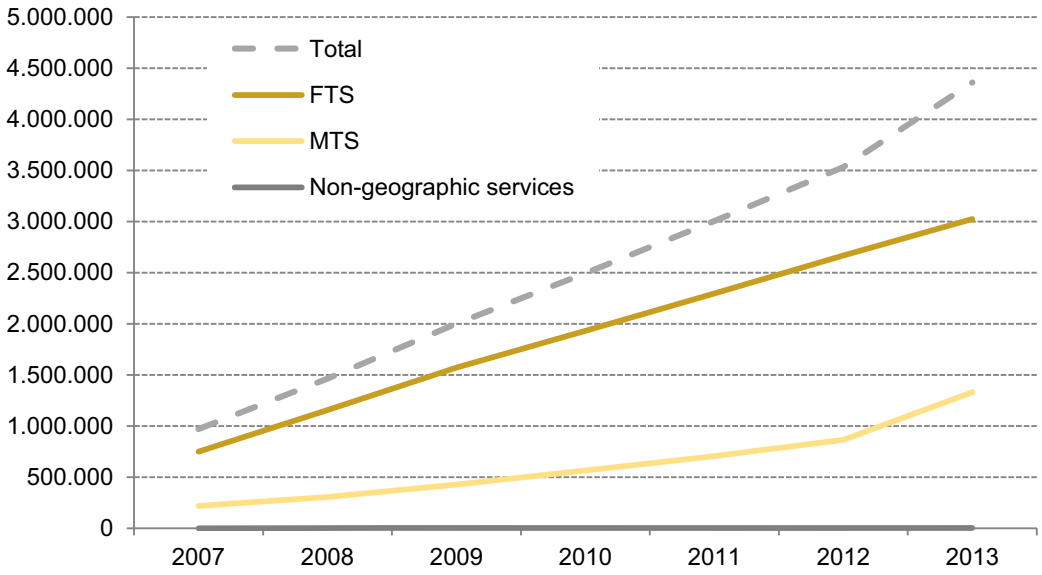
7. Number portability and pre-selection

7.1. Portability

7.1.1. Trends in ported numbers

Between 2001, the year portability was introduced, and 31 December 2011, 4,358,988 telephone numbers have been ported: 3,025,517 geographic numbers, 1,330,054 mobile numbers and 3,417 other non-geographic numbers, including 633 numbers ported in the "30" numbering range (nomadic VoIP). The following graph shows the accumulated volume of ported numbers from 2007.

Graph 33 – Accumulated volume of ported numbers



Source: ICP-ANACOM.

As a result of the merger between PT Prime and PTC, which occurred at the end of 2011, all amounts reported previously with respect to 2012 have been rectified since the numbers ported between the two companies were no longer accounted[29].

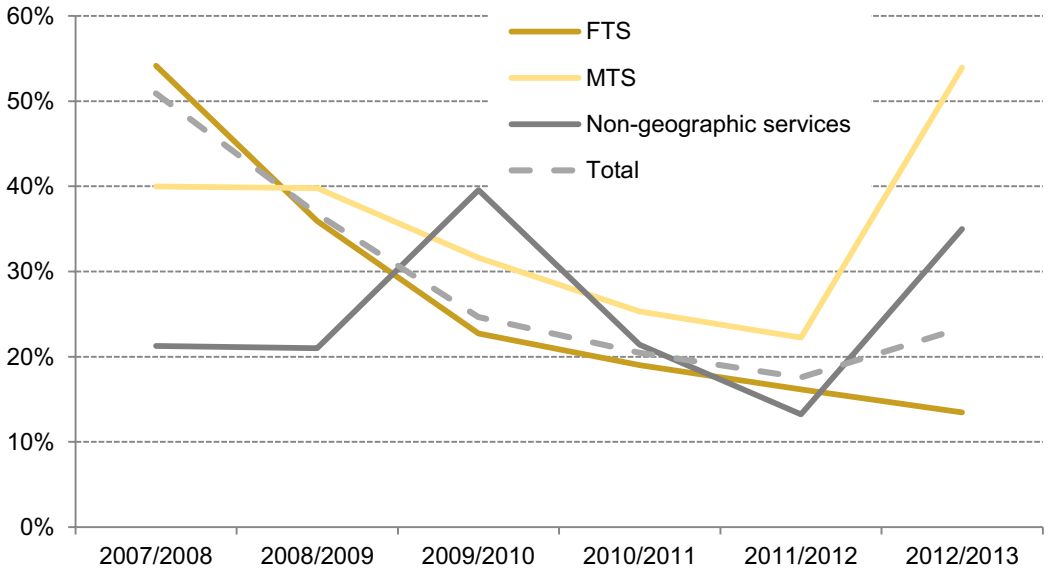
In 2013, a sharp increase was seen in the volume of ported MTS numbers, with the growth rate in mobile number portability (54 percent) far exceeding the growth rate

[29] The rectifications affect the values given for the portability of geographic numbers registered in 2012, which totalled 2,666,752 numbers while portability of geographic numbers was reported at 2,531, including 57 numbers from the '30' numbering range (VoIP).

reported in the portability of geographic numbers (about 14 percent). However, in absolute terms, the volume of mobile service portability remains lower than FTS portability. The increase in ported mobile numbers may be associated with the launch of commercial quadruple-play offers.

Growth was also seen in the portability of non-geographic numbers (including nomadic numbers), with an increase of 35 percent, more than double the rate recorded in the previous year. In the following graph, it can be seen that this result was also achieved for mobile numbers.

Graph 34 – Growth rate reported in the accumulated volume of ported numbers

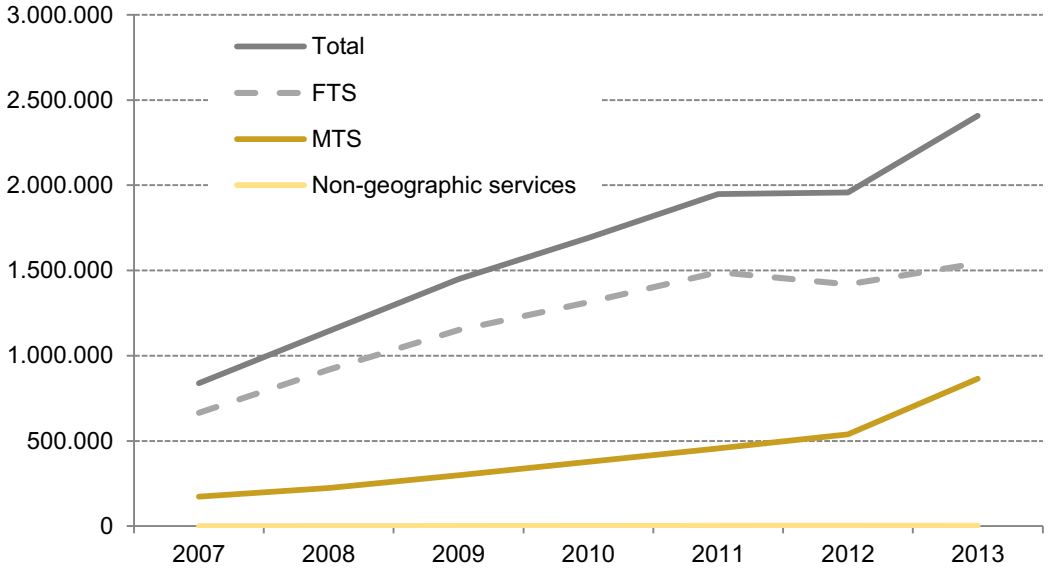


Source: ICP-ANACOM.

The following graph shows the trend in terms of numbers actually ported (numbers that are ported at a given time), as registered in the database of the portability reference entity. The values are lower than those recorded in the previous graph, since portability can be applied several times to the same number, where one customer changes providers multiple times, including a return to their original provider.

Accordingly, and as illustrated in the graph below, as on 31 December 2013 there were 2,408,311 ported telephone numbers, which included 1,541,795 geographic numbers (FTS), 863,884 mobile numbers (MTS) and 2,632 other non geographic numbers, including 623 ported numbers in the '30' numbering range (nomadic VoIP).

Graph 35 – Numbers actually ported according to database



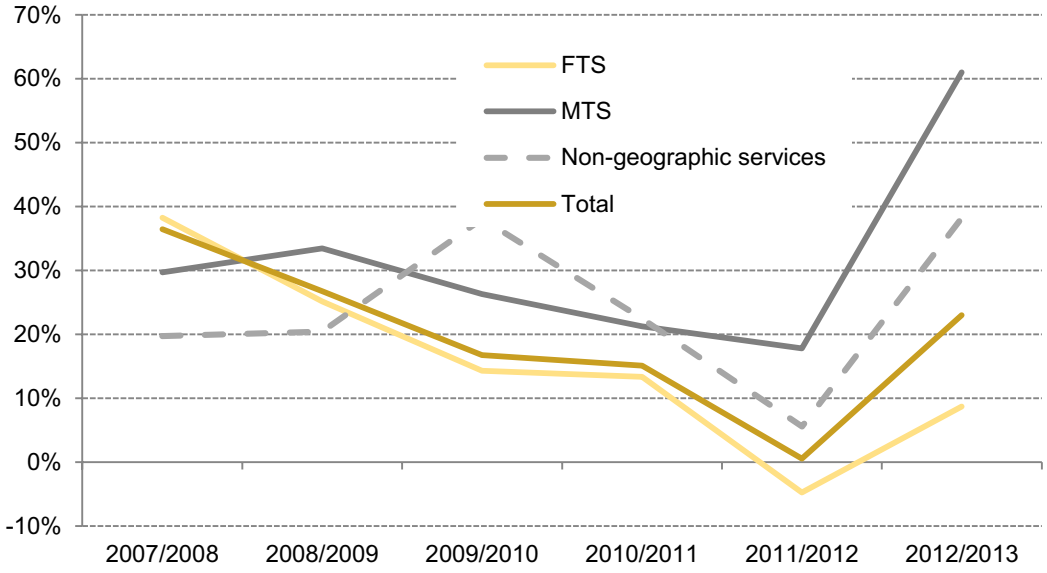
Source: ICP-ANACOM.

The decrease of 4.8 percent reported in 2012 in the growth rate of the volume of ported geographical numbers results partly from the fact that numbers which were ported between PT Prime and PTC are no longer counted as ported numbers, following the merger between the two companies (which occurred in late 2011). The reported evolution can be seen in the following graph.

In 2013, the rate reported in the portability of geographic numbers again turned positive (9 percent), countering the trend in previous years, probably due to the appearance of quadruple-play offers which, by default, include the FTS offer.

The growth rate reported in MTS (in the database) was very significant in 2013, 61 per cent, a fact that is not unconnected to the proliferation of quadruple-play offers.

Graph 36 – Growth rate in numbers actually ported in database



Source: ICP-ANACOM.

The following tables show the trend in the ratio, reported in terms of residential and business segment, of total numbers allocated in respect of the FTS and MTS which were ported and the proportion of direct access FTS customers with ported numbers.

Table 14 – Proportion of numbers, allocated to FTS customers, which are ported

	End of 2011	End of 2012	End of 2013
I. Total	19.36%	19.17%	20.42%
II. Residential segment	20.89%	22.65%	24.15%
III. Non-residential segment	17.49%	14.68% [1]	15.50%

Source: Responses from providers to the six-monthly portability questionnaire.

[1] The reduction versus the previous year is explained by the merger between PT Prime and PTC (occurring on 29.12.2011), which meant that ported numbers which became held by PTC were no longer counted as ported numbers.

Table 15 – Proportion of numbers, associated with mobile stations/MTS user equipment, which are ported [30]

	End of 2011	End of 2012	End of 2013
I. Total	3.05%	3.51%	5.53%
II. Residential segment	1.78%	2.24%	4.49%
III. Non-residential segment	8.74%	9.14%	10.11%

Source: Responses from providers to the six-monthly portability questionnaire.

[1] Active mobile stations/user equipment is considered as mobile stations/user equipment which, at the end of the period under consideration is eligible to make use of one of the services available on mobile networks (i.e., it is eligible to make or receive voice calls or messages or to access a data transmission service), without necessarily being used. However, numbers associated with the following categories were not considered:

– mobile stations/user equipment associated with specific situations (operator tests, pre-active stations at agents/distributors, plans with minimum balance where no contractual relationship has been formalised, i.e. by purchase of credits or signing a contract);

– user mobile stations/user equipment exclusively supporting the mobile broadband service.

Table 16 – Proportion of numbers assigned to nomadic VoIP service customers that are ported

	Final de 2011	Final de 2012	Final de 2013
I. Total	0.010%	0.011%	0.295%
II. Residential segment	0.003%	0.004%	0.004%
III. Non-residential segment	0.056%	0.048%	1.190%

Source: Responses from providers to the six-monthly portability questionnaire.

[30] Active mobile stations/user equipment is considered as mobile stations/user equipment which, at the end of the period under consideration is eligible to make use of one of the services available on mobile networks (i.e., it is eligible to make or receive voice calls or messages or to access a data transmission service), without necessarily being used. However, numbers associated with the following categories were not considered:

- mobile stations/user equipment associated with specific situations (operator tests, pre-active stations at agents/distributors, plans with minimum balance where no contractual relationship has been formalised, i.e. by purchase of credits or signing a contract);
- user mobile stations/user equipment exclusively supporting the mobile broadband service.

Table 17 – Proportion of direct access FTS customers with ported numbers [31]

	End of 2011	End of 2012	End of 2013
Proportion of direct access FTS customer with ported numbers	20,40%	21,35%	21,32%

Source: Responses from providers to the six-monthly portability questionnaire.

[1] Only numbers assigned to end-customers of FTS providers themselves were considered, and so numbers assigned to end-customers of other providers of electronic communications services using the numbering of the FTS providers were not considered.

Table 18 – Proportion of nomadic VoIP service customers with ported numbers

	End of 2011	End of 2012	End of 2013
Proportion of direct access FTS customer with ported numbers	0,007%	0,008%	0,014%

Source: Responses from providers to the six-monthly portability questionnaire.

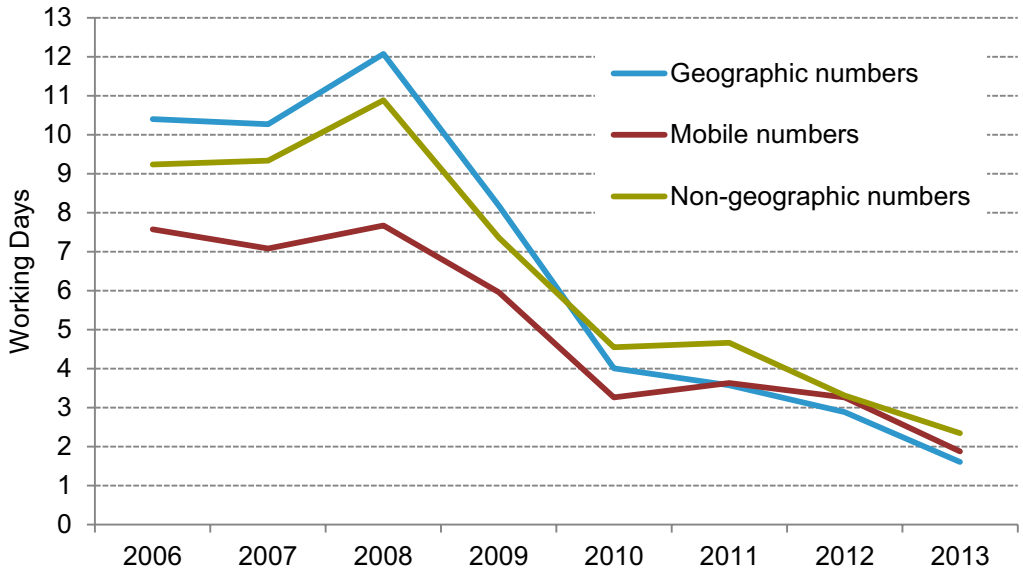
7.1.2. Evolution in time taken to port numbers between operators

The entry into force of an amendment to the Regulamento da Portabilidade (Portability Regulation) in 2012 (establishing a time limit of one working day[32] subsequent to the presentation of the subscriber's request) resulted in a reduction in the time taken to port numbers, which continued through 2013 - see the following graph.

[31] Only numbers assigned to end-customers of FTS providers themselves were considered, and so numbers assigned to end-customers of other providers of electronic communications services using the numbering of the FTS providers were not considered.

[32] With the exceptions set forth in the Regulation.

Graph 37 – Time taken to port numbers



Source: ICP-ANACOM.

7.1.3. Trends in portability prices

ICP-ANACOM compiles information, on a semi-annual basis, on prices charged to subscribers for portability operations by companies providing MTS, including mobile virtual network operators (MVNO), by companies providing FTS and providers of nomadic use VoIP services; this information is also provided on ICP-ANACOM's website.

As seen in 2012, in 2013, MTS portability continued to be free to end-users. In the case of FTS, only one of nine providers active in the residential segment systematically charged customers for the portability operations (12.20 euros, excluding VAT).

In the FTS enterprise market, only four out the thirteen providers were charging their new customers a fee for number portability operations as at the end of 2013; the highest fee charged was 15.30 euros (excluding VAT).

In the case of nomadic VoIP numbering, in line with 2012, only one of the four providers operating in the residential segment charged users for portability operations (4.59 euros - excluding VAT). In the enterprise segment portability was provided free by six of the nine providers. In other cases the highest charge for portability operations was 15 euros (excluding VAT).

In information compiled on wholesale prices, the values reported by providers with reference to the end of 2013 did not exceed the limits defined in the RIO, and were therefore in compliance with the Regulamento da Portabilidade (Portability Regulation).

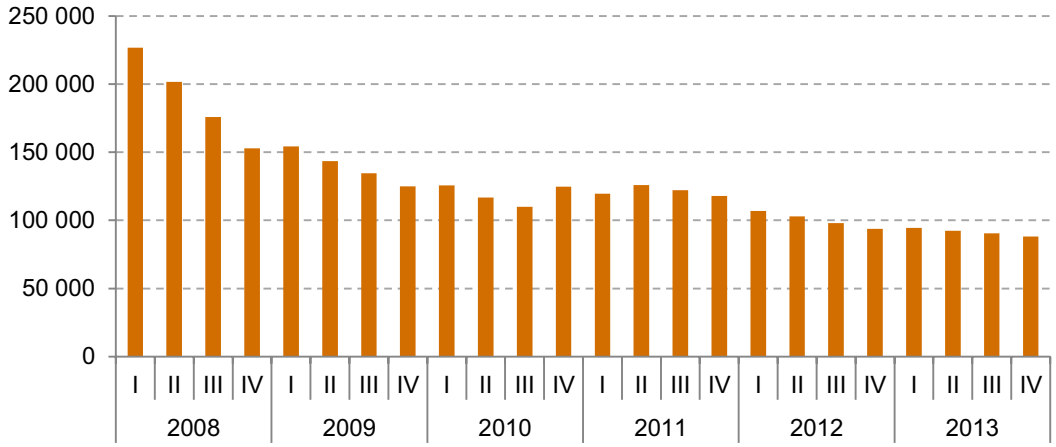
7.1.4. Portability - non-compliance

On 19 December 2013, ICP-ANACOM approved a draft decision ordering Mundio Mobile Limited (Portugal) to adopt a set of measures to resolve a situation of non-compliance detected in the company's exercise of the activity of MTS provider, as MVNO. The company was ordered to guarantee portability as is its obligation under the terms of LCE - Lei das Comunicações Eletrónicas (Electronic Communications Law), the Regulamento da Portabilidade (Portability Regulation) and the contract concluded with the portability reference entity. The company resolved the situation in 2014, putting an end to the non-compliance.

7.2. Pre-selection

In 2013, the decline in the use of indirect access by FTS customers was confirmed. As such, and as shown in the graph below, the number of customers use pre-selection indirect access fell by around 6 per cent from 2012 to 2013.

Graph 38 – Trend in indirect access customers using pre-selection



Source: ICP-ANACOM.

In any case, in the context of analysing retail markets of access and telephone services at a fixed location and wholesale market for call origination at a fixed location, ICP-ANACOM

considered that the pre-selection and call-by-call selection service was important to ensure that providers without their own infrastructure or with infrastructure that did not cover the entire country are able to maintain and/or gain customers, supporting the provision of retail services on the network of the larger operator.

The draft decisions on these relevant markets were adopted on 19 December, 2013, as referred to in sections **Error! Reference source not found.** and **Error! Reference source not found.**.

These draft decision also contained proposals to impose the obligation of call selection and pre-selection on PTC within the wholesale market for call origination on the public telephone network at a fixed location, which obligation already falls on the company, although imposed within the retail market.

8. International Roaming

Regulation (EU) 531/2012 of the European Parliament (EP) and the Council of 13 June 2012, stipulates several measures to reduce International Roaming tariffs, promote competition and ensure tariff transparency; it is valid for a period of ten years (until 30 June 2022).

The Regulation continues to set maximum prices for the provision of regulated Roaming services for voice calls, messaging (SMS) originated and terminated within the EU, and for data communication services with packet switching, used by consumers when roaming in the EU. The Regulation applies both to tariffs charged by network operators at wholesale level and to tariffs charged by providers of roaming services at retail level. In particular, the Regulation establishes successive reductions in maximum prices, with the last decrease in maximum rates occurring in July 2014. After that date, the maximum prices set by Regulation will remain in force until 30 June 2022 for wholesale prices and 30 June 2017 for retail prices.

As such, in 2013, the reduction in international roaming wholesale and retail prices continued. As can be seen in Table 19, the maximum values set in the context of voice communications in intra-EU/EEA roaming are different depending on whether they are applicable to the Eurotariff (retail level) or at wholesale level (excluding VAT).

Table 19 – Maximum prices (wholesale and retail) for roaming services - voice

Entry into force	Wholesale voice price	Retail voice price (Eurotariff voice)	
		Calls made	Calls received
01.07.2011	0.18	0.35	0.11
01.07.2012	0.14	0.29	0.08
01.07.2013	0.1	0.24	0.07

Source: ICP-ANACOM. Amounts in euros.

It should also be highlighted that, in accordance with the provisions of Regulation 531/2012, the billing of voice calls must be per second with an initial charging period not exceeding 30 seconds. The possibility of this initial billing period, does not apply, however, in the case of incoming calls.

Maximum prices were likewise reduced for SMS originating and terminating in the EU at wholesale and retail (Euro-SMS) level, as can be seen in the following table (values excluding VAT).

Table 20 – Maximum prices (wholesale and retail) for roaming services – SMS

Entry into force	Wholesale SMS price	Wholesale SMS price (Eurotariff SMS)
01.07.2011	0.04	0.11
01.07.2012	0.03	0.09
01.07.2013	0.02	0.08

Source: ICP-ANACOM. Amounts in euros.

With respect to data communication services with packet switching used intra-EU/EEA in roaming, on 1 July 2013, the maximum values of wholesale and retail tariffs, per Megabyte, were also reduced (see table below).

Table 21 – Maximum prices (wholesale and retail) for roaming services - data

Entry into force	Wholesale data price	Wholesale data price (Eurotariff data)
01.07.2011	0.5	-
01.07.2012	0.25	0.7
01.07.2013	0.15	0.45

Source: ICP-ANACOM. Amounts in euros.

It should be noted that mobile operators active in Portugal have complied with the maximum values stipulated in the Regulation and have provided some customer segments with additional tariffs. ICP ANACOM compiles and analyzes information in the context of specification models defined by BEREC, to check the recorded average tariffs and to check compliance with the maximum values defined in the Regulation.

The following tables show the evolution reported between the end of the first quarter of 2012 and the end of the first quarter of 2013 in the average prices for roaming communications calculated based on aggregated data on revenues and traffic from different mobile operators active in Portugal. These average prices were below the maximums laid down in the Regulation.

Table 22 – Wholesale voice prices - "Out of group"[33] (average values per minute)

	Reported values	Maximum values defined in Regulation
Q1 2012	0.127	0.18
Q2 2012	0.127	
Q3 2012	0.118	0.14
Q4 2012	0.126	
Q1 2013	0.087	

Source: ICP ANACOM (information based on operator responses to BEREC specification models).

Table 23 – Retail voice roaming prices (average values per minute)

	Reported values		Maximum values defined in Regulation	
	Calls made	Calls received	Calls made	Calls received
Q1 2012	0.341	0.107	0.35	0.11
Q2 2012	0.344	0108		
Q3 2012	0.292	0.087	0.29	0.08
Q4 2012	0.295	0.088		
Q1 2013	0.299	0.088		

Source: ICP ANACOM (information based on operator responses to BEREC specification models).

[33] The set of undertakings comprising of those that are not wholly or majority controlled by the corporate group of which the operator is a part.

Table 24 – Wholesale SMS prices - 'out of group'[34] (average values per SMS)

	Reported values	Maximum values defined in Regulation
Q1 2012	0.031	0.04
Q2 2012	0.030	
Q3 2012	0.029	0.03
Q4 2012	0.029	
Q1 2013	0.023	

Source: ICP ANACOM (information based on operator responses to BEREC specification models).

Table 25 – Retail SMS prices (average values per SMS)

	Reported values	Maximum values defined in Regulation
Q1 2012	0.108	0.11
Q2 2012	0.108	
Q3 2012	0.087	0.09
Q4 2012	0.088	
Q1 2013	0.088	

Source: ICP ANACOM (information based on operator responses to BEREC specification models).

[34] The set of undertakings comprising of those that are not wholly or majority controlled by the corporate group of which the operator is a part.

Table 26 – Wholesale data prices - 'out of group'[35] (average values per Mb)

	Reported values	Maximum values defined in Regulation
Q1 2012	0.125	0.50
Q2 2012	0.109	
Q3 2012	0.096	0.25
Q4 2012	0.097	
Q1 2013	0.067	

Source: ICP ANACOM (information based on operator responses to BEREC specification models).

Table 27 – Retail data prices (average values per Mb)

	Reported values		Maximum values defined in Regulation
	Pre-paid	Post-paid	
Q1 2012	1.244	1.631	Not defined
Q2 2012	1.269	1.652	
Q3 2012	0.608		0.70
Q4 2012	0.599		
Q1 2013	0.609		

Source: ICP ANACOM (information based on operator responses to BEREC specification models).

The Regulation also provides for structural measures, consisting of rules to allow the sale of regulated roaming international services separately from the sales of domestic mobile communication services, increasing consumer choice, ensuring the emergence of different types of provider and increasing the range of roaming offerings available. As such, customers can subscribe to the roaming service as a standalone service, while remaining subject to wholesale and retail price ceilings, ensuring that current consumer

[35] Set of undertakings comprising of those that are not wholly or majority controlled by the corporate group of which the operator is a part.

benefits are preserved during a transitional period in which implementation of these structural measures will take place.

From 1 July 2014, MTS customers will be able to subscribe to intra-EEA roaming offers provided by roaming operators other than their home operator. In this regard, note is made of the EC's adoption of detailed rules foreseen for 2014 on the separate sale of regulated retail roaming services at retail level, by means of Implementing Regulation (EU) no. 1203/2012 of 14 December 2012. In particular, these rules comprise: (i) a technical solution for the implementation of the separate sale of regulated roaming services at retail level; and (ii) the imposition of information obligations on domestic providers with respect to their roaming customers, in terms of the possibility of opting for roaming services offered by alternative providers of roaming services.

To facilitate provision of roaming services by alternative providers, the Regulation establishes conditions for wholesale access to public mobile communications networks for the provision of regulated roaming services. As such, mobile network operators are obliged to satisfy all reasonable requests for wholesale access to their networks to offer roaming services, and as from 1 January 2013, are required to publish a reference offer in accordance with BEREC's guidelines.

The three Portuguese mobile network operators had reference offers published on the stipulated date. In 2013, ICP ANACOM put the published reference offers under review to verify their compliance with the provisions of the Regulation and BEREC's guidelines. Following this review and contacts with mobile operators, a number of amendments were made to the reference offers in order to clarify certain matters and ensure compliance with applicable regulations. Nevertheless, according to information available to ICP-ANACOM, by the end of 2013, there were no operator agreements in place established specifically under the Roaming Regulation.

Furthermore, the Regulation establishes rules to increase price transparency and improve the provision of information on tariffs to users of roaming services, whereas ICP ANACOM has worked to ensure that these rules are observed by operators.

In this context, operators are now subject to obligations including the obligation to automatically provide their customers with personalised basic information about roaming tariffs applicable to voice, SMS or data communications. This information is provided by

means of a message, sent whenever customers arrive in countries outside the EU/EEA, as has already happens when customers arrive in EU/EEA countries.

The previously established obligation, whereby operators are required to offer their roaming customers a free service that provides information on cumulative roaming data consumption and which ensures that accumulated spending on this services does not exceed 50 euros (suspending provision of the service when this limit is reached), is also extended to when the customer travels outside the EU, except in specific cases when the visited network operator does not authorise the roaming operator to monitor their clients of services in real time.

9. Analyzed retail offers

On 12 November 2012, PTC presented ICP-ANACOM with a proposal to amend the tariff for communications to direct customers of other service providers (PTC-OSP), as entered into force on 1 January 2013 (inter-network tariff), following a proposed change in the base tariff of the telephone service at a fixed location within the scope of the universal service.

There are two different tariffs applicable to PTC-OSP communications (one applying to operators whose average termination prices are close to the average price of termination on PT's networks - Tariff Group 1, and a second tariff applying to the remaining operators - Tariff Group 2.

After concluding that the tariffs in question complied with the obligations to which the PTC was subject, ICP-ANACOM gave its approval on 29 November 2012.

Table 28 – PTC-OSP tariff proposed by PTC and in force since 1 January 2013 (Tariff Group 1)

Tariff Group 1						
	Initial price (euros)		Time credit (minutes)		Price per minute (euros)	
	Working days 9am - 9pm	Remaining times	Working days 9am - 9pm	Remaining times	Working days 9am - 9pm	Remaining times
Local/national	0.0700	0.0700	1.00	1.00	0.0277	0.0084

Source: PTC. Values excluding VAT.

Table 29 – PTC-OSP tariff proposed by PTC and in force since 1 January 2013 (Tariff Group 2)

Tariff Group 2						
	Initial price (euros)		Time credit (minutes)		Price per minute (euros)	
	Working days 9am - 9pm	Remaining times	Working days 9am - 9pm	Remaining times	Working days 9am - 9pm	Remaining times
Local/National	0,0700	0,0700	1,00	1,00	0,0376	0,0100

Source: PTC. Values excluding VAT.

Tariff Group 2 stems from the obligation, to which PTC remains bound, to charge prices for calls originated on PTC's network and terminating on the networks of other FTS providers which are the same as the prices charged for calls both originating and terminating on PTC's network; this may only be corrected by the difference, where applicable and quantified on a reasoned basis, between the termination of calls on PTC's network and the termination of calls on the network of each FTS provider.

Since ICP-ANACOM's determination of 27 August 2013, concerning the adoption of interim and urgent measures in the wholesale market for call termination on the public telephone network at a fixed location, stipulated the elimination of all remaining asymmetries between the termination rates charged by the companies of Grupo PT and other operators, as described in section **Error! Reference source not found.** of this report, the differentiation occurring at retail level in the prices of PTC-OSP calls can no longer be justified based on differences in termination rates. It should be noted, in this regard that, currently, PTC applies only tariff group 1.

10. Communications security

In addition to Lei das Comunicações Eletrónicas (Electronic Communications Law), there are two pieces of legislation that have particular relevance to communications security: Law no. 67/2013 of 28 August - Framework law for independent administrative entities with functions regulating the economic activity of the private, public and cooperative sector - and Decree-Law no. 11/2014 of 22 January, which approves the new Organic Law of the Ministry of Economy. This legislation required the adoption of new Statutes for ICP-ANACOM and integration of the powers and responsibilities of the Comissão de Planeamento de Emergência das Comunicações (Emergency Communications Planning Committee). Furthermore, Resolution of Council of Ministers no. 112/2012, published on 31 December, which approved Digital Agenda Portugal, determined implementation of measure 3.1.9 - Trust and security of networks and service. This called on ICP-ANACOM to take steps with regard to setting up an incident reporting centre and to provide aggregated management of the operational status of electronic communications networks and services, including Internet services, as well as conducting exercises on the preparedness of networks and services.

Incorporated recently into the regulatory framework, these matters also have significance in contexts beyond this framework, and ICP-ANACOM's responsibilities in this regard pose a challenge to which it must respond in its relationships with other public and private entities involved, such as Ministry of Internal Affairs and Autoridade Nacional de Proteção Civil (National Authority for Civil Protection).

Meanwhile, the study on the survey and assessment of the resilience of Internet infrastructure in Portugal, conducted by Instituto de Telecomunicações (Telecommunications Institute), is also notable in that it evaluated physical and logical infrastructure over which important services are provided to citizens, including e-Government services.

Finally, at European level, a discussion took place on the proposed Cybersecurity Strategy and on the proposed Directive on Network and Information Security.

10.1. Implementation of amendments to the regulatory framework

On 12 December 2013, ICP-ANACOM approved a decision on measures defining the circumstances, format and procedures to be followed by companies offering publicly available electronic communication networks services in compliance with their obligations to report security breaches or losses of integrity to ICP-ANACOM when these have significant impact on the functioning of public networks and services. This determination also sets out the duty of these companies to inform the public as to the occurrence of security violations or losses of integrity which ICP-ANACOM considers to be of public interest.

On the same date approval was given to the establishment of the CRN - Centro de Reporte de Notificações de Violações de Segurança e Perdas de Integridade (Centre for Reporting Notifications of Security Breaches and Integrity Losses) and to the actions to be undertaken by ICP-ANACOM to put the Centre into operation as from 12 June 2014.

As regards technical implementation measures and security audits, in 2013, ICP ANACOM worked with a view to the adoption of a set of decisions on communications security measures, in order to improve the reliability and security of electronic communications networks and services and responding to the provisions of prevailing legislation, including: technical implementing measures related to the obligations of undertakings in terms of security and integrity; additional requirements beyond technical implementing measures; and requirements to be met by network and service security auditing.

For the purpose of implementing the regulatory framework on the security and integrity of networks and services, ICP-ANACOM, together with its counterparts, has participated actively in the work pursued at European level, with the support of the European Network and Information Security Agency (ENISA). This resulted in a consensus being achieved around two technical guidance documents for the NRA - Technical Guideline on Incident Reporting and Technical Guideline on Security Measures.

It is therefore important to stress that the security measures that are being prepared will be based primarily on the document Technical Guideline on Security Measures: Technical Guidance on Security Measures in Article 13. This ENISA document provides NRAs with guidance to on how to ensure that undertakings which offer public communication

networks or publicly available electronic communication services take appropriate security measures.

Subsequently, ICP-ANACOM intends to establish a reference framework for electronic communications security, applicable to undertakings which offer public communication networks or publicly available electronic communication services, seeking to strengthen the sector in terms of resilience and risk management, promoting further robustness, adaptability and capacity to recover quickly from incidents, events or occurrences which could have an adverse effect on the functionality and availability of the services they provide.

10.2. Single European emergency number - 112

In 2014, new 112 infrastructure is due for completion, with the conclusion of the 112.pt project, equipping the system with redundancy mechanisms to cope with any disaster or calamity.

ICP-ANACOM participated in the works of the Expert Group on Emergency Access and took part in a new Project Team of the Electronic Communications Committee (ECC)[36] – The PT ES (Emergency Services) - which is preparing a report to support and harmonise the activities of NRAs in the definition of accuracy and reliability criteria in locating people making 112 calls.

As regards the implementation of eCall - responding to emergency calls to 112 made manually or automatically from a vehicle, to begin 1 October 2015 - there are developments at national and international levels At national level, note is made of the transposition of Directive 2010/40/EU of 7 July 2010, by Law no. 32/2013 of 10 May, concerning intelligent transportation systems (ITS), which covers this service.

Internationally, ICP-ANACOM continued to participate in the European eCall Deployment Platform and its group HeERO (Harmonised eCall European Pilot), following European legislative initiatives and pilots which have already been undertaken in the EU or are under development.

[36] In the context of the CEPT (European Conference of Postal and Telecommunications Administrations).

10.3. Working in conjunction with civil protection

Resolution of Council of Ministers no. 87/2013 of 28 November, approved the PNEPC - Plano Nacional de Emergência de Proteção Civil (National Emergency Civil Protection Plan) for a period of two years commencing on 12 December.

Under the PNEPC, ICP-ANACOM is made communications coordinator, responsible for identifying and characterizing the electronic communications resources deemed most useful for civilian protection. ICP-ANACOM promotes preparation and cooperation among authorities involved in this area to ensure the functioning of each authority within its remit.

In the organisation of a response to an emergency situation, ANACOM is called on to act during both the emergency phase and in the recovery phase, providing, in accordance with its remit, technical support to the organisations and agencies responsible for the integrated emergency communications network and ensuring the availability and efficient use of the radio spectrum during both phases of a situation.

10.4. Communications security exercises

2013, ICP-ANACOM participated in the drill organised by UNICRI[37], in Tagus Park, with reports completed on European and national participation in Cyber Europe 2012, whose conclusions and recommendations will be considered in preparing Cyber Europe 2014.

10.5. Awareness and good practice

In 2013, a number of public presentations were made at various events and conferences on communications security, at a national and international level; these were aimed at raising awareness and promoting good practice in terms of security and to disseminate ICP-ANACOM's work in this context. Notably, a Workshop was organised on "Cybersecurity: economic aspects', with the collaboration of DGAE - Direção Geral das Atividades Económicas (General-Directorate of Economic Activities), seeking to assess the impact of introducing the Directive on Network and Information Security (NIS Directive[38]) on market agents as regards the principal measure of the proposed European Cyber Security Strategy.

[37] United Nations Interregional Crime and Justice Research Institute.

[38] Draft Directive COM (2013) 48 Final of 17.02.2013.

10.6. ICP-ANACOM Sub-Register and internal security

Throughout 2013, operation of the Sub-Register of ICP ANACOM, located in Barcarena and Lisbon, was maintained, including the management of credentials, while training was conducted on the protection of classified material, together with preparation of the security manual.

With regard to internal security, a staff training programme was conducted on information security, in cooperation with the Faculty of Law, Universidade de Lisboa.

Additionally, the process of reviewing ICP ANACOM's Contingency Plan was begun, seeking to broaden its scope to include all types of contingencies: pandemics, sabotage, attacks, earthquakes, fires, floods, etc.

11. Centralised Information System

The SIC - sistema de informação centralizado (centralized information system) will bring together all the information contained in records, and related to the procedures and rules governing the construction of new ducts and access to existing ducts. Furthermore, infrastructure construction plans will be published, so that operators are able to participate in any works on a basis of cost-sharing.

Under the law, it is the responsibility of ICP-ANACOM to design, manage and maintain the SIC, and also to ensure that it is accessible and available, whereas undertakings responsible for infrastructure will collect the relevant information, make it available and keep it up-to-date.

In this context, an international public tender was launched in November 2010 for the implementation and management of the SIC. For reasons which are external to ICP ANACOM, the selection process was challenged by two top-ranked tenderers.

In 2013, after a court ruling on the legal proceedings filed by these tenderers, ICP-ANACOM reinitiated the process, launching a new tender procedure to select an entity to establish and develop the SIC.

12. Radio spectrum management

12.1. Multiband auction - Coverage obligations in the 800 MHz frequency range

The Regulation of the Auction for the allocation of rights of use of frequencies in the 450 MHz, 800 MHz, 900 MHz, 1800 MHz, 2.1 GHz and 2.6 GHz bands (multiband auction), which took place at the end of 2011, stipulated a coverage obligation applicable to each lot in the 800 MHz band. Subsequent to the auction's results, each of the three mobile operators with their own networks in Portugal were required to ensure coverage of a set of up to 160 parishes as tend to lack mobile broadband coverage (MBB). This requirement was subsequently established in the respective titles of the rights of use of frequencies.

Back in 2012, ICP-ANACOM approved and released a list of 480 parishes as tend to lack MBB coverage and successively notified each operator so that they might select a set of 160 parishes. After the three operators made their selections, by determination of 22 August 2013, ICP-ANACOM implemented the coverage obligations of each operator in geographical terms, making them an integral part of the titles that govern the respective rights of use of frequencies.

In order to ensure full accomplishment of the obligation, it was important to define the methodology underlying the determination and review of the maximum speed of data transmission enabled by the broadband service provided in the selected parishes. In this respect, by determination of 12 December 2013, ICP-ANACOM approved a draft decision on this methodology and the corresponding reporting obligations, as well as the methodology governing the verification of compliance with coverage obligations and corresponding reporting obligations. The draft decision was submitted to the prior hearing of the three mobile operators and to the general consultation procedure - adoption of the final decision was carried over until 2014.

12.2. National Table of Frequency Allocations (NTFA)

By determination of 4 September 2013, and following its submission to public consultation, ICP-ANACOM approved and published the "2013 Addendum" to the NTFA. The following updates were made to NTFA 2010/2011:

- availability of 17.8 -18.6 GHz and 18.8 -19.3 GHz / 27.6 -28.4 GHz and 28.6 - 29.1 GHz frequency bands for the fixed-satellite service, for operation of publicly available and non-publicly available electronic communication services and networks;

- alignment of Annex 4 of NTFA - uses exempt from licensing - with Commission Decision 2006/771/EC of 9 November 2006 on the harmonisation of the radio spectrum for use by short-range devices and changes thereto;

- provision of the 472-479 kHz frequency band for the amateur service and modification of the conditions of access to 50-52 MHz and 1270-1300 MHz bands, also for the amateur service, provided in Annex 6 to NTFA;

- provision of the 5091-5150 MHz frequency band for the aeronautical mobile service, making provision for band applications.

During the year, ICP-ANACOM completed development of the eNTFA Frequency Website, an electronic platform made available during the latter part of the year. With dynamic and interactive search, the eNTFA Frequency Website allows users to consult information related to the planning and use of frequencies.

It is essential for the proper functioning of the eNTFA Frequency Website that data is kept up-to-date. It is therefore, reviewed on a regular basis and whenever information requires modification.

12.3. Conference on "Spectrum Management: Perspectives, Challenges and Strategies"

On 20 September 2013, ICP-ANACOM hosted a conference held at the Centro Cultural de Belém (CCB), in Lisbon, on "Spectrum Management: Perspectives, Challenges and Strategies".

The Conference sought to promote open dialogue between various stakeholders, including operators, industry and users, on relevant matters within the scope of spectrum management, such as: the spectrum policy programme, the digital dividend, spectrum

requirements in various strategic sector areas and preparation for the 2015 World Radiocommunication Conference (WRC-15)[39].

This event was preceded, on 19 September, by a workshop on Cognitive Systems, promoted by the EC, to present ongoing European research projects in the area of cognitive systems and to provide an opportunity for participants to become familiar with the systems and components of Cognitive Radio Experimentation World (CREW).

12.4. National WRC-15 preparation group

ICP-ANACOM set up a national working group, bringing together personnel from ICP-ANACOM and external entities to prepare for WRC-15.

The working group is intended as a debating forum of excellence, providing a venue for exchange of opinions which will contribute to the preparation and consolidation of national consensus positions which are balanced and defensible at European Conference of Postal and Telecommunications Administration (CEPT) and the Radiocommunication Sector (ITU-R) level. The items discussed at the working group result from the expression of interest manifested by the external entities participating in it.

12.5. Fixed wireless access (FWA)

During the year, ICP-ANACOM analysed requests related to the operation of the FWA system made by the following companies:

- Onitelecom

By determination of 29 May 2013, and following a request from Onitelecom, ICP-ANACOM decided to amend Right of use of frequencies ICP-ANACOM no. 06/2006, allocated to the company for operation of the FWA system. Radio-licence no. 504242, to which the company holds title, was amended accordingly.

- PTC

[39] Taking place under the auspices of the International Telecommunication Union (ITU).

In 2013, PTC requested renewal of its right of use of frequencies for operation of FWA systems; in December, ICP-ANACOM adopted a draft decision favourable to the request and submitted it to public consultation. By decision of 6 February 2014, ICP-ANACOM approved the renewal of this right of use of frequencies for a period of 10 years and, consequently, approved amendment to the supporting title (ICP-ANACOM no. 07/2006 - FWA), with effect from 10 December 2014. PTC was instructed to notify ICP-ANACOM as to the central stations it intended to deactivate for the purposes of the amendment to radio licence no. 506370 associated with the right of use to which it held title.

- Vodafone

By determination of 15 February 2013, and following a request from Vodafone, ICP ANACOM approved an amendment to the right of use of frequencies held by the company and supporting title (ICP-ANACOM no. 09/2006 - FWA) as well as an amendment to the associated radio licence.

By determination of 22 August 2013, and upon request, ICP-ANACOM revoked the act of allocation of this right of use of frequencies and supporting title, with effect from 30 July 2013, likewise revoking radio licence no. 504740.

12.6. Return of UMTS TDD spectrum

- Vodafone

On 5 February 2013, Vodafone sought approval, with immediate effect, of its request to renounce the right of use of the block of 5 MHz of UMTS TDD frequencies corresponding to 1915.1 to 1920.1 MHz, as well as amendment of the respective right of use of frequencies for terrestrial electronic communications services (ICP-ANACOM no. 03/2012). In light of the principle of effective and efficient use of spectrum, ICP-ANACOM deemed that there was nothing to prevent granting the company's wishes. It therefore granted the request and revoked the corresponding radio licence.

- TMN

On 14 August TMN requested revocation of the block of 5 MHz of unpaired spectrum comprised in the 1900-1920 MHz (UMTS-TDD) sub-band, as covered by the rights of use of frequencies corresponding to ICP-ANACOM title no. 02/2012. ICP-ANACOM

considered that TMN's wish did not harm the public interest underlying allocation of the frequencies in question; as such the respective request was deemed fit for favourable consideration and the corresponding licence was revoked.

12.7. Radio broadcasting

Under the terms of the Lei da Rádio (Radio Law)[40], ERC - Entidade Reguladora para a Comunicação Social (Media Regulatory Authority) submitted requests to ICP ANACOM, as put by radio operators, regarding the transfer of programme services and the respective licensing for exercise of the radio activity, for decision by ICP ANACOM on the transfer of the respective rights of use of frequencies, according to the regime applicable to electronic communications networks and services and to radiocommunications.

In view of the provisions of paragraph 7 of article 34 of the LCE, respective opinions were requested from AdC. while ICP-ANACOM made the various requests of ERC public on its website, under the terms of the law.

Accordingly, in 2013, ICP-ANACOM decided not to oppose transfer of rights of use in the 87.5-108 MHz frequency band and of the respective radio broadcasting licences, nor the authorisations granted for operation of the Radio Data System (RDS) in the following cases:

- from Interior Norte Rádio to title of RC Chaves - Rádio Clube de Chaves Unipessoal (determination of 18 January 2013));
- From Rádio Beira Interior, to title of Rádio Castelo Branco (RACAB) (determination of 22 February 2013);
- from Cooperativa Cultura Voz do Marão to title of Rádio Antena do Marão (determination of 4 April 2013);
- from Santa Casa da Misericórdia de Campo Maior to title of Palavras Originais, Unipessoal (determination of 8 August 2013);
- from Rádio Larouco, Cooperativa de Rádio e Informação to title of Provótexto, Unipessoal (determination of 8 August 2013);

[40] Law no. 54/2010 of 24 December.

– from Raimundo Comunicações Independentes - Rádio e Jornais to title of Rede Regional de Radiodifusão RCI (determination of 12 December 2013).

12.8. Radio licensing

This area of activity is focused on issuing network and station licences for the various radiocommunications services, in accordance with the provisions of Decree-Law no. 151-A/2000 of 20 July, as amended by Decree-Law no. 264/2009 of 28 September.

ICP-ANACOM is responsible for the analysis and processing of the respective licensing procedures, including the assignment of frequencies. The distribution of radio licensing activities by the various radio services during 2013 is presented in the following table.

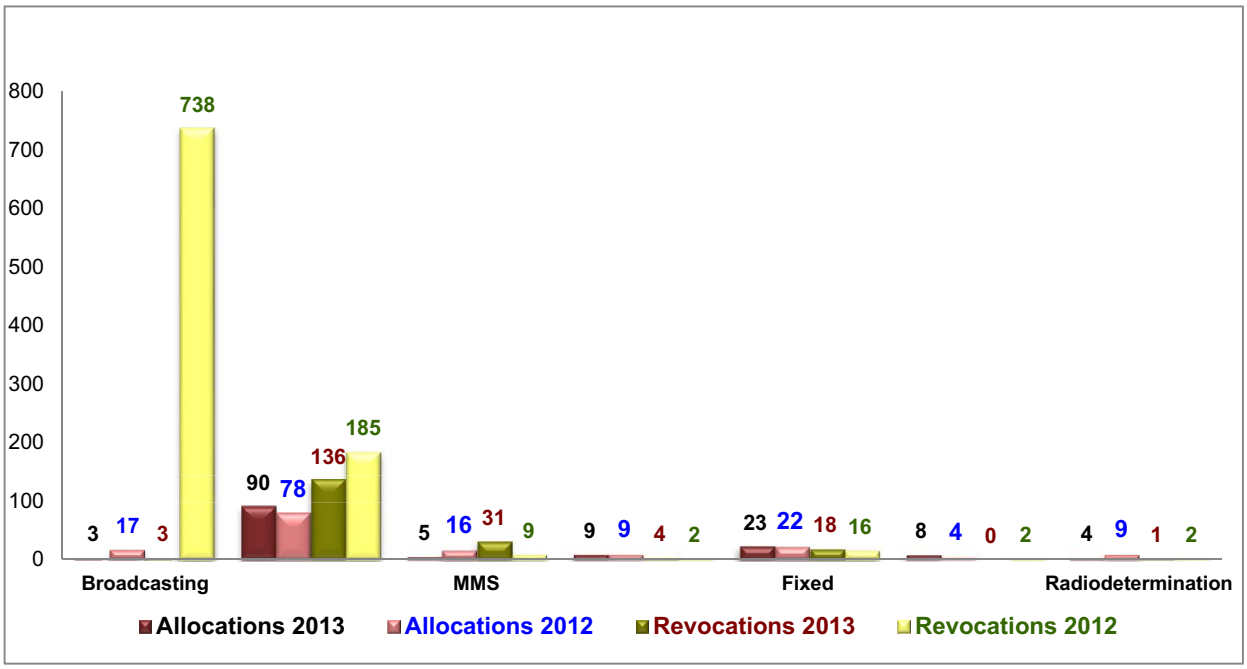
Table 30 – Radio licensing activities by radiocommunications service in 2013

Radiocommunication service		New Licenses		Licence Alterations		Temporary licences / applications*	
		Station	network	Station	network	Station	network
Mobile	Terrestrial Private Networks	–	90	–	119	–	730*
	Terrestrial Public networks (TECS)	–	0	–	88	–	–
	Maritime	5	–	5	–	–	–
	Aeronautical	9	–	15	–	–	1
Fixed	Point-to-point link networks. (Bands below 1 GHz)	–	3	–	1	–	15
	Point-to-point link networks. (Bands above 1 GHz)	–	19	–	60	–	–
	Point-Multipoint link Networks (Bands below 1 GHz)	–	1	–	2	–	–
	Studio-Transmitter Networks	–	1	–	20	–	11
Satellite Services	Fixed Satellite Earth Stations	5	–	1	–	–	–
	Fixed Satellite SNG stations	2	–	3	–	67*	–
	Fixed Satellite VSAT Networks	–	1	–	2	–	–
	Radio (Analogue)	3	–	30	–	42	–
	Television (Digital)	–	–	–	36	–	–
Broadcasting	Radiodetermination Stations	4		9	–	1	–
SAP/SAB Applications		–	1	–	–	229*	

Source ICP-ANACOM.

The following graphs depict the licensing activity by type of service with reference to 2012 and 2013.

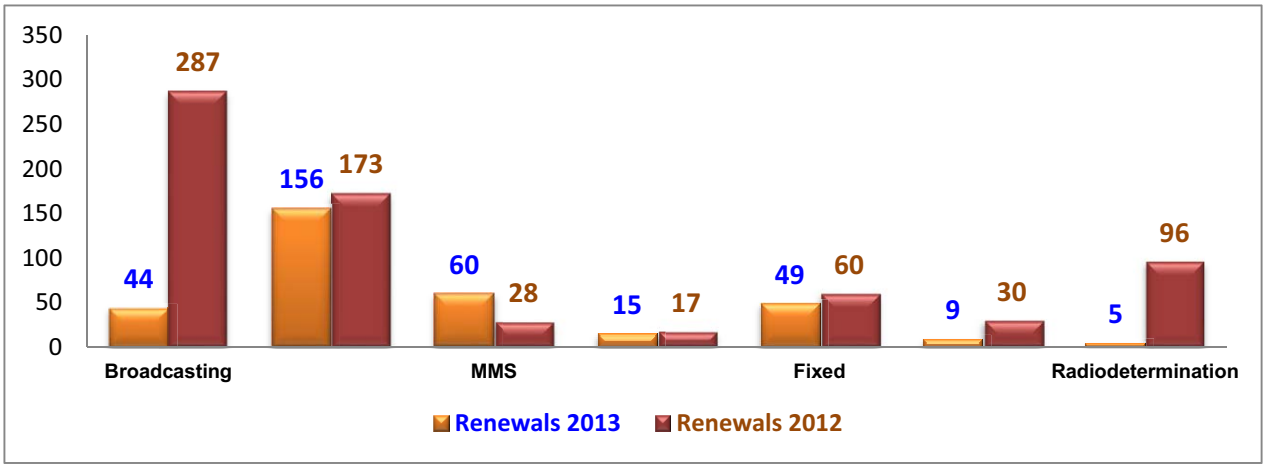
Graph 39 – Allocations and revocations of licenses, 2012-2013



Source ICP-ANACOM.

The number reported for revoked maritime mobile service (MMS) station licences includes the public correspondence licences held by PTC, which were revoked on 30 April following Resolution of Council of Ministers no. 2/2013 of 3 January, which approved discontinuation of this service as a public service.

Graph 40 – Licence renewals 2012-2013



Source: ICP-ANACOM.

In total, 2,026 requests were handled in 2013, as follows.

Table 31 – Distribution of requests handled, by service

Requests	Broadcasting service	Mobile and Radiodetermination services	Fixed service	Satellite Services	Temporary licensing
Licences	107	335	510	14	520
Miscellaneous requests	191	206	57	96	–
Totals	298	541	567	110	520

Source: ICP-ANACOM.

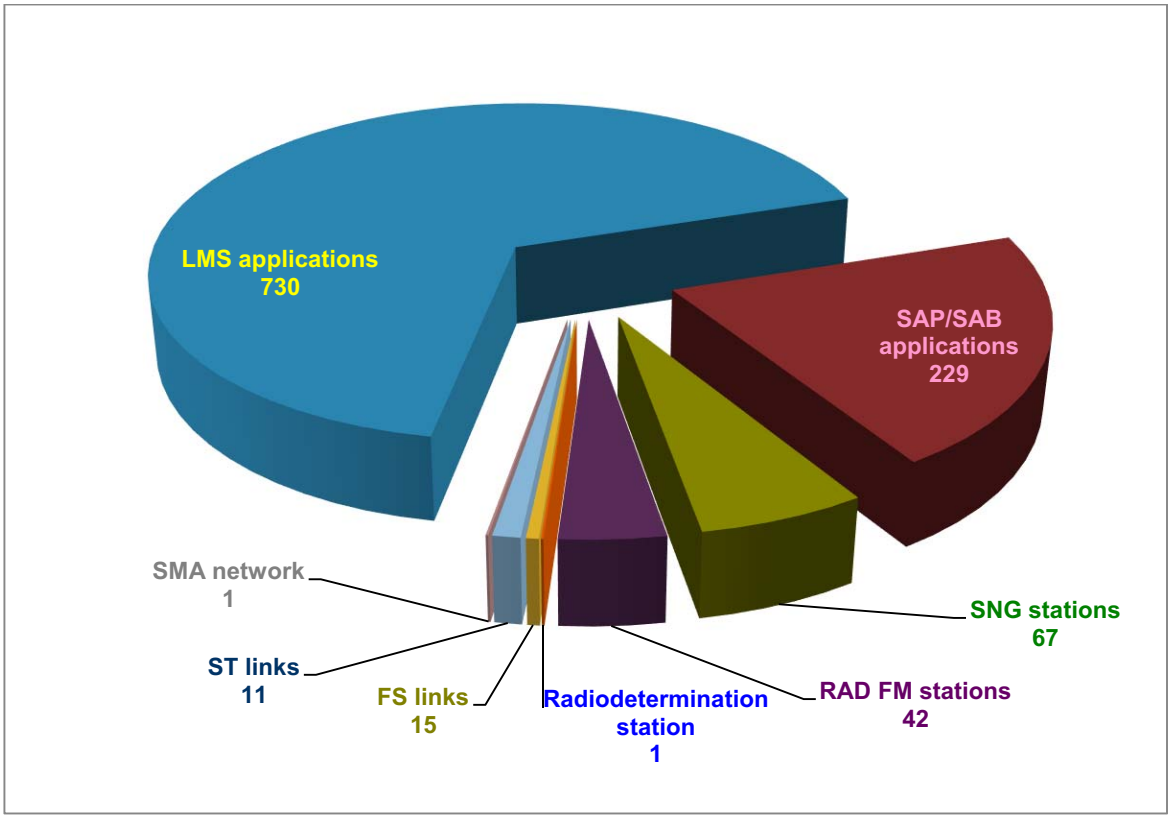
At the end of 2013, the number of stations registered by operators of terrestrial electronic communications services was as follows: TMN 4,300, Vodafone 3,949 and Optimus 2,803.

As regards the fixed service, 19 licences were granted and 60 were amended, corresponding to radio link networks of operators, including Vodafone, Optimus, Onitelecom and PTC, which, taken together, installed 1,420 fixed stations, providing 710 new point-point links.

Within the scope of the digital television broadcasting service, PTC's network license was amended with the activation of 68 new stations, of which three corresponded to stations which were licensed on a temporary basis in 2012 and which were incorporated into PTC's licence subsequent to ICP-ANACOM determination of 16 May. In the context of optimisation of the SFN functioning on channel 56 in the mainland territory, technical data was amended in the case of 26 stations.

Meanwhile, 520 temporary licenses were awarded, comprising 67 Satellite news gathering (SNG) station applications, 229 SAP/SAB applications and 730 MTS private networks. A "temporary licence" may encompass "multiple applications", both within the same service or across different services.

Graph 41 – Distribution of requests for temporary licensing



Source: ICP-ANACOM.

There were a further 42 temporary licenses for Frequency modulation (FM) radio stations, 11 studio-transmitter links, one network license of the aeronautical mobile service and 15 fixed service point-point links. Also of note is the granting 44 licences for the use of frequencies by foreign military vessels as well as the granting of 28 licenses for the use of frequencies during the visit of dignitaries to Portugal.

Temporary licenses are usually granted for the operation of radiocommunications networks and stations supporting short duration events. In 2013, these included the following festivals: Sumol Summer Fest, Optimus Alive, Super Bock Super Rock, Meo Sudoeste, Mega Picnic and Festa do Avante. There were also motor racing events, television programmes and an increase in requests for coverage of football matches in international competitions.

In the context of electronic services for radio licensing, a platform was completed for electronic licensing (ELIC) which, in 2014, will enable the consultation and submission of radio licensing requests.

12.9. Amateur and amateur satellite services

With regard to the management of amateur and amateur satellite services in 2013, the following should be noted:

- the entry into operation of a tool to collect and process data for internal analysis, which may, in the future, allow the external provision of information on the amateur and amateur-satellite service, including information on amateur aptitude tests and the geographical distribution of amateurs;
- improvement of electronic and interactive forms in the online services area reserved for users of the amateur service and amateur-satellite service;
- external provision on ICP-ANACOM's website of an area to search amateur and amateur satellite services data, especially data on common use station licences - associations, individual amateur stations and temporary call signs;
- continuation of the process to adapt the regulatory framework applicable to amateur and amateur satellite services.

At the operational level, 1,107 requests were received in 2013, with 1,088 requests addressed and completed, giving an average rate of 98 percent. The average time taken to process requests was only four days, versus seven days in 2012, which illustrates the effort made by ICP ANACOM to improve this indicator.

In addition, seven authorisations were issued to conduct ionospheric propagation testing in the 5 MHz band.

12.10. Protection of radiocommunication stations and networks

ICP-ANACOM is required to ensure that licensed or authorised stations and networks have the necessary and possible protection to safeguard their operability.

Some radio links and stations enjoy special protection through the creation of administrative easements which place restrictions on the construction and location of obstacles in areas defined in such easements. ICP ANACOM is asked to give an opinion on the feasibility of installing buildings and infrastructure in these areas, the creation of areas subject to detailed planning and land development plans, installation of wind farms

and energy transmission lines, construction of roads, rail and hydroelectric plants, operation of quarries, etc. It is also required to analyse projects and provide advice on the feasibility of installing radiocommunications infrastructure, pursuant to Decree-Law no. 11/2003 of 18 January.

ICP-ANACOM also participates in several oversight committees to review PDM - planos diretores municipais (Municipal Director Plans), representing the Government, attending the meetings of these Committees, contributing to the drafting of PDMs and issuing opinions thereon.

In 2013, 271 requests were handled, fewer than in 2012 and 2011, which may be explained by the national economic context. The distribution of these requests is presented in the following table, where it is noted that requests of the type "requests for opinions on urbanization projects" were the most prevalent in 2013.

Table 32 – Distribution of Requests

TYPE OF REQUEST	Number
Requests of a general nature	8
Requests for opinions and meetings on PDM, detailed planning and land development plans	93
Requests for advice concerning energy transmission lines	22
Requests for opinions on installation of radio infrastructure in restricted areas	14
Requests for opinions on urbanization projects (buildings, hydropower plants, quarries, roads, etc.)	113
Requests for opinions on installation of wind farms	21

Source: ICP-ANACOM.

13. Numbering

13.1. Allocation of rights of use of numbers for electronic communications services

The following tables contain data on trends in the allocation of rights of use of numbering since 2009, including the volume of numbers arising from allocations and recovery of numbers made during 2013.

Table 33 – Geographic numbers – national trends

Year	Allocated and/or Reserved (A) or Recovered (R)	Geographic numbers			
		Lisbon Geographic Area	Geographic Area of Porto	Other geographical areas	Totals
2009	A	180 000	60 000	30 000	270 000
	R	0	0	490 000	490 000
2010	A	280 000	160 000	170 000	610 000
	R	0	0	0	0
2011	A	20 000	0	20 000	40 000
	R	20 000	20 000	470 000	510 000
2012	A	30 000	20 000	200 000	250 000
	R	0	0	0	0
2013	A	200 000	100 000	310 000	610 000
	R	10 000	10 000	0	20 000

Source: ICP-ANACOM.

As can be seen in the table above, there was an increase in the number of allocations of geographic numbers in areas outside Lisbon and Porto over the last two years; this could be an indication that operators are expanding their own networks into new areas of the country.

Table 34 – Non-geographic numbers[41] – national trends

Year	Allocated and/or Reserved (A) or Recovered (R)	Nomadic VoIP Services	Short Numbers [42]	Translation and voice mail services [43]	Serviços de dados (ISP)[44]	MTS [45]	Totals[46]
2009	A	70 000	4	0	0	1 500 000	1 570 004
	R	120 000	6	160 000	0	0	280 006
2010	A	100 000	0	21 100	0	0	121 100
	R	0	2	10 000	0	0	10 002
2011	A	10 000	0	10 000	0	0	20 000
	R	20 000	6	140 000	0		160 006
2012	A	10 000	1	10 000	0	600 000	620 001
	R	20 000	4	60 000	200	0	80 204
2013	A	20 000	1	0	0	500 000	520 001
	R	10 000	2	70 000	0	0	80 002

Source: ICP-ANACOM.

An outline is given below of the cumulative values of numbers allocated nationally since 2009, with an increase noted in the volume of geographic and non-geographic numbers allocated in both 2012 and 2013, reversing the trend seen in 2011.

At the end of 2013, nearly 15.5 million numbers had been allocated (accumulated value), with geographic numbers representing around 52 per cent of total numbers allocated nationally.

[41] Numbers are allocated in blocks of 10 000, except in the 80080 range, where numbers are allocated individually. Translation services are provided using the 707, 708, 760, 761, 762, 800, 808 and 809 ranges of the PNN, while the voice mail service is provided in the 600 range.

[42] Corresponds to the 10xy, 116xyz, 14x (y), 15xy, 16xyz and 18xyz ranges. Numbers are allocated individually, except in the 116xyz range, where numbers are allocated in blocks of 10.

[43] Numbers are allocated in blocks of 10 000, except in the 80080 range, where numbers are allocated individually. Translation services are provided using the 707, 708, 760, 761, 762, 800, 808 and 809 ranges of the PNN, while the voice mail service is provided in the 600 range.

[44] Numbers are allocated in blocks of 100, with the last three digits set at zero for 67 range (data services).

[45] Numbers are allocated in blocks of 10 000, except in the 92 range. Rights of use of numbering are allocated implicitly for the "609" and "669" range for access to the voicemail service, respectively, mail box consultation and message leaving, and the "639" and "659" numbering range, respectively, for access to mobile fax and data services.

[46] The totals do not include the numbers returned from the Mobile Trunking Service (300,000 and 1,000,000 numbers respectively in 2009 and 2011.

The increase of more than 7 per cent in the accumulated value of numbers allocated nationally from 2012 to 2013 is likely due to the existence of offers associated with new MTS providers and the new commercial offerings of existing providers, which may include quadruple-play offers.

Table 35 – Accumulated value of allocated numbers nationally

Year	Geographic numbers	Non-geographic numbers
2009	7 030 000	7 464 053
2010	7 640 000	7 575 151
2011	7 170 000	6 435 145
2012	7 420 000	6 974 942
2013	8 010 000	7 414 941

Source: ICP-ANACOM.

13.2. Allocation of numbers to Audiotext services and message-based valued added services (VAS)

The following tables present data on trends in the allocation of rights of use of numbers to Audiotext companies. In 2013, the decline in the cumulative value of allocated numbers seen over the two last years continued, including for the tele-voting service - from 2012 to 2013 the reduction totalled around 33 percent.

This situation is not unconnected to the introduction of new rules on barring that came into force on 17 August 2013 as a result of Law no. 42/2013 of 3 July - all Audiotext services (numbers starting with 601, 607, 608, 646 or 648) are barred by default and can only be activated upon written request of the subscriber to the telephone service operator.

Table 36 – Audiotext Numbers - national trends

Year	Allocated and/or Reserved (A) or Recovered (R)	Numbers for audiotext services[47]					
		General (601)	Tele-voting (607)	Sales (608)	Contests and competitions (646)	Erotic (648)	Totals
2009	A	0	1000	0	0	1000	2000
	R	1000	0	0	0	0	1000
2010	A	0	3000	0	0	0	3000
	R	2000	3000	1000	2000	2000	10 000
2011	A	1000	4000	0	0	1000	6000
	R	0	0	0	0	0	0
2012	A	0	2000	0	0	0	2000
	R	2000	3000	1000	1000	2000	9000
2013	A	1000	0	0	0	1000	2000
	R	1000	6000	1000	1000	1000	10 000

Source: ICP-ANACOM.

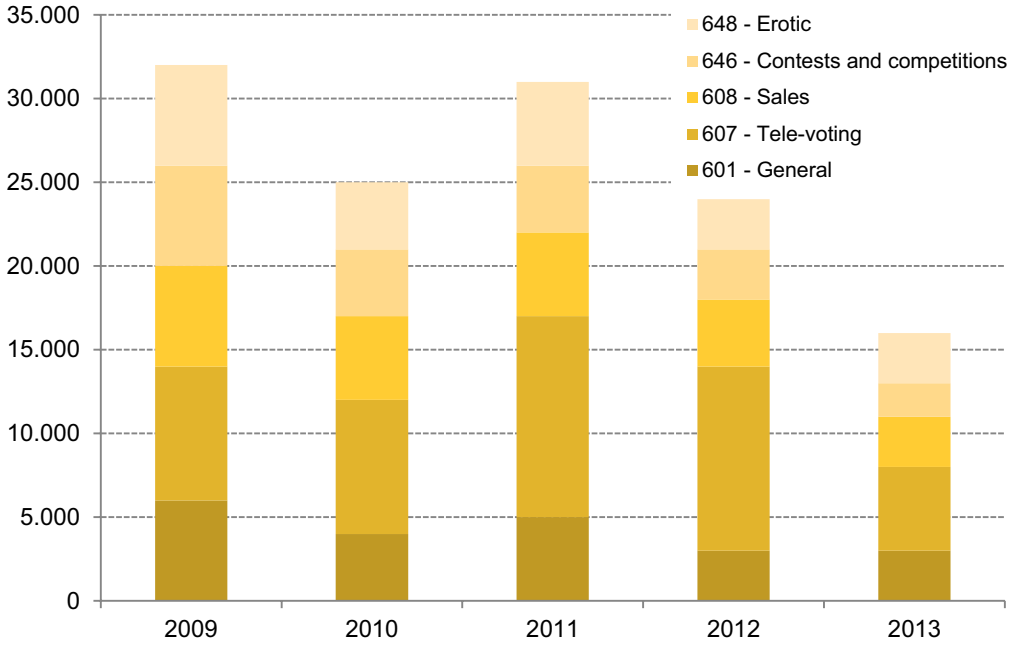
Table 37 – Accumulated value of numbers allocated nationally

Year	Audiotext					
	General (601)	Tele-voting (607)	Sales (608)	Contests and competitions (646)	Erotic (648)	Totals
2009	6000	8000	6000	6000	6000	32 000
2010	4000	8000	5000	4000	4000	25 000
2011	5000	12 000	5000	4000	5000	31 000
2012	3000	11 000	4000	3000	3000	24 000
2013	3000	5000	3000	2000	3000	16 000

Source: ICP-ANACOM.

[47] Numbers are allocated in blocks of 1000.

Graph 42 – Accumulated value of Audiotext numbers allocated nationally



Source: ICP-ANACOM.

In 2013, as in 2011 and 2012, the volume of recovered numbers exceeded the volume of allocated numbers, with a difference of eight numbers. This situation may stem from improved efficiency in the management of resources by the companies, and from the introduction of barring, by default, of message-based valued added services (VAS).

However, a slight reversal in the downward trend in the cumulative value of numbers has been seem, which is due, presumably, to the introduction of new rules on the selective barring of message-based valued added services (Law no. 42/2013 of 3 July). Under the new rules, services which entail sending more than one message or sending messages on a periodic or ongoing basis (numbers starting with 62) are barred by default, as are services which have erotic or sexual content (numbers starting with 69). This situation does not apply to other services (numbers starting with 61 and 68), where access is open by default.

Table 38 – Numbers for message-based valued added service - national situation

Year	Allocated and/or Reserved (A) or Recovered (R)	Numbers for message-based valued added service				
		Raising donations subject to different tax regime (61xxx)	Sending of more than one message or sending messages on a periodic or continuous basis, with added price per message (62xxx)	Not covered by the 61, 62 and 69 code (68xxx)	Declared as having erotic or sexual content (69xxx)	Total
2009	A	1	202	151	51	405
	R	0	0	0	0	0
2010	A	3	14	2	4	23
	R	0	0	11	1	12
2011	A	0	23	1	4	28
	R	0	28	34	6	68
2012	A	0	4	9	1	14
	R	1	8	10	5	24
2013	A	0	6	9	1	16
	R	0	7	1	4	24

Source: ICP-ANACOM.

Table 39 – Accumulated value of numbers for message-based valued added services - national situation

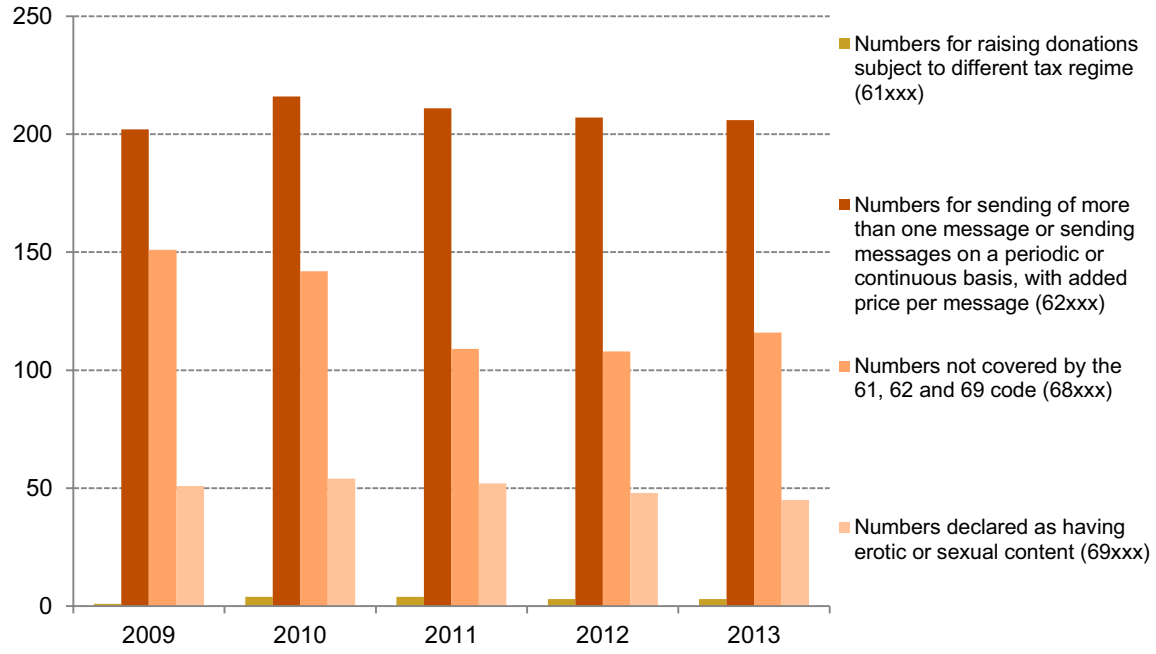
Year	Accumulated values of numbers for message-based value added services[48]				
	Raising donations subject to different tax regime (61xxx)	Sending of more than one message or sending messages on a periodic or continuous basis, with added price per message (62xxx)	Not covered by the 61, 62 and 69 code (68xxx)	Declared as having erotic or sexual content (69xxx)	Totals
2009	1	202	151	51	405
2010	4	216	142	54	416
2011	4	211	109	52	376
2012	3	207	108	48	366

[48] The prefixes [61abc, 62abc, 68abc and 69abc (a≠0)] of numbers for message-based value added services are allocated as follows: a= allocation of rights of use of numbers, following preference manifested by the providers of the services according to three options following provider registration, where: a≠9 in blocks of 10 numbers and a=9 number by number, up to maximum of 5 individual numbers. By determination of 3 June 2009, ICP-ANACOM decided to establish the total length as five digits so that end-users can identify the service, for a period of at least one year from the date of this determination.

Year	Accumulated values of numbers for message-based value added services[48]				
	Raising donations subject to different tax regime (61xxx)	Sending of more than one message or sending messages on a periodic or continuous basis, with added price per message (62xxx)	Not covered by the 61, 62 and 69 code (68xxx)	Declared as having erotic or sexual content (69xxx)	Totals
2013	3	206	116	45	370

Source: ICP-ANACOM.

Graph 43 — Accumulated value of numbers for message-based valued added service allocated nationally



Source: ICP-ANACOM.

13.3. PNN - Plano Nacional de Numeração (National Numbering Plan)

Following the entry into operation of the Numbering Management Solution, in 2013, a new PNN publication model was launched on ICP-ANACOM's website, which includes the numbering resources managed by other international organizations where ICP-ANACOM has notification responsibilities.

With this model, PNN data (updated to the previous day) can be dynamically searched, viewed and obtained. The model also introduces added advantages in enabling automatic

and editable download of data in various formats and the ability to search this information by numbering resource or by provider/operator.

13.4. Rules governing use of 18xy numbers for information services - other directories

By determination of 18 April 2013, ANACOM approved the final decision on the rules governing use of 18xy numbers of the PNN - Plano Nacional de Numeração (National Numbering Plan) for information services - other directories.

This decision set out the rules governing the use of these numbers, which now provide general information services (timetable information, programme information, support for the choice of goods, services or routes, proximity information, a range of general public interest content, booking and reservation service), complementing the directory enquiries service, which was the only service that could be provided using this numbering range.

The decision also set maximum retail prices, as illustrated in the following table.

Table 40 – Retail tariff for use of 18xy numbers for "Informational Services - other directories"

Maximum initial price of the call - credit not less than 30 seconds	Maximum price per minute, until 5 minutes after the initial time credit	Maximum price per minute, from 5th minute
0.60 euros + VAT (fixed network) 0.70 euros + VAT (mobile network)	0.35 euros + VAT per second billing (from fixed network) 0.45 euros + VAT per second billing (from mobile network)	0.10 euros + VAT per second billing (from fixed network) 0.25 euros + VAT per second billing (from mobile network)

Source: ICP-ANACOM.

13.5. Electronic Numbering (ENUM)[49]

The User-ENUM pilot in Portugal was kept running by the working group, set up following ICP-ANACOM determination of 13 January 2011, which, in addition to ICP-ANACOM and FCCN- Fundação para a Computação Científica Nacional (Foundation for National

[49] ENUM - Electronic Numbering, functionality which enables the convergence of the public telephone network with the Internet through the creation of a domain based on the Domain Name System (DNS) from a phone number.

Scientific Computing) includes companies that joined the pilot. Work is being done to review the project.

14. Complaints

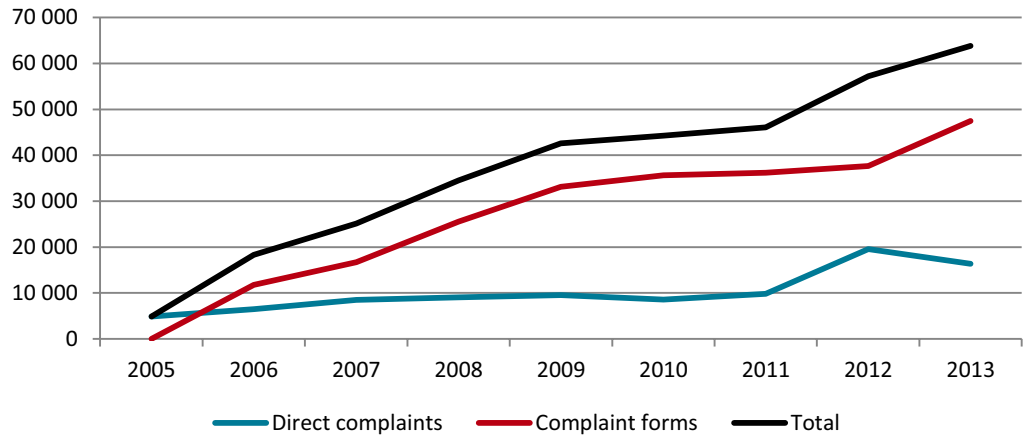
14.1. Trends in complaints

In 2013, ICP ANACOM received 63,822 complaints from users of communications services and the general public, 12 percent more than in 2012. On average, ICP-ANACOM received 5,319 complaints each month.

The use of complaint books[50] saw an increase of 26 percent in 2013 versus 2012, and remained the primary means used by citizens to submit complaints to ICP-ANACOM, making up about 74 percent of the total number of complaints received.

Among the complaints sent directly to ICP-ANACOM, the electronic form[51] was the most common medium used to submit complaints - of the 16,362 complaints addressed directly to ICP-ANACOM, 10,730 (about 66 percent) were presented in this way.

Graph 44 – Trend in the annual volume of complaints by means of submission (2005-2013)

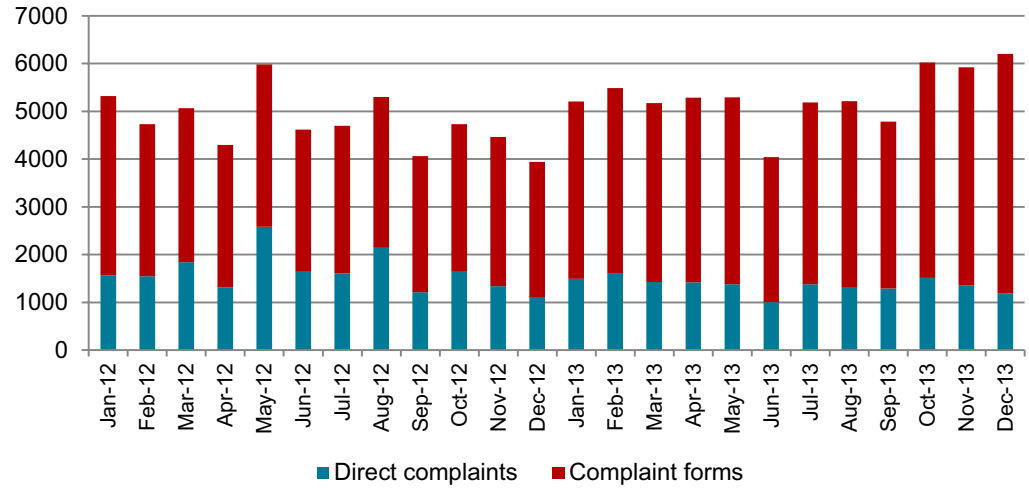


Source: ICP-ANACOM.

[50] Established by Decree-Law no. 156/2005 of 15 September (subject to subsequent amendments).

[51] Available on ANACOM's Consumers' Website, www.anacom-consumidor.com, and also on ICP-ANACOM's institutional website, at www.anacom.pt.

Graph 45 – Trend in the monthly volume of complaints by means of submission (2012-2013)



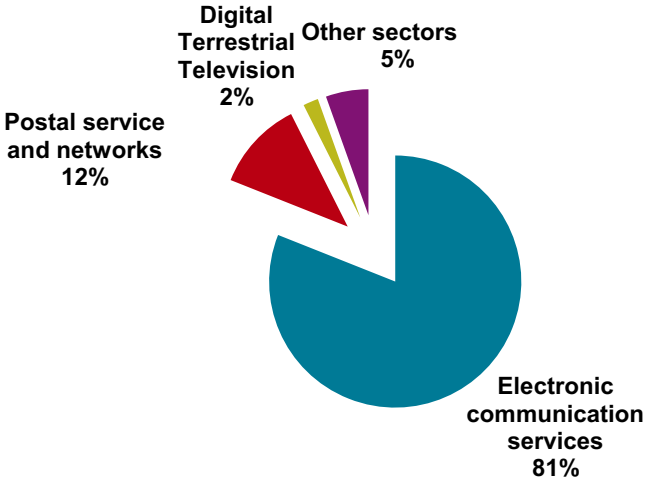
Source: ICP-ANACOM.

14.2. Complaint records[52] by sector

With regard to the sectors covered, in 2013 as in previous years, the majority of complaints (81 percent) focused on the electronic communications sector, comprising 58,129 records (increasing 25 percent over the previous year). The postal sector had 8,292 records (12 percent of total), falling by 9 percent compared to 2012. During this period, DTT made up for 1,401 records, 83 percent less than in the same period of the previous year, representing only 2 percent of total complaint records received during the year.

[52] Since an enquiry or request can refer to more than one provider, service or subject, for the purpose of the analysis of the following points, the number of situations giving rise to complaint was counted in each request, which is designated in this report by the number of "complaint records". Using this indicator, the total number of complaints records to be considered for the 63,822 complaints received by ICP ANACOM, in 2013, is 71,746. As such, in 2013, each complaint incorporated an average of 1.1 complaint records.

Graph 46 – Distribution of complaints[53] by sector (%), 2013



Source: ICP-ANACOM.

14.2.1. Electronic communications

In 2013, due to the growing number of complaints received about offers comprising multiple services, or bundled offers, in line with the trend that has been seen in the types of offers made available to users, it was decided to introduce the category of "multiple services" in the analysis of complaints by service, referring to where electronic communication services are provided as a bundle (two or more services).

It was also decided to create a category of "service not applicable" to cover complaint records which do not focus on a specific communications offer/service, but instead refer to overall aspects of the provider's service, such as its customer services or provision of complaint books.

In this context, and in order to enable analysis and comparison with prior periods (2012 and 2013), ICP-ANACOM decided to reclassify the 2012 records according to the categories in force in 2013, ensuring data comparability.

As such, data on the 2012 records, as now presented, are not coincident with those disclosed in the report on complaints and enquiries relating to 2012.

[53] Refers to complaint records. See previous note.

The following table shows comparable data for 2012 and 2013 on the number of complaint records about electronic communications services, in absolute terms and per 1000 customers of each service.

Table 41 – Complaints [54] by service (electronic communications)

	Service cited	Records 2012	Customers (2012 average)[55]	Complaints per thousand customers in 2012	Records 2013	Proportion of records per service 2013	Customers (2013 average)	Complaints per thousand customers in 2013	Annual change
1.	**Multiple services**[56]	6783	2 375 234	2.86	**13 459**	23.15%	**2 551 226**	**5.28**	**84.7%**
2.	**Subscription television service**	5959	3 126 015	1.91	**4840**	8.33%	**3 151 358**	**1.54**	**-19.4%**
3.	**Fixed Internet access service**	2558	2 258 339	1.13	**2570**	4.42%	**2 393 533**	**1.07**	**-5.2%**
4.	**Telephone service at a fixed location**	3357	3 774 743	0.89	**3800**	6.54%	**3 781 369**	**1.00**	**13.0%**
5.	**Mobile Internet access service**[57]	4441	3 107 791	1.43	**3271**	5.63%	**3 522 939**	**0.93**	**-35.0%**
6.	**Mobile telephone service**[58]	10 978	16 673 153	0.66	**14 769**	25.41%	**16 716 686**	**0.88**	**34.2%**
7.	**Service not applicable**	4093	n.a.	n.a.	**3175**	5.46%	n.a.	n.a.	n.a.
8.	**Other and unidentified electronic communication services**	8368	n.a.	n.a.	**12 245**	21.07%	n.d	n.a.	n.a.
	Total	**46 537**	**n.a.**	**n.a.**	**58 129**	**100%**	**n.a.**	**n.a.**	**n.d**

Source: ICP-ANACOM.

Multiple, or bundled services reported the most significant increase in the number of complaints per thousand customers, compared to 2012 (rising from 2.86 to 5.28).

Subscription television services reported the second highest rate of complaints (1.54 records per thousand customers), followed by the fixed internet access service (1.07

[54] Refers to complaint records.

[55] The annual average is calculated based on quarterly data submitted to ICP-ANACOM by service providers, divided by the four quarters of the year, with the exception of the mobile telephone service, whose information is updated monthly, whereby the average is monthly.

[56] The average number of customers was calculated based on the indicator "Number of subscribers to services provided in a bundle", compiled by means of the quarterly questionnaire on electronic communications services provided at a fixed location and nomadic VoIP.

[57] In the mobile Internet access service, the number of mobiles stations/devices of active users with access through cards / modem and the number of mobile phones, smart-phones, PDA, etc. was considered.

[58] For the mobile telephone service the number mobile stations/ devices of active users with post-paid, prepaid and combined/hybrid plans was considered.

records per thousand customers) and the telephone service at a fixed location (1.00 records per thousand customers).

The previous table presents comparable data from 2012 and 2013 on complaint records by subject.

To enable comparisons between corresponding periods from the mapping between the taxonomies of 2013 and 2012, it was necessary to incorporate the following subjects into the "contract conditions" category in 2012,: miscellaneous contractual issues, cancellation of service, suspension of services, tariffs, initial connection and speed of service.

In 2013, it is seen that:

- the situations most commonly cited in complaints are those related to "contract conditions" (53.87 percent of the total); these complaints also reported the largest increase versus 2012 (increasing 35 percent). This category covers issues related to customer lock-in periods, changes in contract conditions, information provided before contracting, suspension, cancellation and initial connection of services;

- records citing 'equipment' represent 14.81 percent of total records, increasing by 24 percent versus 2012. This category included issues related to equipment malfunctions, exercise of warranties, device unblocking, etc.;

- the 'faults' (in service) category is ranked third, cited in 9.25 percent of total complaint records, and increasing 45 percent compared to 2012;

- records citing 'customer service' represented 7.8 percent of the total, increasing 17 percent versus 2012;

- records citing "billing" (inaccuracies of various kinds, means of sending bills, itemised billing, etc.) accounted for 7.21 percent of total records, decreasing 22 percent versus 2012;

- records referring to "portability" accounted for about 4.25 percent of total complaint records in 2013, increasing by around 90 percent versus 2012. This is consistent with the entry into force on 13 September 2012 of the Regulamento de Portabilidade (Portability Regulation - Regulation no. 114/2012 of 13 March).

Table 42 – Complaints[59] by subject (electronic communications)

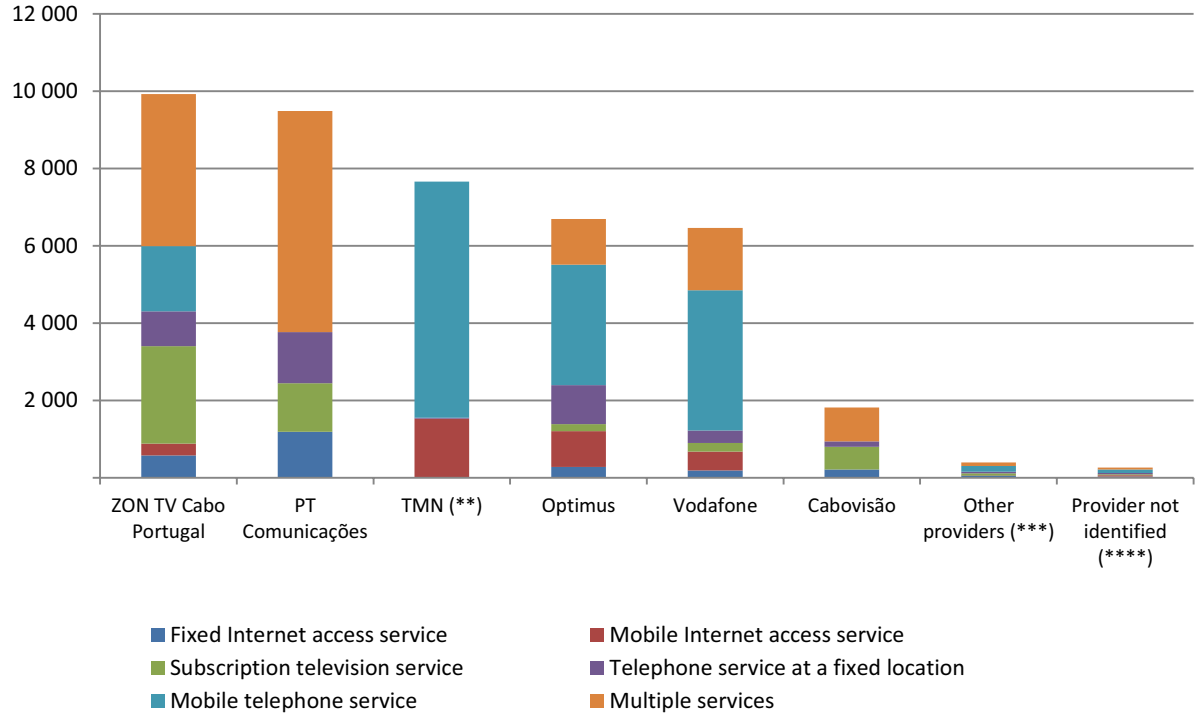
Subject	Records 2012	Records 2013	Proportion of records 2013	Annual change	Proportional contribution to annual change
Contract conditions	23 196	**31 315**	53.87%	**35.00%**	**54.24%**
Equipment	6933	**8607**	14.81%	**24.15%**	11.18%
Faults	3706	**5375**	9.25%	**45.04%**	11.15%
Customer service	3885	**4536**	7.80%	**16.76%**	4.35%
Billing	5380	**4191**	7.21%	**-22.10%**	7.94%
Portability	1303	**2471**	4.25%	**89.64%**	7.80%
Other issues	2134	**1634**	2.81%	**-23.43%**	3.34%
Total	**46 537**	**58 129**	**100%**	**24.91%**	**-**

Source: ICP-ANACOM.

In terms of the providers of electronic communications services cited in complaints, the following graph presents the absolute number of complaint records received by provider and by service.

[59] Refers to complaint records.

Graph 47 – Number of complaints [60] by provider and service, 2013



Source: ICP ANACOM.

Notes:

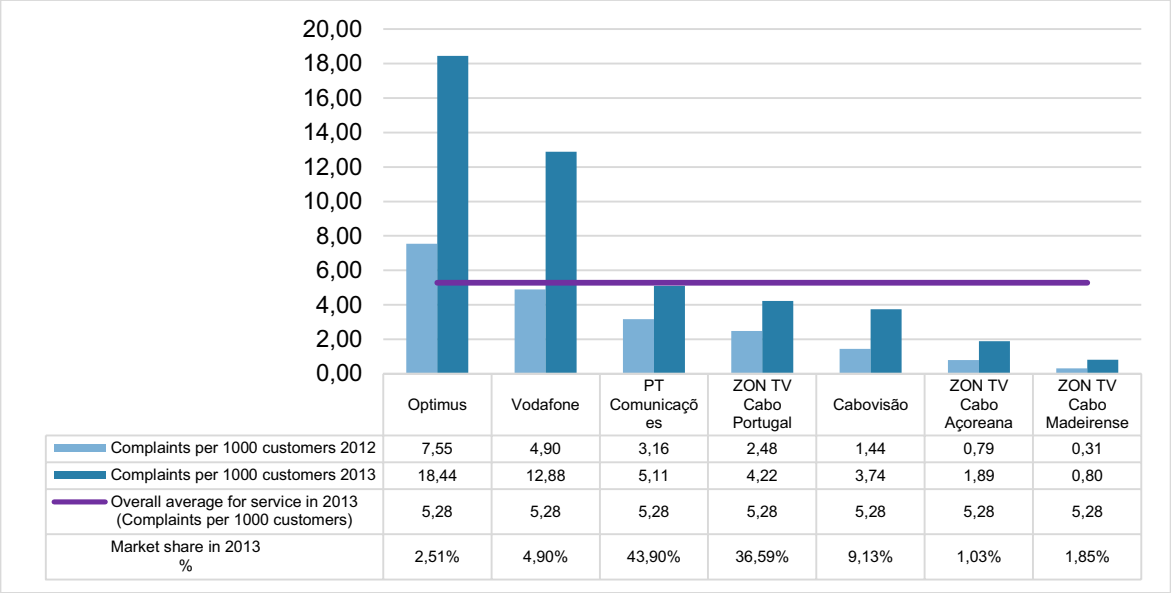
(**) From 27 January 2014, TMN - Telecomunicações Móveis Nacionais, S.A. (TMN), has been known as MEO - Serviços de Comunicações e Multimédia, S.A.

(***) The "Other providers" category includes data (by service) concerning providers which, in 2013, generated a total volume of complaints equal to or greater than 1 record and less than 100 records.

(****) The "Provider not identified" category includes records in which the user/consumer does not cite a provider in the complaint submitted to ICP ANACOM.

[60] Refers to complaint records.

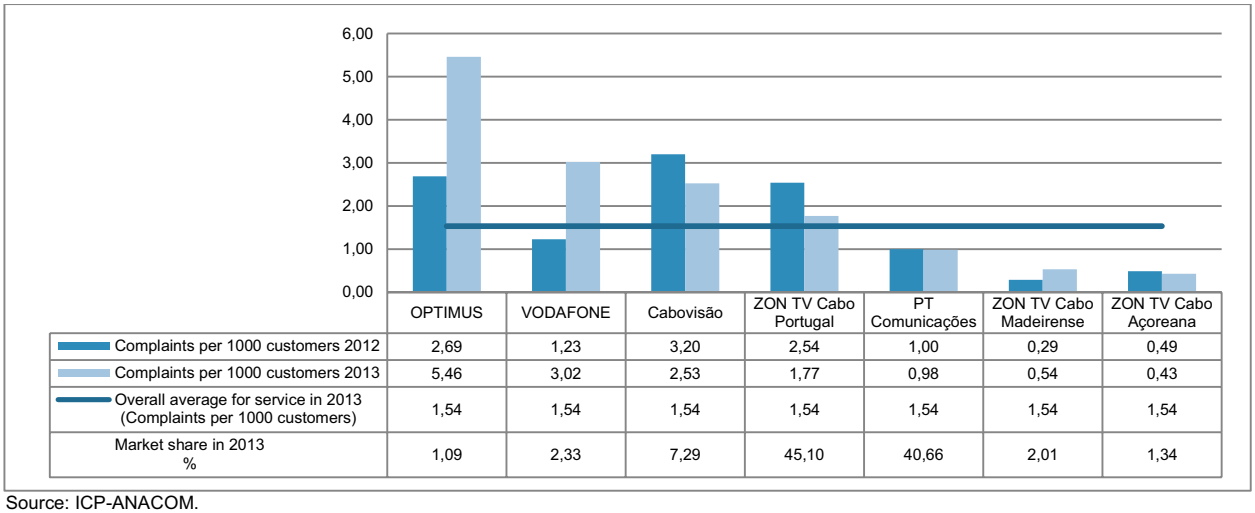
Graph 48 – Complaints[61] about multiple or bundled services per thousand customers and by provider with a market share of over 1 percent



	Optimus	Vodafone	PT Comunicações	ZON TV Cabo Portugal	Cabovisão	ZON TV Cabo Açoreana	ZON TV Cabo Madeirense
Complaints per 1000 customers 2012	7,55	4,90	3,16	2,48	1,44	0,79	0,31
Complaints per 1000 customers 2013	18,44	12,88	5,11	4,22	3,74	1,89	0,80
Overall average for service in 2013 (Complaints per 1000 customers)	5,28	5,28	5,28	5,28	5,28	5,28	5,28
Market share in 2013 %	2,51%	4,90%	43,90%	36,59%	9,13%	1,03%	1,85%

Source: ICP-ANACOM.

Graph 49 – Complaints[62] about subscription television service, per thousand customers and by provider with a market share of over 1 percent



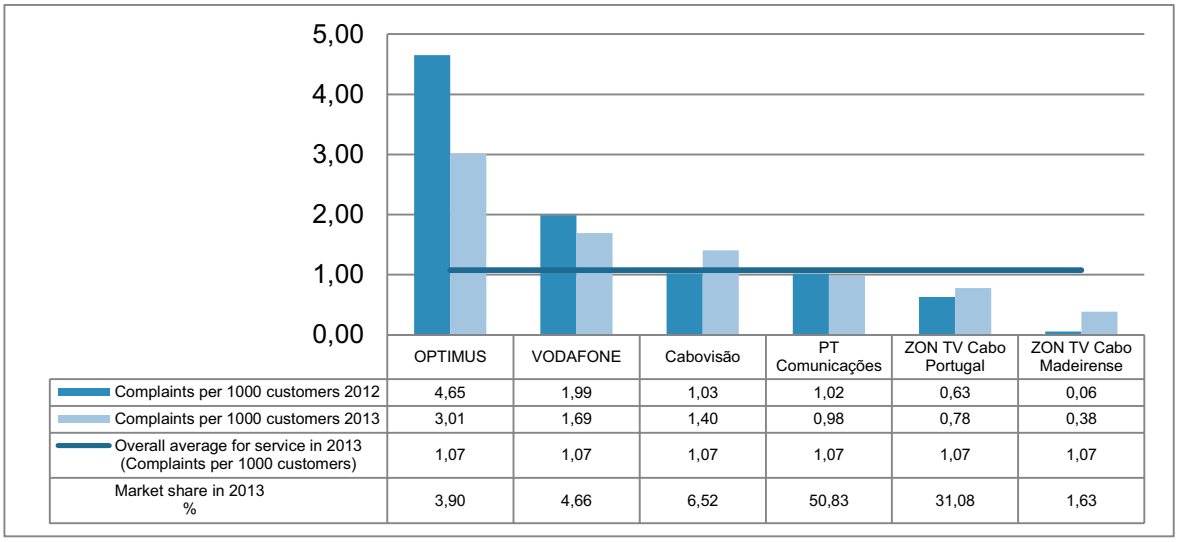
	OPTIMUS	VODAFONE	Cabovisão	ZON TV Cabo Portugal	PT Comunicações	ZON TV Cabo Madeirense	ZON TV Cabo Açoreana
Complaints per 1000 customers 2012	2,69	1,23	3,20	2,54	1,00	0,29	0,49
Complaints per 1000 customers 2013	5,46	3,02	2,53	1,77	0,98	0,54	0,43
Overall average for service in 2013 (Complaints per 1000 customers)	1,54	1,54	1,54	1,54	1,54	1,54	1,54
Market share in 2013 %	1,09	2,33	7,29	45,10	40,66	2,01	1,34

Source: ICP-ANACOM.

[61] Refers to complaint records.

[62] Refers to complaint records.

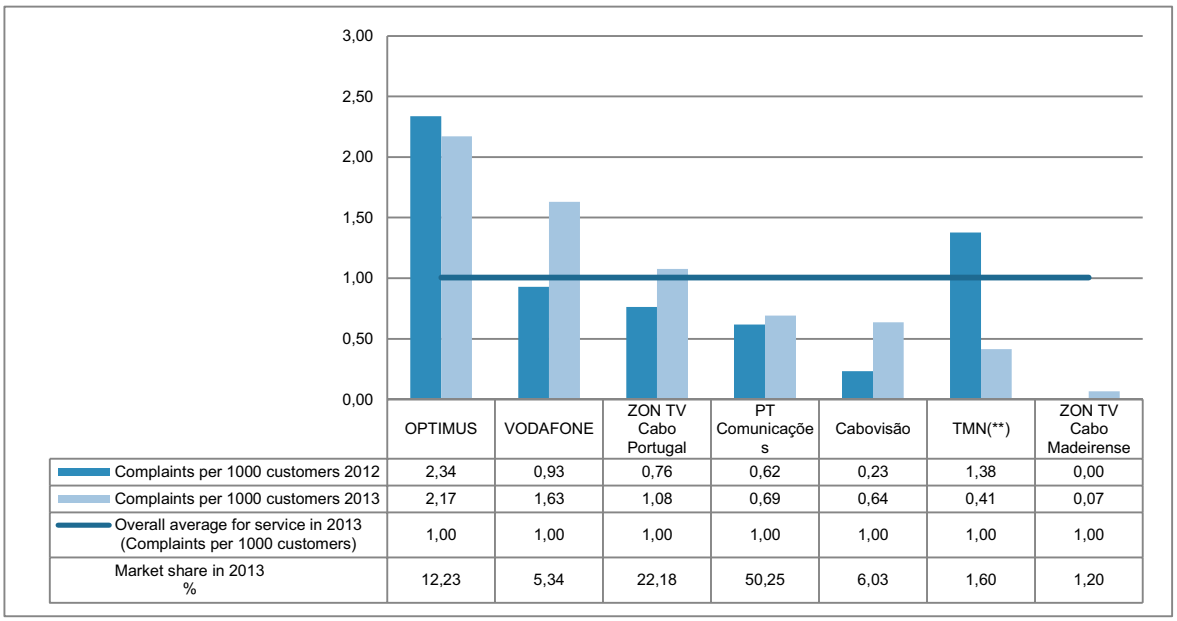
Graph 50 — Complaints[63] about fixed Internet access service, per one thousand customers and by provider with a market share of over 1 percent



	OPTIMUS	VODAFONE	Cabovisão	PT Comunicações	ZON TV Cabo Portugal	ZON TV Cabo Madeirense
Complaints per 1000 customers 2012	4,65	1,99	1,03	1,02	0,63	0,06
Complaints per 1000 customers 2013	3,01	1,69	1,40	0,98	0,78	0,38
Overall average for service in 2013 (Complaints per 1000 customers)	1,07	1,07	1,07	1,07	1,07	1,07
Market share in 2013 %	3,90	4,66	6,52	50,83	31,08	1,63

Source: ICP-ANACOM.

Graph 51 — Complaints[64] about the telephone service at a fixed location per thousand customers and by provider with market share of over 1 percent



	OPTIMUS	VODAFONE	ZON TV Cabo Portugal	PT Comunicações	Cabovisão	TMN(**)	ZON TV Cabo Madeirense
Complaints per 1000 customers 2012	2,34	0,93	0,76	0,62	0,23	1,38	0,00
Complaints per 1000 customers 2013	2,17	1,63	1,08	0,69	0,64	0,41	0,07
Overall average for service in 2013 (Complaints per 1000 customers)	1,00	1,00	1,00	1,00	1,00	1,00	1,00
Market share in 2013 %	12,23	5,34	22,18	50,25	6,03	1,60	1,20

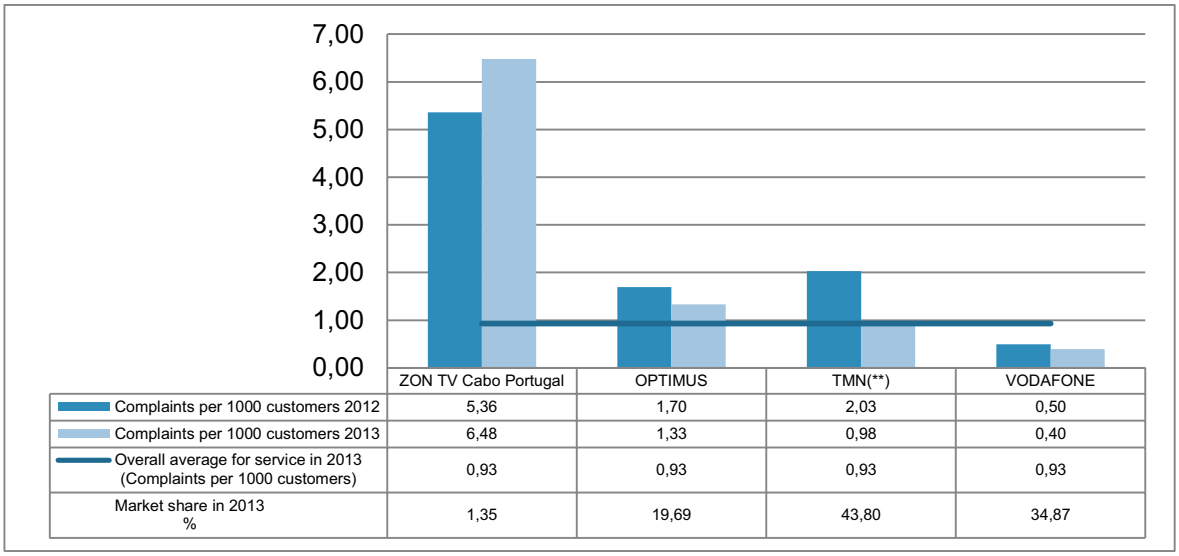
Source: ICP-ANACOM.

Note: (**) From 27 January 2014, TMN - Telecomunicações Móveis Nacionais, S.A. (TMN), has been known as MEO - Serviços de Comunicações e Multimédia, S.A.

[63] Refers to complaint records.

[64] Refers to complaint records.

Graph 52 – Complaints[65] about the mobile Internet access service, per thousand customers and by provider with a market share of over 1 percent

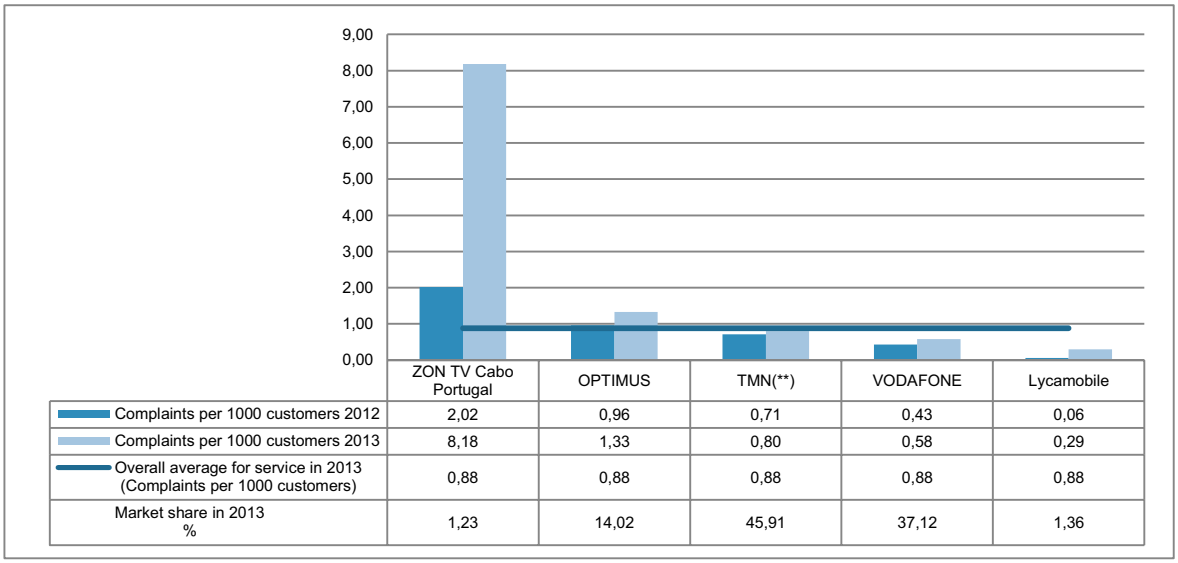


	ZON TV Cabo Portugal	OPTIMUS	TMN(**)	VODAFONE
Complaints per 1000 customers 2012	5,36	1,70	2,03	0,50
Complaints per 1000 customers 2013	6,48	1,33	0,98	0,40
Overall average for service in 2013 (Complaints per 1000 customers)	0,93	0,93	0,93	0,93
Market share in 2013 %	1,35	19,69	43,80	34,87

Source: ICP-ANACOM.

Note: (**) From 27 January 2014, TMN - Telecomunicações Móveis Nacionais, S.A. (TMN), has been known as MEO - Serviços de Comunicações e Multimédia, S.A.

Graph 53 – Complaints[66] about the MTS, per thousand customers and by provider with a market share of over 1 percent



	ZON TV Cabo Portugal	OPTIMUS	TMN(**)	VODAFONE	Lycamobile
Complaints per 1000 customers 2012	2,02	0,96	0,71	0,43	0,06
Complaints per 1000 customers 2013	8,18	1,33	0,80	0,58	0,29
Overall average for service in 2013 (Complaints per 1000 customers)	0,88	0,88	0,88	0,88	0,88
Market share in 2013 %	1,23	14,02	45,91	37,12	1,36

Source: ICP-ANACOM.

Note: (**) From 27 January 2014, TMN - Telecomunicações Móveis Nacionais, S.A. (TMN), has been known as MEO - Serviços de Comunicações e Multimédia, S.A.

[65] Refers to complaint records.

[66] Refers to complaint records.

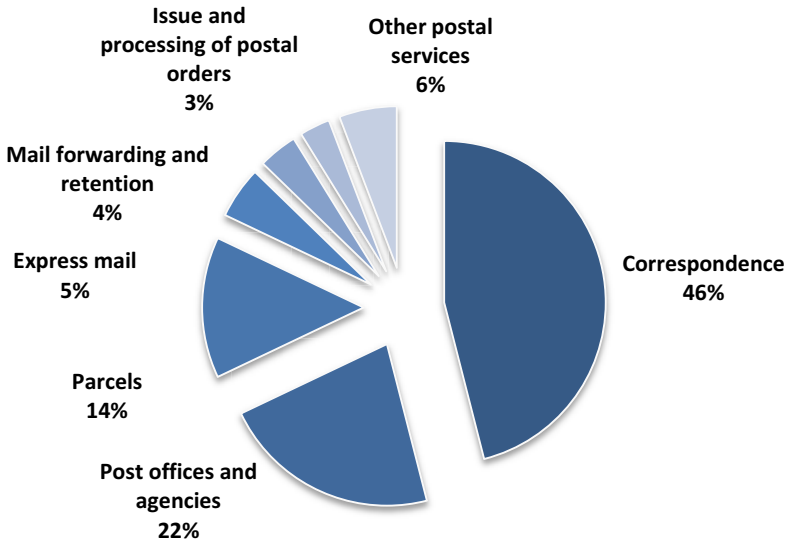
14.2.2. Postal Network and Services

Among the 8,292 complaints reported in 2013 (counted as complaint records, as detailed above) the correspondence service was the most cited (46 percent of total complaint records versus 52 percent in 2012).

Likewise, the number of records referring to post offices and postal service offices increased by 86.7 percent in 2013 - representing 22 percent of total complaints in the postal sector in 2013, versus 11 percent in 2012.

Between 2012 and 2013, the number of complaints (records) about postal service fell by 9 percent.

Graph 54 – Distribution of complaints[67] about the postal sector by service (%), 2013



Source: ICP-ANACOM.

The subjects giving rise to the largest number of complaints relate to failures in distribution (such as loss and delayed delivery of correspondence) comprising 3,407 records, followed by customer service, with 1,992 records.

[67] Refers to complaint records.

14.2.3. Digital terrestrial television (DTT)

DTT generated a total of 1,401 complaints[68], representing a reduction of 82.8 percent compared to the 8,132 complaints recorded in 2012.

In 2013, complaints about DTT represented 2 percent of all complaints received by ICP-ANACOM, compared to 10 percent in 2012.

The subject giving rise to the most complaints in this context was lack of coverage, making up 92 percent of complaints on DTT registered by ICP-ANACOM. It is important to note that, subsequent to the processing/investigation of these complaints, it was concluded, in the majority of cases, that difficulties experienced in receiving the signal were the result of faulty user installation and not a result of coverage problems as claimed by the users making such complaints.

14.3. Results of analysis of complaint records

Of the 71,746 complaint records registered in 2013, about 3 percent were unintelligible, lacked content or were cancelled by the person making the complaint.

Meanwhile, around 17 percent referred to matters outside ICP-ANACOM's remit, including complaints on issues which are not encompassed by the sectors regulated by ICP-ANACOM, as well as records that, although included in the areas regulated by ICP-ANACOM, relate to issues beyond the scope of ICP-ANACOM's intervention. These complaints refer above all to issues related to faults and technical assistance for electronic communications terminal equipment, as well as general issues related to errors in billing for the services.

In analysing complaints which fall within ICP ANACOM's sphere of action, appropriate steps were taken in different situations - evidence of non-compliance with applicable sector legislation was detected in the following areas:

- information on the conditions governing the offer of services, in particular as to the existence and duration of any minimum contractual lock-in period;
- procedures to cancel electronic communications services;

[68]Refers to complaint records.

- alterations to contractual conditions in electronic communications services contracts;
- unblocking of equipment used to access electronic communications services;
- suspension of electronic communications services;
- availability and conditions governing use of complaint books; and
- lack of daily delivery of postal items.

In the remaining complaints, where ICP-ANACOM found no indication of non-compliance with applicable legislation (in most part, complaints referring to strictly contractual situations, i.e. related to aspects of quality of service, installation and cancellation, etc.), the Regulator assumes an informative role, giving consumers and other users clear information on the issues raised, in particular, about applicable legislation and the organisations which might help them resolve the conflict with their provider.

In the processing of all complaints received and wherever deemed necessary, ICP-ANACOM cooperates closely with the service providers involved and with consumer protection organisations.

Since August 2009, ICP-ANACOM has also taken part in the RTIC - Rede Telemática de Informação Comum (Telematic Network of Common Information), which is the responsibility of the Direção-Geral do Consumidor (Directorate General for the Consumer). This system lets complainants check the status of complaints they have submitted using complaint books.

Based on the enquiries received ICP-ANACOM prepares the Report of the Complaints and Requests for Information, which is published in full on ICP-ANACOM's website.

15. Market and Spectrum Surveillance

15.1. Market surveillance

Every year, ICP-ANACOM undertakes a wide range of market enforcement actions, in order to check levels of compliance with prevailing laws and determinations. Some of

these actions are scheduled on an annual basis, while in other cases they stem from specific needs perceived following analysis of complaints received by ICP ANACOM. In the first case these actions are preventative, in the second case reactive inspections. Over 1,500 market enforcement actions were carried out in 2013.

15.1.1. Electronic communications

In 2013, ICP-ANACOM conducted 264 enforcement actions in the electronic communications sector, including, in particular, the following:

— 100 investigations related to customer contract lock-in periods;

— 47 investigations to confirm compliance with the determinations of ICP-ANACOM on the processing of statistical information;

— 24 investigations on the disclosure of conditions associated with the provision of electronic communications services;

— 25 investigations into abnormal portability situations: portability remained a priority in ICP-ANACOM's activity, with investigations targeting MTS and FTS providers;

— 20 investigations covering the contracts used by leading providers of electronic communications services, in order to verify their compliance with applicable legal requirements;

— 12 investigations focusing on the provision of audiotext services and SMS-based value added services;

— 9 investigations into the operation of information services on the pricing of calls to ported numbers;

— 9 investigations into the procedures inherent to contract terminations by customers of providers of electronic communications services;

— 5 investigations into contracting procedures adopted by providers of electronic communications services;

— 4 investigations into DTT, comprising inspection in dozens of retail outlets to check the availability of information about the service's deployment, and analysis of various situations concerning procedures associated with the reimbursement of expenses incurred by customers through the installation of reception systems;

— 4 investigations targeting PTC ducts, carried out within the scope of monitoring the RDAO, aimed at improving the conditions enabling the sharing of such infrastructure;

— 2 investigations into problems related to cable television reception;

— expert reports on the provision of electronic communications services, carried out at the request of judicial authorities.

15.1.2. Postal services

During 2013, ICP-ANACOM undertook 647 enforcement actions in the postal services market, including, in particular, actions aimed at inspecting the activity pursued by nine courier companies. ICP-ANACOM also reviewed the functioning of 614 postal agencies and 24 CTT postal distribution centres.

15.1.3. ITED - infraestruturas de telecomunicações em edifícios (Telecommunications infrastructure in buildings) and ITUR - Infraestruturas de Telecomunicações em Loteamentos, Urbanizações e Condomínios (Telecommunications Infrastructure in Housing Developments, Urban Settlements and Concentrations of Buildings)

In 2013, ICP-ANACOM conducted 396 investigations related to ITED - infraestruturas de telecomunicações em edifícios (Telecommunications infrastructure in buildings) and 40 investigations related to ITUR - Infraestruturas de Telecomunicações em Loteamentos, Urbanizações e Condomínios (Telecommunications Infrastructure in Housing Developments, Urban Settlements and Concentrations of Buildings), making a total of 436 investigations.

These investigations were conducted to ensure that the activities of market agents complied with the regime[69] governing the construction of infrastructures suitable for carrying electronic communications networks, the installation of networks and the construction of telecommunications infrastructure in housing developments, urban settlements and concentrations of buildings.

Following investigations into compliance with ITED rules, 127 cases were detected of technical non-compliance involving infrastructure (in relation to the respective project and applicable technical standards), corresponding to 32 percent of non-compliant installations.

ICP-ANACOM also conducted 14 investigations to verify the compliance of ITED equipment, devices and materials with legal and technical requirements.

In 2013, ICP-ANACOM continued to develop collaborative actions with more than 40 municipal councils, with a view to conducting inspections. This work resulted in 126 investigations into ITED, resulting from strong evidence of non-compliance with the obligation to deliver declarations of responsibility to ICP ANACOM, and non-compliance with applicable legal and technical standards.

To confirm compliance with the requirements contained in the procedures for the registration of training providers that run ITED and ITUR courses, 25 inspections were performed to verify documentary information, premises, materials, tools and equipment used in training.

Meanwhile, following publication of Law no. 47/2013 of 10 July and in conjunction with the DGERT - Direção Geral do Emprego e Relações de Trabalho (General Directorate for Employment and Labour Relations) and ANQEP - Agência Nacional para a Qualificação e o Ensino Profissional (National Agency for Qualification and Vocational Education and Training), ICP-ANACOM drew up new sector certification procedures for ITED and ITUR training.

[69] Decree-Law no. 123/2009 of 21 May, as amended and republished by Law no. 47/2013 of 10 July, which establishes the legal regime governing ITED - infraestruturas de telecomunicações em edifícios (Telecommunications infrastructure in buildings) and ITUR - Infraestruturas de Telecomunicações em Loteamentos, Urbanizações e Condomínios (Telecommunications Infrastructure in Housing Developments, Urban Settlements and Concentrations of Buildings).

In parallel, ICP-ANACOM developed a proposal for new technical rules, set out in the ITED Manual - 3rd edition, which were subsequently submitted to public consultation, with a view to approval by the EC and entry into force in 2014.

In addition, ICP-ANACOM provided clarification on technical and legal queries raised by different market participants with respect to ITED/ITUR, providing a total of 295 responses to requests for information.

15.1.4. Equipment market

In the case of radio equipment which uses frequency ranges the use of which is not harmonised across the European Union, the manufacturer, the legal representative thereof or the importer is required to notify ICP-ANACOM four weeks before placing such equipment on the market, in accordance with article 9 of Decree-Law no. 192/2000 of 18 August. This notification is always examined by ICP-ANACOM.

Failure to comply with ICP-ANACOM's directions with regard to these devices can lead to a restriction on their entry into service. In addition, any restrictions stipulated to those responsible for placing the equipment on the market must be reflected in the information provided to the equipment's users.

In 2013, a total of 728 notifications made under article 6, paragraph 4 of Directive 99/5/EC of 9 March 1999 (R&TTE); of these 64 were not immediately granted conformity, although 22 were resolved after contact with the manufacturer.

Also within the scope of monitoring the equipment market, ICP ANACOM makes regular inspection activities to verify compliance with the legal regime governing the regime of free movement, placing on the market and putting into service of equipment. In 2013, 205 investigations were conducted focusing on economic agents (importers, distributors, retailers), in which 498 devices were checked and 352 seized.

- **Laboratory activities**

ICP-ANACOM's enforcement activity is complemented by its laboratory activity, since in many cases investigations involve sending equipment to laboratories for testing. However, the activity of the LEC - Laboratório de Ensaios e Calibração (Testing and Calibration

Laboratory) is not limited to supporting enforcement; it also performs electromagnetic compatibility tests and equipment calibrations for external customers.

In 2013, the LEC remained accredited by IPAC - Instituto Português de Acreditação (Portuguese Institute of Accreditation).

Within the framework of existing cooperation, LEC took part in bilateral comparison exercises in the area of calibration with the Laboratory of the Hungarian regulator - National Media and Infocommunications Authority (NMHH). The results obtained in the two laboratories were similar, demonstrating a high level of reproducibility in the methods/procedures used.

The main actions undertaken to provide technical support in the market for radio and telecommunications terminal equipment, as well as the work carried out in the LEC are detailed below.

- **Technical support in context of radio and telecommunications terminal equipment market**

  Market and industry controls were performed in 2013 with verification of equipment's technical conformity with the essential requirements of electromagnetic compatibility (EMC) and efficient spectrum use, as established in the EMC Directives (2004/108/EC) - annex I of Decree-Law No. 325/2007 of 28 September and R&TTE Directive (1999/5/EC) - articles 4.1-b and 4.2 of Decree-Law no. 192/2000 of 18 August, respectively.

  In addition, opinions were issued in this area in support of legal proceedings and an expert opinion was provided to an external entity in respect of digital television reception equipment, to verify the incidence of cardsharing practices.

- **Radioelectric testing (RAD)**

  In providing oversight of the radio equipment market (R&TTE), 191 radiocommunication devices were tested, 170 taking place in the context of market investigations, 18 as part of investigations into the use of radio spectrum and two in the context of participation in the Fifth European surveillance campaign focusing on wireless local area networks (WLAN) in the 5 GHz band.

Note is also made of the following activity taking place in this area during 2013:

— continuation of the cooperation protocol with Vodafone with a view to inter-laboratory comparison in the measurement of electromagnetic fields generated by GSM and UMTS base stations;

— with a view to the LEC's accreditation in radiated power measurements, all sources of uncertainty associated with this type of measurement were recorded, with tests performed, aimed at verifying repeatability and reproducibility;

— a new broadband power sensor was acquired, designed for new measurement methods according to version 1.8.1 of standard EN 300 328, enabling the scope of tests covered by the LEC to be expanded.

- **Electromagnetic compatibility testing (EMC)**

In 2013, 130 devices were tested, of which 123 were tested for the purpose of market surveillance under the R&TTE Directive and seven upon request of external entities.

Under Decree-Law no. 325/2007 of 28 September, which transposes the EMC Directive (Directive 2004/108/EC), a process of collaboration was begun with the ASAE - Autoridade de Segurança Alimentar e Económica (Food and Economic Safety Authority). ICP-ANACOM provided laboratory resources for verification of essential EMC requirements in electrical and electronic equipment collected by ASAE as part of their work in providing oversight over these devices.

During the year, the laboratory was modernised.

- **Calibration Area (CAL)**

218 projects involving the calibration of measuring equipment were performed in this area, of which 15 were performed for external clients.

In 2013, the area was equipped with a Radio frequency (RF) power probe up to 18 GHz and RF generator up to 40 GHz and a procedure developed to track the proper measurement functioning of DTT receivers. Studies were undertaken to improve the uncertainties of the laboratory and automatisms were implemented in the calibration of RF receivers, in addition to ensuring the functioning of the standard frequency of the LEC and of the Barcarena, Porto, Madeira and Azores monitoring centres.

15.2. MCE - Monitorização e controlo do espectro (Monitoring and Control of the Spectrum)

In line with its market oversight activities, in its frequency management activities, ICP-ANACOM also engaged in preventative and reactive enforcement. In 2013, 1,926 preventative inspections took place, focusing on the spectrum; over the same period, ICP-ANACOM responded to 1,587 external requests (reactive), of which 649 related to interference and culminated with the issuance of technical amendment orders to restore normal conditions. Of the remaining 938, about 37 percent related to enforcement actions specifically targeting radio stations and networks.

The following table details the reactive activity undertaken in mainland Portugal during 2013.

Table 43 – Spectrum monitoring and control (MCE) in 2013

<table>
<tr><td rowspan="9">1587 Processes (100%)</td><td rowspan="7">649 cases of interference (41%)</td><td colspan="2">417 involving land mobile service - public operators (64%)</td></tr>
<tr><td colspan="2">77 involving television broadcasting (DTT) service - TV reception (12%)</td></tr>
<tr><td colspan="2">47 involving aeronautical mobile service (7%)</td></tr>
<tr><td colspan="2">44 involving land mobile service - private networks (7%)</td></tr>
<tr><td colspan="2">23 involving amateur and amateur satellite service (4%)</td></tr>
<tr><td colspan="2">21 involving licence-exempt services (3%)</td></tr>
<tr><td colspan="2">20 involving other services (3%)</td></tr>
<tr><td rowspan="2">938 Remaining requests (59%)</td><td colspan="2">285 direct enforcement actions targeting radio stations and networks (30%)</td></tr>
<tr><td>309 Requests for cooperation from</td><td>174 International cooperation</td></tr>
</table>

		other national and international agencies (33%)	requests - counterpart authorities (56%)
			135 Requests for cooperation from national entities (operators, PSP, GNR, ERC...) (44%)
		124 Complaints/enquiries about non-ionizing radiation (13%)	
		51 Requests to conduct studies and analysis of levels of radiocommunication network coverage (6%)	
		169 Actions in response to other requests related to the activity (18%)	

Source: ICP-ANACOM.

In the 649 cases of interference that ICP-ANACOM was called to resolve during the year, 64 percent referred to situation related to the networks of public operators (Optimus, TMN, Vodafone). ICP-ANACOM's intervention allows operators to ensure and maintain the quality of service they are bound to guarantee to their customers.

Note is also made of the verification of 77 situations in the context of DTT.

During 2013, ICP-ANACOM also received 42 interference processes regarding communications of the aeronautical mobile service, making up 7 percent of all reported interference situations.

Institutional representation and representation of Portugal internationally comprised: 174 cases of cooperation with ICP-ANACOM's international counterparts; and 135 cases of cooperation with national agencies, PSP - Polícia de Segurança Pública (Public Security Police), GNR - Guarda Nacional Republicana (National Republican Guard), PJ - Polícia Judiciária (Criminal Police) and ERC.

ICP-ANACOM also conducted monitoring, on a regular basis, at entertainment, sports and/or official short-duration events, which is an activity that has significant bearing on the regulator's international image. In addition to the main objective of ensuring that the communications of licensed users do not suffer interference problems, this type of activity has resulted in a very significant increase in "temporary" licensing granted by ICP-ANACOM.

By the end of 2013, the monitoring and control of the spectrum department had also received 1,692 enquiries related to non-ionizing radiation, calling for analysis of specific

situations. 1,667 cases were concluded (involving analyses at 241 educational establishments).

The results indicated values which were at least 50 times lower than the reference levels of power density stipulated in Administrative Rule no. 1421/2004 of 23 November, whereas 58 situations were found which did not guarantee levels 50 times lower than the reference levels. However, in all cases, compliance of the reference levels was guaranteed. All the persons or entities requesting evaluations were informed of the respective findings.

15.3. Monitoring fulfilment of obligations

ICP-ANACOM performs a wide range of monitoring actions that allow it to oversee the sector and compliance by operators with obligations. In most cases these actions were conducted at a distance.

15.3.1. Monitoring compliance with portability obligations

To oversee the evolution of portability and verify compliance with the legal framework, information was compiled by means of the '"semi-annual portability questionnaire", which is aimed at companies with obligations in this area.

ICP-ANACOM's primarily objective is to check the numbers providing access to information on the prices of calls to ported numbers and information on the procedures indicated by MTS providers for deactivation/reactivation of the portability announcement. This information, and information on portability prices, is published on ICP-ANACOM's website.

From the actions carried out in October 2013, no non-compliant situations were detected in the case of the FTS, although non-compliant situations were detected in the case of two mobile service providers. In these cases, the processes were referred to litigation.

15.3.2. Monitoring of obligations established pursuant to rights of use of frequencies granted for provision of terrestrial electronic communications services

In 2013, ICP-ANACOM worked to monitor compliance with the obligations of coverage, quality of service and site-sharing associated with the rights of use of frequencies

allocated to the mobile operators Optimus, TMN and Vodafone. In this context, as in 2012, these operators sent ICP ANACOM information on:

- accomplished coverage (as regards voice and data services up to 9600 bps, data services with transmission speeds of up to 144 kbps and data services with transmission speeds up to 384 kbps);
- quality of service parameters;
- site-sharing policy implementation models.

With respect to the information received from operators, studies were performed on theoretical coverage. Analysis of the fulfilment of such obligations will continue through 2014, for appraisal by ICP-ANACOM.

15.3.3. Monitoring compliance with the obligations laid down in the rights of use of frequencies for DTT

In 2013, ICP-ANACOM continued to monitor compliance with the obligations laid down in the right of use of frequencies allocated to PTC on a national basis for the digital terrestrial television broadcasting service, as associated with Multiplexer A.

In 2012, following an exponential increase in the number of complaints recorded from the middle of May, ICP-ANACOM granted PTC a temporary licence to enable swift resolution of problems encountered in terms of the service's reception. This temporary licence consists of three stations, to be implemented as follows:

- Monte da Virgem transmitter: channel 42 (638-646MHz);
- Lousã transmitter: channel 46 (670-678 MHz);
- Montejunto transmitter: channel 49 (694-702 MHz).

Given the need to replace the temporary solution found in 2012 with a definitive solution, on 18 January 2013, ICP-ANACOM decided to put the various possible alternatives for the future development of the DTT network up for public discussion. The goal was to find a solution to guarantee a higher quality of signal reception that is sufficiently robust and stable in light of the likely scenarios for spectrum use over the medium to long term. The

solution also need to take into account the possible implantation of the second digital dividend (700 MHz band) at European level, and have limited impact on the population. The goal was to find the best compromise between quality of service provided by the network, spectrum efficiency and impact on the population.

In light of the comments received in the consultation, evolution towards a multi-frequency network (MFN from SFN) was deemed the most fitting option, to be implemented in phases.

Consequently, by determination of 8 March 2013, ICP-ANACOM formulated a draft decision on the evolution of the DTT network, in line with the findings of the consultation and submitted it to the prior hearing of interested parties and general consultation procedure. On 16 May, a final decision was approved on the evolution of the DTT network.

During the year, ICP-ANACOM monitored signal quality on-site, but considered that monitoring should be performed on a permanent basis, with implementation of an effective mechanism to evaluate the integrity of actual DTT coverage provided; this requires very specific technical infrastructure.

It was therefore decided to install a national network of 400 probes to permanently monitor the DTT signal, involving an investment of 450,000 euros (excluding VAT). This network is designed to monitor the quality of the DTT signal, 24 hours/day, 7 days/week, across the territory of mainland Portuguese, constituting an essential tool for analyzing and benchmarking performance of the licensed operator's obligations.

Pilot tests were carried out in 2013, consisting of four prototype probes (Vialonga, Odivelas, Benfica do Ribatejo and Benavente). The remaining probes will be installed by the third quarter of 2014.

In the context of ICP-ANACOM's monitoring and in light of the obligations of PTC regarding information on the subsidies and reimbursement programmes, ICP-ANACOM found that while the information provided by PTC on the DTT website about the reimbursement of costs responded to its obligations, it was not sufficiently clear and easy for most people to understand, especially people potentially interested in applying for reimbursement. In fact, it was not stated clearly that PTC would proceed with

reimbursement, it was not made clear what was refunded, nor was information provided about the procedure necessary for the purpose.

In this context, on 24 April 2013, ICP-ANACOM issued a recommendation to PTC that it clarify the information available on the DTT website to make it easier to understand and to make it clearer for its recipients.

Another aspect monitored by ICP-ANACOM in 2013 was the operation of the subsidy and reimbursement programmes by PTC (see Tables 44 to 47), and in September, ICP-ANACOM approved a set of indicators for disclosure on the programme's operation, as well as the means of disclosure by ICP-ANACOM of the information reported by PTC.

This decision involved a prior request for an opinion from CADA - Comissão de Acesso aos Documentos Administrativos (Committee on Access to Administrative Documents), which was provided in July 2013 and which confirmed ICP-ANACOM's position that the list of global and aggregated indicators defined did not contain or reveal confidential information.

It is recalled that, by determination of 4 January 2013, ICP-ANACOM extended the duration of the subsidy programme and digital reception installation subsidy programme until 26 April 2013 (one year following the switch-off of analogue transmissions), thereby giving eligible individuals an additional opportunity to apply for subsidies. The Reimbursement Programme, designed to ensure that the costs incurred by people residing in areas with satellite coverage are equivalent to those in areas with terrestrial coverage, remains in effect throughout the entire licence period.

The monitored aspects also included verification of coverage obligations and verification of the obligation to implement measures which impact the level of economic activity in the country, as regards development of the national industry of equipment, applications and content.

Table 44 – Total expenditure incurred by PTC on subsidy programme

Subsidy programme	Total amount spent (cumulative total from the beginning to the end of the programme (26.04.2013)

Programme providing subsidies for the acquisition of DTT and DTH set-top-boxes by citizens with special needs, by disadvantaged population groups and by institutions of proven social value.	331 569 euros
Additional subsidy provided to adapt installations for digital signal reception via DTT or DTH.	386 740 euros
Total	**718 309 euros**

Source: ICP-ANACOM.

Table 45 — Number of subsidy programme beneficiaries [1] [2]

Subsidy programme	Number of Beneficiaries (cumulative total from the beginning to the end of the programme (26.04.2013)
Subsidy for the acquisition of DTT and DTH set-top-boxes by citizens with special needs, by disadvantaged population groups and by institutions of proven social value.	16 702
Additional subsidy provided to adapt installations for digital signal reception via DTT or DTH.	6340

Source: ICP-ANACOM.

[1] The number of beneficiaries of each type of subsidy (subsidy for the acquisition of set-top-boxes and installation subsidy) refers to the number of dwellings (separate addresses) receiving the subsidy in question in the context of the programme in question.

[2] In the context of the subsidy program, subsidies for the acquisition of set-top-boxes and subsidy for installation constitute complementary situations, so that a single dwelling can be referenced in the context of both subsidy categories. Therefore, the "total number of beneficiaries" of the subsidy program does not match the sum of the beneficiaries of the equipment acquisition subsidy and beneficiaries of the installation subsidy.

Table 46 — Total expenditure incurred by PTC on the reimbursement programme (estimated)

Complementary equipment DTH reimbursement programme	Amount spent (cumulative total from the launch of the programme until 31.12.2013)
Total complementary DTT reimbursement	2 748 793 euros

Source: ICP-ANACOM.

Table 47 – Number of reimbursement programme beneficiaries [1] [2]

Complementary equipment DTH reimbursement programme	Number of Beneficiaries (cumulative total since the programme's launch until 31.12.2013)
Reimbursement *a posteriori* [1]	12 513
Reimbursement *a priori* [2]	26 996

Source: ICP-ANACOM.

[1] Where the customer supported the payment of complementary DTH kit and the reimbursement value established under the reimbursement programme was refunded subsequently.

[2] Where the complementary DTH kit was sold at reimbursed cost, having been delivered to the customer at a PTC retail outlet (with or without prior order) or by post.

15.3.4. Monitoring information on quality of service laid down in the RQS - Regulamento sobre Qualidade de Serviço (Quality of Service Regulation)

Throughout 2013, ICP-ANACOM compiled and processed information on quality of service, under the RQS - Regulamento sobre Qualidade de Serviço (Quality of Service Regulation)[70], as reported to ICP-ANACOM, on a quarterly basis, by undertakings providing the FTS

The data received, broken down in terms of offers aimed at the residential segment and standardised offers[71] directed at the corporate segment, were summarised and systematized in quarterly reports published on ICP-ANACOM's website.

ICP-ANACOM sought to verify the extent to which companies where using the model approved by ICP-ANACOM for the purposes of disclosure, on their own websites, of information about (i) the performance targets they propose to provide in each year and (ii) the levels of annual performance recorded in the previous year.

This verification was conducted towards the end of 2013, by researching the websites of the companies. It was concluded that the companies were making use of the "Disclosure Model"; nevertheless, small deviations from the recommended model were detected (e.g.: outdated temporal references).

[70] Regulation no. 46/2005 of 14 June, as amended by Regulation no. 372/2009 of 28 August.

[71] These are offers in which the conditions governing the provision of the service, especially those concerning the deadlines for providing the connection, the type of maintenance services provided and the applicable tariff are not contracted on a client by client basis, but which are defined a priori through a standard contract and which conform to a criterion of uniformity for all customers who subscribe to such a contract.

15.4. Monitoring provided information

15.4.1. Verification of models to disclose information on quality of service in subscription contracts

In 2013, an analysis was made of subscription contracts/contract conditions governing the provision of electronic communications service as filed with ICP-ANACOM, and information was collected from NRAs on applicable rules in terms of quality of service data to be included in contracts, with a focus on the quality of service topics giving rise to most complaints put to ICP-ANACOM.

From here, a preliminary proposal was formulated for quality of service parameters to be included in contracts for the provision of the FTS, the TV subscription service (STVS), mobile internet access service (IAS) and MTS.

Ultimately this proposal was not followed through in 2013, since ICP-ANACOM decided to proceed with a review of the determination on the guidelines on the minimum content to be included in electronic communications contracts, in order to adapt it to intervening legislative developments.

15.4.2. Monitoring of various aspects associated with retail offers

In 2013, ICP-ANACOM proceeded to verify the models used for the disclosure of information on the conditions governing offers on the websites of all providers subject to obligations. In particular, ICP-ANACOM focused on the verification of compliance with the criteria of visibility and information structuring, established in order to facilitate comparisons between the offer conditions of different providers. In addition, ICP-ANACOM started to evaluate a further set of specific obligations stipulated in the same determination, such as the disclosure of portability time limits and of the compensation associated with non-compliance with these time limits, as well as levels of quality of service.

This process will continue through 2014.

ICP-ANACOM also worked to monitor compliance with additional obligations related to information made available to users by providers, including:

i. information disclosed on contract termination procedures;

ii. indication of a simple and expedient means by which the customer may, at any time, find out when their contract lock-in period ends and what value is payable to terminate the contract early;

iii. compliance by telephone service providers with the obligation to provide information on at least one tariff available with an initial period followed by per-second billing - in accordance with ICP-ANACOM's stated position of 2 May 2008.

As regards contract termination procedures, and based on information obtained during investigations, between mid-February and mid-March 2013, ICP-ANACOM conducted various consultations on the websites of these providers.

Subsequently, operators were questioned about aspects that raised queries - including about failure to integrate (or integrate in a coherent manner) "new information" about contract termination procedures in the respective "offer conditions". While many of these failures have been corrected, the investigation continues into 2014 and occurrences of non-compliance will be analysed with a view to litigation.

In the context of monitoring the obligation to indicate a simple and expedient procedure (as referred to in ii), notice was sent to providers with subscription contracts which are filed with ICP-ANACOM and which make provision for contract lock-in periods, warning these providers of the obligation that the contract include indication of this procedure and requesting indication thereof. Subsequently, through its Consumers' Website, ICP-ANACOM published data which it had obtained on this issue from the various service providers.

In the context of the oversight described in iii), in September 2013, notices were sent to all providers of telephone services, requesting indication of which of their tariffs were in accordance with the stated position of ICP-ANACOM and requesting that they indicate the link(s) giving access to the tariff(s). Subsequent to the responses received, the websites of the providers were consulted in order to confirm the information provided, and clarifications requested from the companies. Examination of data collected will continue through 2014 and occurrences of non-compliance will be analysed with a view to litigation.

15.5. Study on bundles of electronic communications services

The performance of studies is another way in which ICP-ANACOM can monitor and oversee the sector. In 2013, ICP ANACOM conducted two studies on the consumption of bundled services.

One study to characterise the adoption and consumption of bundles of electronic communications services concluded that more than 70 percent of the fixed electronic communications services, regardless of the service, were purchased in a bundle and that about 6 out of every 10 families were receiving a bundle of services. It was concluded that the overwhelming majority of respondents valued the acquisition of services in bundles over separate acquisition due to advantages such as a single bill, a reduction in price (in particular due to discounts such as the offer of one or more monthly charges) and simplicity associated with the bundle.

In some certain cases, the FTS was acquired in a bundle even while the customer had no apparent strong need to have the service, and was the least valued service in the bundle of services.

The level of competition in the market of bundles of services seemed to vary among the different regions of the country, and the penetration of various bundles of services varied depending on demographics. Triple-play bundles, for example, had less penetration in municipalities with lower populations.

The second study, on the use of bundles of electronic communications services, was made by Indera, Lda. This study found regional disparities in the take-up of the majority of the services analysed, which cannot be explained solely on the basis of the specific socio-demographic composition of each region. However, socio-demographic variables have a significant impact on the take-up of services and on the extent to which people are informed about each service.

Household income stands out as one of the most decisive socio-demographic variables affecting take-up of services and the level of information.

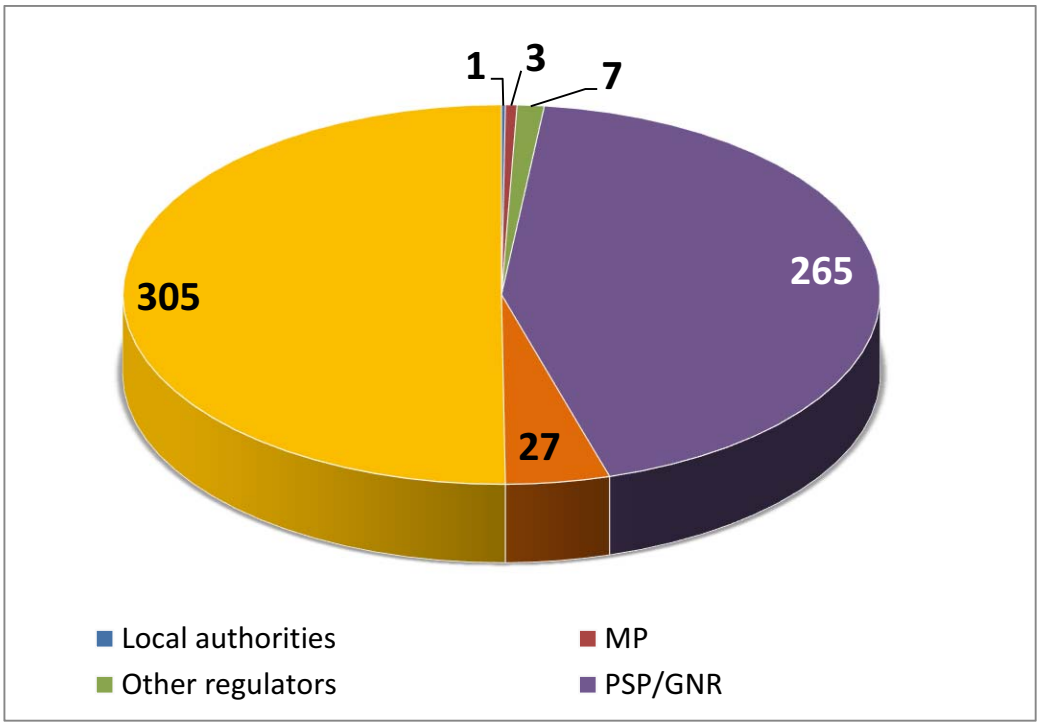
Looking strictly at the take-up of bundles of services, the following conclusions can be drawn: (i) the probability of take-up is lower for households with lower income, for self

employed and for more aged households; (Ii) the regional differences are not, in most cases, significant (except in the case of triple-play bundles[72]).

16. Offences

In 2013, 608 cases were brought to ICP-ANACOM's attention, in which there was evidence of commission of an offence, with the following sources:

Graph 55 – Sources of reports of offences in 2013



Source: ICP-ANACOM.

[72] Compared to Greater Lisbon, the probability of take-up is higher in the following NUTS III areas: Península de Setúbal, Oeste and Baixo Vouga, and lower in the following NUTS III areas: Pinhal Interior Norte, Cova da Beira, Minho-Lima, Pinhal Litoral, Tâmega, Ave, Alto Trás-os-Montes and Cávado.

Table 48 – Reports of offences, breach proceedings instigated and with decision

Reports of offences			608
Breach proceedings instigated			265
Reports of offences which that have not led to separate breach proceedings	302	Preliminarily closure	271
		Incorporation into pending cases	26
		Referral to other competent authorities	5
Breach proceedings with rulings	290	Application of fine, additional sanction or declaration of seizure of equipment	187
		Admonition	22
		Absolution/case archived	71
		Consolidation in the decision	10

Source: ICP-ANACOM.

16.1. Instigated proceedings

In 2013, breach proceedings were instigated in 265 cases, including 41 cases for breach of Law no. 5/2004 of 10 February, and 16 cases for breach of the new Lei dos Serviços Postais (Postal Services Law - Law no. 17/2012 of 26 April).

As regards the breaches of LCE, there were 21 cases where proceedings were brought for failure to provide information to ICP-ANACOM, nine cases of failure to comply with portability obligations and two cases for failure to comply with the obligation to bar access to message-based value-added services by default.

Meanwhile, the proceedings brought pursuant to Law no. 17/2012 of 26 April refer to failures to comply with the obligation of postal service providers to supply ICP ANACOM with information related to their activities and with the information necessary for the regularisation of postal titles. As regards the postal activity, there was also one case where breach proceedings were instigated in the light of evidence of non-compliance with the obligation to provide daily home delivery of postal items covered by the universal service.

As a result of ICP ANACOM's spectrum monitoring and control activities, breach proceedings were instigated in 38 cases.

In the area of radiocommunications, there were a large number of cases, 59 in total, with proceedings related to the personal radio service - citizens band.

In terms of telecommunications infrastructures in buildings and urban developments (ITED / ITUR), proceedings were brought in 67 cases.

In 71 cases, breach proceedings were brought with respect to non-compliance with the regime governing the free circulation, placing on the market, and putting into service of radio equipment and telecommunications terminal equipment, as well as conformity assessment and marking.

16.2. Reports of offences given preliminary closure

When analysing a report of an offence, where there is deemed to be insufficient evidence to support the filing of an accusation and it is not possible to collect other indications or evidence of the unlawful acts alleged therein, as would support existing information, the case is given to preliminary closure.

Among the 271 reports of offences given preliminary closure in 2013:

- 68 percent were records of traffic enforcement actions issued by police authorities relating to personal radio stations citizen's band;
- 8 percent involved matters governed and regulated by the LCE;
- 11 percent were cases arising from enforcement actions on terminal and radio equipment closed after initial inquiries found that the investigated company had not been responsible for commission of the indicated offences;
- 4 percent were cases concerning ITED/ITUR enforcement actions, where the ascertained facts of the case did not provide evidence of the commission of an offence;
- 7 percent referred to other services.

16.3. Decisions taken in respect of breach proceedings

Of the total number of pending cases in 2013, rulings were issued in 290 proceedings, of which 115 had been instigated in 2013.

Decisions were ruled in 187 cases, involving the application of fines, other penalties or declared forfeiture of equipment (with fines applied in 156 cases). In 21 cases reprimands were issued in light of the reduced severity of the offence and the reduced culpability of the perpetrator, in 71 cases, the accused parties were acquitted and in 10 cases, proceeding were consolidated into others for final decision.

Most notably, final decisions were ruled in the following cases:

- Eight decisions in relation to lack of timely response (time-out) to electronic portability requests, with fines imposed amounting to 71,500 euros. Three of these decisions were challenged - the Tribunal da Concorrência, Regulação e Supervisão (Court of Competition, Regulation and Supervision) confirmed two of these decisions in full and reduced the fine in the other. Fines imposed in the other cases have been paid, totalling 19,500 euros.

- One decision, whereby PTC was made subject to a fine of 128 thousand euros for failure to comply with various portability obligations regarding the fixed telephone service - this decision was contested in court.

- One decision, whereby PTC was made subject to a fine of 80 thousand euros for failure to comply with ICP-ANACOM's determination of 28 October 2010, ordering amendments to the RDAO - this decision was contested in court.

- One decision, whereby PTC was made subject to a fine of 61,500 euros for failure to comply with the performance targets applicable to the universal service - this decision was contested in court.

- One decision, whereby ZON was made subject to a fine of 37,500 euros for failure to comply with various portability obligations regarding FTS numbers - this decision was contested in court.

- One decision, whereby PTC was made subject to a fine of 50 thousand euros for breach of the conditions associated with the rights of use of 1820 numbering - this decision was contested in court.

- One decision, whereby PTC was made subject to a fine of 150 thousand euros for failure to comply with the commitments assumed by the operator pursuant to the right of use of frequencies with respect to provision of the DTT service associated with Multiplexer A - this decision was contested in court.

- Three decisions applying fines as follows: TMN (145 thousand euros), Vodafone (95 thousand euros) and Optimus (75 thousand euros), for failure to bar access to SMS-based/MMS-based VAS by default - these decisions were contested in court.

Given their volume, note should also be made of 12 fines applied for failure to provide information to ICP-ANACOM, 37 fines for breaches ITED/ITUR rules and 32 fines for breaches of the rules governing free circulation, placing on the market and putting into service of radio equipment and telecommunications terminal equipment, as well as conformity assessment and marking.

Table 49 – Applied fines and costs

Fines applied	1,239,045.99 euros	Settled	134,322,84 euros
		Appealed	1,020,050,00 euros
		In execution	74,871,56 euros
Costs applied	47,591.75 euros	Settled	8,652,40 euros
		Appealed	35,170,10 euros
		In execution	3,406,65 euros
Voluntary payment			4,317.02 euros

Source: ICP-ANACOM.

Applied fines totalled 1,239,045.99 euros, which, as a result of rulings of the Tribunal da Concorrência, Regulação e Supervisão (Court of Competition, Regulation and Supervision) issued in 2013, was reduced by 14.012,02 euros.

As regards appeals relating to decisions issued in 2013, 57 appeals were presented.

Rulings were issued in the case of 71 appeals, whereby 20 administrative decisions were maintained in full, fines reduced in 28 cases and overturned in 15 others. Eight cases were declared extinguished by the effect of prescription or for other reasons.

17. Resolution of conflicts between operators

- Dispute between Optimus and PTC as regards the resolution of faults in the context of the regulated offers

  A dispute between Optimus and PTC on the resolution of faults in the context of regulated offers was the object of a request put in December 2012 and remains ongoing. This dispute focuses on the solution defined by PTC in the context of the reference offers for resolving disagreements relating to which party is held responsible for a given fault.

  This dispute remains under review.

- Dispute between DSTelecom Norte e a Associação de Municípios da Terra Quente Transmontana (AMTQT) on conditions governing access to and use of the infrastructure of the Community Broadband Network of Terra Quente Transmontana

  On 28 March 2013, DSTelecom Norte (DST) sought ICP ANACOM's intervention in a dispute with AMTQT. At issue were the terms established by AMTQT as governing access to and use of the infrastructure of the Community Broadband Network of Terra Quente Transmontana.

  On 17 May 2013, ICP-ANACOM notified AMTQT to state its position and requested information to assess whether the claimed remuneration was appropriate. AMTQT stated its position on 30 May 2013, and the process remains under analysis.

- Dispute between Optimus and PTC on the unilateral alteration of invoicing dates in the context of the regulated offers

  On 12 July 2013, a request for intervention was received from Optimus alleging that PTC had unilaterally made changes to the issue date of invoices issued in respect of regulated offerings.

This involves changing the manner in which services are invoiced in respect of the RUO, Rede ADSL PT offer and SLRO, which had the result of bringing invoices forward by 30 days, with PTC issuing invoices before the end of the period to which the provided services refer.

Optimus states that, simultaneously, PTC extended the payment terms of Rede ADSL and RUO invoices by 30 days, which had the practical effect of cancelling out the impact of bringing invoice dates early. However, this did not occur in the case of the SLRO, whereby, in practice, beneficiaries face payment term of 60 days instead of 90 days as previously.

This dispute remains under review.

- Dispute between RTP and PTC on the price of DTT

  In July 2013, RTP requested ICP-ANACOM's intervention, as a matter of urgency and in the exercise of its legal powers, to provide immediate mediation in the pricing demanded by PTC for the encoding, multiplexing, transport and broadcast of the television signal by digital terrestrial network (DTT) and complimentary coverage (DTT pricing) and, at the same time, initiate and develop the process whereby the principle of cost orientation of prices can be imposed on PTC in its pricing.

  This matter resulted in the adoption of a final decision in 2014.

Other activities and litigation

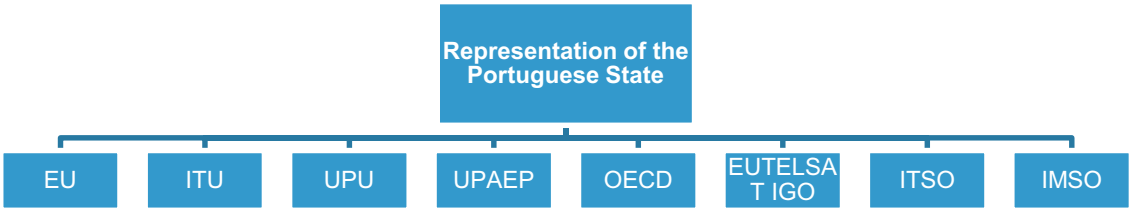
18. International Presence

In 2013, ICP-ANACOM remained strongly committed to its international activity, pursued with the aim, among other objectives, of ensuring active participation in the development of the EU internal market. ICP-ANACOM's engagement with relevant organisations at the level of regulation ensures a more concerted defence of national interests in the development of the internal market.

18.1. Representation of the Portuguese State

The figure below gives a graphical presentation of the bodies and organisations where ICP-ANACOM provides representation of the Portuguese State. In some cases, this representation is conducted in a dual capacity (institutional and technical).

Figure 1 – Representation of the Portuguese State



Source: ICP-ANACOM.

18.1.1. European Union (EU)

ICP-ANACOM's representation of and provision of assistance to the Portuguese State in the EU is exercised at all stages of the legislative process, in an advisory capacity at meetings and in the preparation of opinions on topics discussed in the working groups of the Council, in COREPER - Comité de Representantes Permanentes (Permanent Representatives Committee) and the Council of Ministers of Transport, Telecommunications and Energy (TTE). In addition, ICP-ANACOM provides assistance in the formulation of national positions on general issues, particularly as regards trade policy, public procurement, the digital agenda and technical harmonisation. ICP-ANACOM is also responsible for monitoring the work of the groups and committees in areas of electronic communications, postal affairs and eCommerce.

Council of Transport, Telecommunications and Energy (TTE)

ICP-ANACOM participated in the Telecommunications and Information Society Group and the Postal Services Group, issuing opinions and proposals, and also intervening in negotiations, including through its involvement in meetings. ICP-ANACOM also provided the Government with support in negotiations at COREPER and at the TTE Council meetings held in June and December 2013 in Brussels.

In this context, ICP-ANACOM has been involved in a wide range of subjects:

- **Single Telecoms Market**

On 11 September 2013, the EC presented a proposal for a regulation laying down measures concerning the European single market for electronic communications and to achieve a Connected Continent, and amending Directives 2002/20/EC, 2002/21/EC, 2002/22/EC, and Regulation (EC) no. 1211/2009 and Regulation (EC) no. 531/2012. The proposal was examined by the European Council of 24 and 25 October 2013.

At the TTE Council of 5 December, Member States expressed their views on the proposal and the timetable given for its adoption, welcoming its objectives in terms of promoting growth and investment and the creation of employment opportunities, especially for young people. The Member States underlined the need for stability and predictability for investors and considered that the same objectives could be furthered by making better use of current instruments. Member States were especially critical of the proposals on international roaming, consumer protection, spectrum harmonization and single authorisation.

For the EP, the relevant committees (ITRE[73] and IMCO[74]) presented preliminary reports.

[73] *Committee on Industry, Research and Energy*.

[74] *Committee on Internal Market and Consumer Protection*.

- **Reducing the cost of deploying broadband networks**

On 26 March, the EC presented a proposal for a regulation on measures to reduce the cost of deploying high-speed electronic communications networks[75] seeking the adoption of common rules which enable operators to reduce the cost and enhance the efficiency of deploying high-speed broadband.

The proposal was presented by the EC at the Telecommunications and Information Society Group on 27 March 2013.

In general, Member States supported the proposal's objectives, while expressing some reservations about the legal nature of the instrument (regulation). On 5 December, the TTE Council confirmed alteration of the instrument to a directive, and on 12 December, the Lithuanian presidency presented a draft directive without substantively changing its provisions.

The Greek presidency presented a new draft text on 19 December, for discussion in the first half of 2014.

- **"Connecting Europe Facility" - Regulation on guidelines for trans-European networks in the area of telecommunications infrastructure and repealing Decision no. 1336/97/EC**

Negotiations on the Multiannual Financial Framework (MFF), in February 2013, led to a reduction in funding provided for the "Connecting Europe Facility", which undermines the objectives of the guidelines for trans-European telecommunications networks.

Subsequently, discussions at the Telecommunications and Information Society Group were suspended, along with contacts between the Council and the EP.

On 28 May 2013, the EC presented a new proposal for a Regulation of the European Parliament and of the Council on guidelines for trans-European telecommunications networks, repealing Decision no. 1336/97/ EC[76]. The Irish Presidency presented a progress report on this matter.

[75] Com (2013) 147 final.
[76] Com (2013) 329 final.

On 19 November 2013, the EP approved general funding for the Connecting Europe Facility - 1.14 billion euros instead of 9.2 billion euros as initially proposed by the Commission for the period 2014-2020. Days before, on 8 November, an agreement was announced between the EP, the EC and the Council with a view to the Guidelines which set out CEF funding for telecommunications projects. The agreed text would have to be formally approved by Parliament, following a Council vote in 2014. The corresponding amount will be used in the development of reusable platforms (building blocks) for the delivery of public services online, rather than be used to invest in physical networks.

- **European Cyber security Strategy**

On 7 February 2013, the EC and the High Representative of the Union for Foreign Affairs and Security Policy approved a Joint Communication on a European Cybersecurity Strategy[77], comprising, as the main strategic action, a proposal for a Directive concerning measures to ensure a high common level of network and information security across the Union (NIS)[78].

The European Cybersecurity Strategy articulates the EU's cybersecurity vision based on five priorities: Achieving cyber resilience; drastically reducing cybercrime; developing a cyber-defence policy and capabilities related to the framework of the Common Security and Defence Policy (CSDP); developing industrial and technological resources for cybersecurity; establishing a coherent international cyberspace policy for the European Union and promoting core EU values.

The proposed NIS Directive fits into the broader context of the European strategy for cybersecurity, laying down a set of measures to ensure a common high level of network and information security. With this proposal, the Commission seeks to achieve three goals: to create a minimum level of NIS in Member States and raise the overall level of preparedness and response; improve cooperation on NIS at EU level; and create a culture of risk management and improve information-sharing between public and private sectors.

On 16 December, the ITRE Committee of the European Parliament voted on the directive report, whose principal result is that key enablers (Social networks, e-commerce platforms, etc.) should be excluded from the Directive's scope.

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[77] JOIN (2013) 1 final.

[78] COM (2013)48 final.

- **Competitiveness Council (Internal Market, Industry, Research and Space)**

ICP-ANACOM participated in the Working Group on Technical Harmonization and issued opinions and made proposals, as well as intervening in negotiations, through participation in meetings.

- **Radio Equipment Directive**

On 17 October 2013, the EC presented a draft directive on the harmonisation of the laws of the Member States relating to the making available on the market of radio equipment, which will review the Directive 1999/5/EC of 9 March 1999 on radio equipment and telecommunications terminal equipment and the mutual recognition of their conformity (R&TTE Directive).

The proposed revision also enables more efficient integration of the directive with other related EU legislation, including the Radio Spectrum Decision[79]. The proposal was approved by the Council at the end of the year.

- **EC committees and groups**

Representing the Portuguese state, ICP-ANACOM participated in the committees established to assist the EC in the adoption of implementing acts, in particular the Communications Committee (COCOM), as the committee responsible for implementing the regulatory framework for electronic communications; the Radio spectrum Committee (RSC) and the Postal Policy Committee. ICP-ANACOM also participated in several EC expert groups, as well as in actions of the TAIEX programme[80] and the Trade Policy Committee.

- **COCOM**

ICP-ANACOM participated in four COCOM meetings during 2013, as well as in the meetings of its various subgroups.

The Committee discussed and reviewed the Regulation on notifications of personal data breaches which, following the positive opinion at the beginning of the year, passed the

[79]Decision no. 676/2002/EC of the European Parliament and of the Council of 7 March 2002 on a regulatory framework for radio spectrum policy in the European Community.

[80]*Technical Assistance Information Exchange Office.*

control phase of the EP/Council without objection. It also discussed the draft Recommendation on the universal service, with no follow-on given to the discussion by the Commission.

COCOM released a document on the transition to digital TV in the EU, with information on dates of digital TV deployment, calling for the transition to digital broadcasting to be accelerated. It also issued a questionnaire about digital TV and published the results, together with the reports on EU broadband data and implementation of the 112 European emergency call service. The Committee also discussed the criteria for the localisation of callers within the context of 112 implementation.

Note is also made of the discussion and approval of EC Recommendation on costing methodologies and non-discrimination of 11 September 2013, which seeks to ensure a level playing field by applying stricter non-discrimination rules, to establish predictable and stable regulated wholesale prices for copper network access and to increase certainty as regards the circumstances that should give rise to the non-imposition of regulated wholesale access pricing for NGA services.

Meanwhile, in the context of the mobile satellite system, analysis was made of the possible breach by authorized operators of the common conditions of Decision 2011/667/EU of 10 October 2011.

- **Radio Spectrum Committee (RSC)**

In 2013 work was developed on amending Decision 2008/294/EC of 7 April 2008 on harmonised conditions of spectrum use for the operation of mobile communication services on aircraft (MCA services) in the Community.

The RSC was involved in the approval of Decision 2013/195/EU of 23 April 2013, defining the practical arrangements, uniform formats and a methodology in relation to the radio spectrum inventory for the compilation and provision of data to the Commission by Member States on current uses of spectrum between 400 MHz and 6 GHz, and the methodology for the analysis of technology trends, future needs and demand for spectrum in Union policy areas.

Note should also be made of the approval of Decision 2013/752/EU of 11 December 2013, amending Decision 2006/771/EC on harmonisation of the radio spectrum for use by short-range devices and repealing Decision 2005/928/EC.

In 2013, two CEPT mandates were finalized and approved, one for the 700 MHz band and one for the 5 GHz band. The first mandate sought to develop harmonised technical conditions for the 694-790 MHZ frequency band in the EU for the provision of wireless broadband electronic communications services and also to study the possibility of spectrum use by applications such as PMSE[81] and PPDR [82].

The objective of the mandate for the 5 GHz band was for the CEPT to study and identify harmonised compatibility and sharing conditions for the WAS/RLAN extension bands[83] in the 5350-5470 MHz and 5725-5925 MHz band. This study should ensure protection of systems of strategic interest to Europe, such as GMES (Global Monitoring for Environment and Security) and ITS (Intelligent Transport Systems).

The CEPT also worked on new developments for generic UWB applications[84] and specific UWB applications, in order to update the decision in force. A review of the Decision on UWB was completed in practical terms in 2013 and is scheduled for final approval and adoption in 2014.

In 2013, work was begun on a study on the use of PMSE audio equipment in the 823-832 MHz and 1785-1805 MHz bands, while the study of the 3.4-3.8 GHz range, with a view to amending Commission Decision 2008/411/EC of 4 June 2008, was concluded.

- **Postal Policy Committee**

ICP-ANACOM took part in two meetings during 2013, focusing on the transposition of the Postal Directive (Directive 2008/06/EC of 20 February 2008), on discussion of the future of postal regulation, the presentation of the roadmap on the cross-border delivery of e-commerce parcels, discussion of the fifth report on the implementation of the Postal Directive and analysis of the main activities of the ERGP.

[81] Equipment for Program Making and Special Events.
[82] Public Protection and Disaster Relief.
[83] Wireless access systems / wireless local networks.
[84] Ultra-wideband.

- **Telecommunications Conformity Assessment and Market Surveillance Committee (TCAM)**

ICP-ANACOM participated in the meetings of TCAM, with note made of the completion of work on the revision of the R&TTE Directive, which will be renamed the Radio Equipment Directive (RED). This Directive was submitted for approval to the Council and Parliament, which should be given in 2014.

Among the technical issues that were the subject of analysis/discussion were interference from DECT phones with CE marking and network termination point (NTP) and DSL devices.

ICP-ANACOM also attended meetings of the R&TTE Administrative Co-operation Working Group and, with over 20 European authorities, took part in the European surveillance campaign on WLAN (wireless local area networks) in the 5 GHz band.

From the analysis made in the campaign of the technical documentation, there was found to be non-compliance in 51 percent of cases, a figure that rises to 82 percent when analysis is expanded to global compliance.

- **Working Group on Electromagnetic Compatibility (EMC)**

In the context of Directive 2004/108/EC, the revision text of the Electromagnetic Compatibility Directive was submitted to the Council and to the Parliament, for publication in 2014.

Furthermore, approval was given to the report and conclusions of the fifth market surveillance campaign focusing on switch mode power supplies used by laptops and electronic equipment.

- **Radio Spectrum Policy Group (RSPG)**

Among the activities of this group, note is made in 2013 of the adoption of an interim opinion with considerations about the main areas of EU policy with relevance to WRC-15 and adoption of an opinion on the strategic challenges facing Europe in the light of growing wireless broadband demand.

Three reports were adopted (Spectrum for Wireless Broadband and Broadcasting in the Frequency Range 400 MHz to 6 GHz, Proposed spectrum coordination approach for broadcasting in the case of a reallocation of the 700 MHz band, Furthering Interference Management through exchange of regulatory best practices concerning regulation and/or standardization) and another report is being developed on sector needs.

In 2013, three documents underwent public consultation: an opinion on Licensed Shared Access (LSA), a questionnaire on the long term spectrum requirements for television broadcasting in the European Union and the RSPG work programme for 2014 and beyond.

- **Group of experts on electronic commerce**

This group met twice in 2013. At its meetings, the Groups discussed the action plan on e-commerce and online services, as well as the Commission's initiative on notice and action procedures, as provided for in the e-commerce directive.

The group also discussed administrative cooperation within the context of the e-commerce directive, future initiatives in electronic commerce and the proposed regulation on personal data protection. A study was also presented on the implementation of the e-commerce directive.

- **Technical Assistance Information Exchange Office (TAIEX)**

In May, in the context of the EU's TAIEX programme, ICP-ANACOM took part in a workshop on consumer protection, held in Lisbon for a delegation from Serbia.

- **Multi-Stakeholder Dialogue on Comparison Tools Working Group**

This group met twice in 2013. The meetings reported on national practices on existing comparison tools in the various sectors represented (e.g. telecommunications, energy, food, etc.). ICP-ANACOM presented the COM.escolha tariff comparison tool.

The report produced by this group "Comparison tools - report from the Multi-Stakeholder Dialogue, providing consumers with transparent and reliable information" was presented at the European Consumer Summit, held in Brussels on 18 and 19 March 2013.

- **European Space Agency (ESA)**

It is incumbent upon ICP ANACOM to make human and material resources available for the performance of this mission. Among the activities of the national delegation to the ESA, note is made of its participation in satellite telecommunications programme committees, in satellite navigation programmes, in the evaluation of national industry entries to ESA tenders and in the recommendation, through letters of support, for the allocation of existing funds to various programmes to support these projects.

18.1.2. International Telecommunication Union (ITU)

- **World Telecommunication Policy Forum (WTPF)**

ICP-ANACOM took part in the World Telecommunication Policy Forum, focusing on discussion of public international Internet policy. WTPF-13 approved six opinions on topics such as Internet Governance, Internet Exchange Points (IXPs), broadband accesses and IPv6.

Brazil presented a proposal for a further opinion on the Role of Government in the Multi-stakeholder Framework for Internet Governance which was not approved, even though several delegations recognize its importance; it will continue to be debated in the ITU Council Internet Working Group.

- **WTDC-14 Regional Preparatory Meeting**

Portugal participated in the Regional Development Forum and Regional Preparatory Meeting for the World Telecommunication Development Conference (WTDC-14).

The Regional Development Forum addressed four main topics: Speeding up Broadband Ubiquity; Making Smart Policy and Regulation; Capacity Building for an Evolving ICT Ecosystem; and Reinforcing Impact of ICTs Towards Knowledge Societies.

Europe continued its coordination work for the Conference at the WTDC-14 Regional Preparation Meeting.

- **ITU Council**

As an observer, Portugal took part in the 2013 session of the ITU Council, a body that manages the Union between Plenipotentiary Conferences (PP). The meeting focused on

the adoption of the ITU budget for the 2014-2016 period and operational plans for the General Secretariat and the three ITU sectors for 2014-2017.

The session also focused on the preparation of PP-14 and WTDC-14 and to furthering the process related to the World Summit on the Information Society (WSIS) after 2015.

- **ITU Council Working Groups**

ICP-ANACOM took part in the work of the Council working groups (WG), most notably in the debates on financial management and human resources and the preparation of strategic and financial plans for 2016-2019.

18.1.3. Universal Postal Union (UPU)

ICP-ANACOM provided national representation at the joint session of the Council of Administration (CA) and the Postal Operations Council (POC) of the UPU, which approved the general budget for 2014, discussed the issue of the ".post" internet domain and launched the work of the councils for the 2013-2016 cycle. At the CA, the subsidiary bodies were established and approval given to the work programmes of the committees and project groups, with ad hoc groups set up in the context of some of the project groups.

At the CA's ordinary session in November 2013, ICP-ANACOM followed the debates on the adoption of the budget for 2014, the reform of the Union, the world postal strategy, review and adjustment of the acts of the UPU to developments of recent years in the postal sector, governance issues and financial matters as well as issues related to interconnection and terminal dues.

18.1.4. UPAEP - União Postal das Américas, Espanha e Portugal (Postal Union of the Americas, Spain and Portugal)

ICP-ANACOM participated in the 2013 session of the Consultative and Executive Council (CEC), the last before the 22nd UPAEP Congress, held in September 2013, in Havana. The preparation of documents and proposals for consideration by the Congress made up the main focus of the CEC's work.

At the 22nd UPAEP Congress, at which ICP ANACOM provided national representation along with delegates from CTT, the Union's finances topped the agenda, with the minimum contribution increased to 1.5 units. The Congress reorganised the working groups and other bodies that work in the period between congresses, seeking a more efficient and appropriate structure, and elected the new Secretary General of UPAEP - Ecuador's Roberto Cavanna - and Management Committee for the 2014-2017 cycle.

18.1.5. Organisation for Economic Cooperation and Development (OECD)

- **Committee for Information, Computer and Communications Policy (ICCP)**

ICP-ANACOM continued to accompany the work of the ICCP, an OECD body that addresses policy questions resulting from the development and application of technologies and services in areas of information, computing and communications, including their impact on the economy and on society as a whole.

Russia's accession to the OECD Convention, the revision of OECD guidelines on security, the transition from IPv4 to IPv6, as well as intellectual capital, made up the bulk of the Committee's work.

The publications, "Communications Outlook" and "Internet Economy Outlook" will be merged into a single biennial publication "Digital Economy Outlook" to be launched in 2015.

Finally, the work programme and budget was presented for 2014-2015 and members were appointed to the CPED bureau for 2014.

18.1.6. European Telecommunications Satellite Organization (EUTELSAT IGO)

ICP-ANACOM provides national representation at the Assembly of Parties (AP) of EUTELSAT IGO and Consultative Committee (CC) - as an observer.

In 2013, Portugal was elected to the presidency of the 38th AP, for a period of two years.

The Assembly noted the operator's compliance with the Basic Principles and adopted budgets for the 2013/2014 and 2014/2015 financial years, as well as a Resolution on the use of satellites in bridging the digital divide.

ICP-ANACOM participated in two meetings of the CC, in which information was provided on the operational and commercial activities of Eutelsat SA.

18.1.7. International Telecommunications Satellite Organization (ITSO)

ICP-ANACOM represents Portugal at the AP and takes part in the organization's CC.

In 2013, the CC held a single meeting. The organization's funding by Intelsat was the most important issue and has been secured until 2016.

18.1.8. International Mobile Satellite Organization (IMSO)

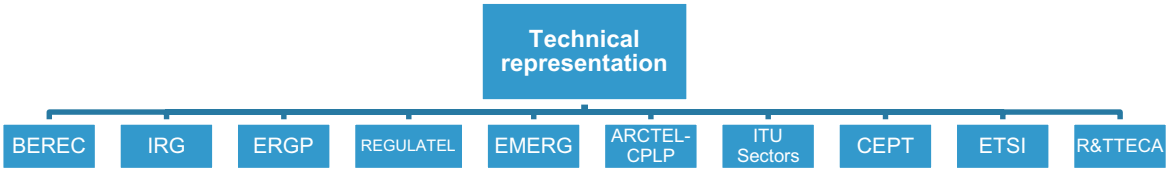
ICP-ANACOM provides national representation at the IMSO Assembly, the highest body of the organization, and follows the work of CC as an observer.

Preparation of the restructuring of the IMSO Directorate topped the organization's agenda, seeking a reduction in costs by ensuring that the organization is ready to continue performing its mission when three senior members of its staff leave the organization in the coming years. The CC agreed that recruitment of the new General Director should be initiated in early 2014.

18.2. Technical representation

As regulatory authority with responsibility for the electronic communications sector, ICP-ANACOM participates in various groups/committees, providing technical representation in these forums. The figure below outlines this participation.

Figure 2 – Technical representation



Source: ICP-ANACOM.

18.2.1. Organizations of regulatory bodies

In exercising its functions and powers, ICP-ANACOM is a member of several NRA organisations and associations. Note is made of ICP-ANACOM's participation in BEREC and IRG, as regards the European region, EMERG, as regards the Mediterranean basin, in REGULATEL, as regards Latin America region, and finally ARCTEL-CPLP in relation to the Community of Portuguese Speaking Countries.

- **Body of European Regulators for Electronic Communications (BEREC)**

BEREC is made up of the 28 NRAs of the EU, with the EC also able to participate, along with candidate countries (FYR Macedonia, Croatia, Montenegro, Serbia and Turkey) and the countries of the EEA European Economic Area (Iceland, Liechtenstein, Norway and Switzerland). Switzerland is a permanent guest. Alongside the Board of Regulators (BoR) of BEREC, there is also a European agency - the Office - headed by a Director-General and by a Management Committee (MC), comprising 28 NRAs of the EU and two members from the EC. The Office's mission is to provide BEREC with support.

BEREC works to contribute to the development of the internal market of electronic communications networks and services, seeking to ensure consistent application of the regulatory framework. To this end, BEREC relies on the expertise of the NRAs and promotes cooperation and coordination between NRAs and the EC.

It should be noted that, under the framework directive[85], Member States are required to guarantee that national regulatory authorities have adequate financial and human resources to enable them to participate actively in BEREC and give their contribution.

In this context, in 2013, ICP-ANACOM was present at all ordinary meetings of the BoR (including workshops) and of the MC of the Office, as well as the extraordinary meeting with the participation of the EC Vice-President, and in the technical meeting with the EC, held respectively on 4 October and 11 December 2013. ICP-ANACOM also participated in all meetings of the Contact Network (CN), the intermediate operational group of NRA representatives, for the preparation of the BoR plenary.

[85] Directive 2002/21/EC of 7 March 2002 of the European Parliament and of the Council on a common regulatory framework for electronic communications networks and services.

Meanwhile, in September 2013, encouraged to take on a high profile role in the structure of BEREC, the chairman of ICP-ANACOM's Management Board, Fátima Barros put her name forward to the office of chair of the BoR of BEREC, MC and IRG. She was elected unanimously at the plenary meeting in December. In view of the Troika system operated in the three structures, being chair in 2015 also means taking up the position of vice-chair in the year before and the year after, i.e. 2014 and 2016. In this same context, ICP-ANACOM will also coordinate and chair the CN's plenary preparatory meetings.

ICP-ANACOM strengthened its participation in BEREC in 2013 compared to 2012, recognising the Body's growing importance in the EU framework and in terms of its impact on the activity of ICP-ANACOM in particular, given that it not only constitutes a centre of sector excellence, but also an important interlocutor with the different European institutions and with the industry. This was reflected, in particular, in ICP-ANACOM's intervention in the legislative process on the draft regulation on the single European electronic communications market, in ICP-ANACOM's cooperation in the formulation of the recommendations on non-discrimination and costing methodologies, as approved by the EC in September 2013 and in the successful completion of the Stakeholders forum.

In 2013, ICP-ANACOM continued to chair BEREC's End User Expert Working Group, which conducted an analysis on the scope of the universal service with a view to future EC recommendation on the matter, and also organised a workshop on measures regarding users with special needs in the context of electronic communications services.

In addition to its participation in all expert working groups of (EWG), ICP ANACOM took part in the EWG as drafter of several documents[86]. ICP-ANACOM also participated in the ad hoc group set up to discuss the draft regulation on the single European electronic communications market; in 2013, the group produced two documents regarding BEREC's position on the matter, the first an overview[87] and the second going into more detailed analysis[88]. ICP-ANACOM was also a member of the two teams of EWG drafters preparing opinions on the Phase II investigations in respect of article 7 and 7A of the Framework

[86] The following documents saw ICP-ANACOM's participation as drafter: BEREC Opinion on the review of EC Recommendation on relevant markets, Review of the Common Position on geographic aspects of market analysis, NGN and IP interconnection, Emerging challenges in NGN networks: Effective regulation in an NGA environment, Monitoring Quality of Service - Practices and Platforms.

[87] *BEREC statement on the publication of a European Commission proposal for a Regulation on the European Single Market* – BoR (13)104.

[88] *BEREC views on the proposal for a Regulation laying down measures to complete the European single market for electronic communications and to achieve a Connected Continent*– BoR(13)142.

Directive (2002/21/EC), both cases concerning Germany[89]. Furthermore, ICP-ANACOM contributed actively, during the commentary phase, to the final drafting of other BEREC opinions as regards EC expressions of serious doubts.

Finally, ICP ANACOM took part in the working group on roaming, which resulted in the publication of several documents with relevance to the application of the Roaming Regulation. ICP-ANACOM was also engaged in the preparation of the Stakeholders forum, making up, together with Bundesnetzagentur (BNetzA), the Finnish Communications Regulatory Authority (FICORA) and Institut Luxembourgeois de Régulation (ILR), the team of four NRAs constituted for this purpose.

BEREC's work during 2013 was divided between three broad themes: (i) promoting the development of next generation networks (NGN); (Ii) consumer empowerment and protection; and (iii) the promotion of the internal market.

In the context of promoting the development of NGN, it is important to note BEREC's preparation of an opinion on the EC's proposal for a recommendation on non-discrimination and costing methodologies, as well as a methodology for monitoring application of the review of the common positions[90], as approved by BEREC in 2012, as well as two workshops on NGN and IP interconnection and on effective regulation in a context of NGN.

As regards consumer empowerment and protection, BEREC continued to monitor broadband quality of service, drafting a report and preparing the next phase of traffic management analysis to be developed in 2014 in the context of net neutrality, in addition to the work, as referred to above, on universal service and on users with special needs.

As regards promotion of the internal market, note is made of: (i) the development of guidelines for the implementation of roaming unbundling; (ii) the update of general guidelines on the regulation; (Iii) the approval of a compliance report on the implementation of the Regulation; (Iv) preparation of two regular Benchmarking reports and a specific report on tariff transparency and comparability. Furthermore, two regular benchmarking reports were prepared on fixed, mobile and SMS termination rates, as well as the regular report on regulatory accounting.

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[89]Cases relating to mobile terminations and another relative to fixed terminations.

[90]*Review of Common Positions on Wholesale Broadband Access, Local Access and Leased Lines (WBA, WLA and WLL).*

As regards the application of the regulatory framework for electronic communications, opinions were prepared and published on the Phase II investigations, in respect of article 7 and 7A of the Framework Directive (in cases involving Germany, Austria, Spain Estonia, Finland, Italy and the Czech Republic).

Meanwhile, approval was given to the review of BEREC's internal guidelines for the preparation of opinions in respect of articles 7 and 7A of the Framework Directive as well as internal guidelines on the provision of regulatory support to NRAs under article 2b) of the BEREC Regulation, and on the formulation of opinions on cross-border disputes pursuant to article 21 of the Framework Directive.

- **Independent Regulators Group (IRG)**

In 2013, ICP-ANACOM attended all general assemblies held by the IRG and the preparatory meetings that preceded them at contact network level; ICP-ANACOM also took part in the working groups that work jointly with BEREC.

In the context of cooperation between NRAs, ICP-ANACOM responded to the 124 questionnaires issued by its counterparts and circulated 10 questionnaires of its own.

- **European Regulators Group for Postal Services (ERGP)**

In 2013, ICP-ANACOM participated extensively in the ERGP's work, which was focused on the following areas: cost allocation, network access regulation, cross-border issues, the net costs of universal service obligations, quality of service, and sector complaints and indicators.

ANACOM attended all the plenary meetings of the ERGP, as well as the preparatory and contact network meetings. With the Belgian regulator, ICP-ANACOM presided over the End users satisfaction and monitoring of market outcomes working group, focused on quality of service and user protection and on monitoring the evolution of the postal sector. Likewise, it participated in all the other ERGP groups.

In 2013, ERGP approved and published the *ERGP Report on specific issues related to cost allocation*, following a public consultation held in mid-2013, and also the ERGP *Report on the quality of service and end user satisfaction*.

Furthermore, the ERGP approved and published an opinion requested by the European Commission on European cross-border e-commerce parcel delivery and questions related to market analysis.

- **REGULATEL - Fórum Latino-americano das Entidades Reguladoras de Telecomunicações (Latin-American Forum of Telecommunications Regulatory Authorities)**

REGULATEL works as a forum that brings together Latin American and European authorities, seeking to foster cooperation among its members for the purpose of developing the electronic communications sector. In 2013, REGULATEL underwent an internal restructuring process that culminated in the approval of new statutes and the granting of full membership to the European NRAs. ICP-ANACOM participated actively in this reform process.

In 2013, ICP-ANACOM took part in various events organised by the Forum: meeting of the *corresponsales*; seminars of the working groups on roaming, regulatory frameworks, user protection; REGULATEL plenaries and BEREC-REGULATEL summits. ICP-ANACOM also participated in the meeting of the Management Committee, in the context of the addressing the Forum's reorganization and sustainability.

ICP-ANACOM responded to all six questionnaires, including questionnaires issued at working group level on roaming and user protection.

- **Euro Mediterranean Regulators Group (EMERG)**

In 2013, ICP ANACOM took over as Chair of EMERG, of which it is a founding member, with a particular focus not only on consolidating the structure and practices of internal cooperation, but also on promoting cooperation with other regulatory networks (such as BEREC in particular), engaging with the EC in the context of negotiating a new framework for EU funding, post-February 2014.

As the Group's Chair, in February, ICP-ANACOM hosted the EMERG Plenary Assembly in Lisbon. ICP-ANACOM also took part in the various workshops held over the year: NGN investments and access regulation, universal service, cost orientation methodology, number portability, MVNO and Enforcement powers and judicial review. This last topic was discussed in the context of the first joint workshop between EMERG and BEREC, an

initiative promoted within BEREC by ICP-ANACOM, aiming to ensure close and constant cooperation between the two regulator networks.

Also stemming from its status as EMERG Chair, ICP-ANACOM took part in the Regulators Meeting, in the context of the Global Symposium for Regulators (Warsaw, July), in the Senior Official Meeting on the Southern Mediterranean dialogue on Electronic Communications & the Information Society (Athens, November), an event organised by the EC, and co-chaired the meeting of Contact Network/Benchmark, in December. ICP-ANACOM worked on the preparation of the 2014 plenary meeting, in close coordination with TRC[91], NRA of Jordan, which takes over as EMERG Chair in 2014.

ICP-ANACOM participated in all the questionnaires that formed the basis for the above workshops, as well as the questionnaire prepared in the context of the EMERG Benchmark Report (2012 and 2013 editions).

- **Eastern Partnership (EaP)**

The EAP is a partnership between the EU and countries of Eastern Europe and the South Caucasus, aimed at improving political and economic relations between the countries involved. At sector level, the EaP seeks to encourage debate and the exchange of experience and good practice between EU regulators and EAP partners, fostering an approximation towards the European regulatory framework. ICP-ANACOM is an observer member of this group and, in 2013, participated in a questionnaire sent out by the regulator of Georgia.

- **CPLP-ARCTEL - Associação de Reguladores de Comunicações e Telecomunicações da CPLP (Association of Communications and Telecommunications Regulators of the CPLP)**

Under the presidency of the NRA of Guinea-Bissau, Autoridade Reguladora Nacional das Tecnologias de Informação e Comunicação (National Regulatory Authority for Information and Communications Technologies), and with the functions of the Secretariat performed by ICP-ANACOM, 2013 was a year of intense activity for ARCTEL CPLP with ICP-ANACOM cooperating in a range of activities. The members of ARCTEL CPLP met in Lisbon in April, on occasion of the association's Fifth General Assembly, to examine the

[91] *Telecommunications Regulatory Commission.*

activities plan and the annual report and accounts for 2012, and to approve the interim activities plan for 2013-2014. New statutes were signed, enshrining the Association's financial and administrative autonomy and its own legal capacity, resulting in greater freedom and capacity for intervention with other international organizations.

At the assembly, a number of proposals were approved and works concluded; in particular, approval was given to the creation and designation of CFA - Centro de Formação ARCTEL (ARCTEL Training Centre) as an entity within the association, and approval given to their terms of reference. Meanwhile the mandate of the roaming working group was extended for a further year, with approval given to the model definition based on a CPLP roaming offer, seeking a reduction in pricing and implementation of transparency measures.

Following establishment of the ARCTEL Training Centre, it was possible to enact some of the prospects for collaboration with these organisations in the form of cooperative protocols with universities and training academies.

Also in Lisbon, in April, the Association organized the III and IV Technology Exhibition and the IV Fórum Lusófono das Comunicações (Lusophone Forum of Communications), which was focused on the theme "Universal Service for the XXI Century?" and brought together regulators, international associations, operators and consumer associations from different CPLP countries.

Finally it should be noted that, following ARCTEL's accession as an advisory member of the CPLP, a cooperation protocol was established between the Association and the CPLP Business Confederation.

18.2.2. Other organisations

18.2.2.1. International Telecommunication Union (ITU)

- **Development Sector (ITU-D)**

In the context of the ITU-D, note is made of ICP ANACOM's involvement in the 18th meeting of the Telecommunications Development Advisory Group (TDAG), which was dominated by WTDC-14 preparation.

Meanwhile, the 13th edition of the Global Symposium for Regulators, which focused on the theme "4th-Generation Regulation: driving digital communications ahead", debated the dynamic nature of communications and the evolution towards a new generation of regulatory practices in the field of ICT.

ICP-ANACOM sat on the panel on universal service financing, presenting the solutions that have been implemented in Portugal and arousing the interest of several regulators.

The session saw approval given to a set of best practices that define guidelines for the identification of innovative regulatory solutions generically referred to as 4th-Generation Regulation.

18.2.2.2. European Conference of Postal and Telecommunications Administrations (CEPT)

The objectives of the CEPT include the harmonisation of technical and regulatory matters, as well as the coordination of European regional positions in respect of the work of the international organizations in the sector, namely the ITU and the UPU.

In 2013, ICP-ANACOM took part in the Electronic Communications Committee (ECC), the European Committee for Postal Regulation (CERP) and the Committee for ITU Policy (Com-ITU), as well as several working groups related to frequency management and spectrum engineering and numbering, addressing and interconnection, thereby contributing to the preparation of important regulatory decisions.

- **Electronic Communications Committee (ECC)**

Portugal was elected as vice-chair of the ECC, with priority given to participation in working groups and project teams of frequency management (WG FM), spectrum engineering (WG SE) IMT matters (ECC PT1), conference preparation (CPG) and long-term vision for the UHF broadcast band in Europe.

In 2013, note should be made of the formulation and adoption of three new ECC decisions[92] and the amendment of seven decisions.

[92] (i) Decision ECC/DEC/(13)01 Harmonised use, free circulation and exemption from individual licensing of Earth Stations On Mobile Platforms (ESOMPs) within the frequency bands 17.3-20.2 GHz and 27.5-30.0 GHz; (ii) Decision ECC/DEC/(13)02 ECC Decision on the withdrawal of ECC Decision (03)02; and (iii) Decision ECC/DEC/(13)03

- **European Committee for Postal Regulation (CERP)**

ICP-ANACOM took part in the 48th Plenary of the CERP and forum, concluding that the work of this Committee should focus more on European coordination for UPU work (as another CEPT committee, ITU-COM, focuses on coordination for the ITU), given that regulatory activities are now developed at ERGP level. In this sense, ICP-ANACOM's participation in CERP has been limited to monitoring the UPU Working Group. This group met twice in 2013, including once in Lisbon.

- **Com-ITU**

Portugal participated in meetings of Com-ITU, whose function is to coordinate European positions on issues related to the ITU, particularly at the level of the Council, Plenipotentiary Conferences and Conferences/Assemblies of the Sectors. In 2013, the main point of discussion was the preparation of the European common positions (ECP) for presentation to PP-14 and WTDC-14.

Another subject of focus was the reflection on the results of the World Conference on International Telecommunications (WCIT-12), a process in which Portugal has taken on European coordination of the review of the International Telecommunication Regulations (ITR).

There was also a debate on the participation of observers in the works of the Committee and Israel's request for observer status.

- **European Communications Office (ECO)**

ICP-ANACOM provided representation of Portugal at the CA of the ECO, which meets on a six-monthly basis. The ECO functions as CEPT's secretariat and gives technical support to the committees and working groups.

In 2013, Portugal was elected vice-chair of the ECO Council. A change of premises for the office, with a view to cost-savings, and the process of selecting the new director, who will take office in April 2015, were among the main topics addressed.

Harmonised use of the frequency band 1452-1492 MHz for Mobile/Fixed Communications Networks Supplemental Downlink (MFCN SDL).

A working group was set up, in which Portugal participates.

The Council decided to make no change to the contributory unit payable by the States in 2014, and a "freeze" was recommended in the 2015-2016 financial plan.

18.2.2.3. European Telecommunications Standards Institute (ETSI)

ICP-ANACOM took part in the two general meetings of ETSI, a non-profit organization that, as a European Standards Organisation (ESO), prepares the EU's harmonised sector standards.

At the last general assembly of the year, approval was given to the 2014 budget, which maintains the value of the contributory unit. Likewise, discussions persist on the topic of voting rights, as debated in the context of the ad hoc group set up to review structure and governance (GAGS).

18.2.2.4. Radio and Telecommunications Terminal Equipment Compliance Association (R&TTECA)

In 2013, ICP-ANACOM was represented at R&TTECA, which is made up of regulatory authorities, laboratories, equipment manufacturers and representatives of the Commission; its mission is to discuss technical issues and produce technical guidelines for the conformity verification of equipment covered by the R&TTE Directive. Among the technical issues that were the subject of analysis/discussion, were the requirements for TV receivers with wireless function; and European standards for SAR (Specific Absorption Rate) in mobile phones, with preparation of a Technical Guidance Note on SAR measurement.

19. Institutional and technical cooperation

ICP-ANACOM's activity of cooperation with its counterparts was pursued at various levels and in different forums, including regulator associations and other international organizations. As in previous years, both ICP-ANACOM's multilateral and bilateral cooperation activities have focused on the technical component.

The majority of this activity was developed with a focus on the CPLP - Comunidade dos Países de Língua Oficial Portuguesa (Community of Portuguese Speaking Countries), and was divided between the Associação de Reguladores de Comunicações e Telecomunicações (Association of Communications and Telecommunications Regulators) of CPLP, the ITU Center of Excellence for Portuguese and Spanish speaking African Countries and on a bilateral basis with the individual regulators of CPLP countries.

19.1. International cooperation

19.1.1. Multilateral cooperation

ICP-ANACOM remained intensely engaged in activities of international, bilateral and multilateral cooperation, which a focus on relations with PALOP countries and Timor-Leste. Over the past years the multilateral component in ICP-ANACOM's cooperation activities has been expanding. Taking place in two areas, public and private, and with ARCTEL already mentioned in the previous chapter, note should also be made of:

- **ACIST - Associação Empresarial de Comunicações de Portugal (Portuguese Communications Business Association)**

Under the cooperation protocol signed between ACIST, ICP-ANACOM and INCM - Instituto Nacional das Comunicações de Moçambique (National Communications Institute of Mozambique), ICP-ANACOM supported ACIST in the training of information technology technicians, with a special focus on new regimes adapted for the installation of optical fibre in telecommunications infrastructure in buildings and urban developments.

- **AICEP - Associação Internacional das Comunicações de Expressão Portuguesa (Association of Postal and Telecommunications Operators of the Portuguese-speaking Countries and Territories)**

AICEP's General Assembly took place in Mozambique with the approval of new statutes seeking the entry of members linked to the audiovisual. Additionally, the XXI AICEP Forum took place, focusing on the theme "The relevance of the content, Language and Communication in the Economy of the Portuguese-speaking World".

Between 23 September and 2 October 2013, two training sessions (electronic communications and postal services) were held in the context of PROJEP Communications Law, in an action which AICEP organised.

- **Center of Excellence for Portuguese and Spanish speaking countries in Africa (CoE/ITU)**

During the year, six courses were run, one in e-learning format, involving 183 trainees from PALOP (regulators, operators, etc.).

Meanwhile, at a meeting of the ITU's Standing CoE Management Committee, which provides oversight of its evolution to an ITU-Programme from 2015, it was proposed to allocate remaining funds to the consolidation of distance learning infrastructure.

- **Participation in the CPC network (Consumer Protection Network*)***

As central supervisory entity pursuant to Decree-Law no. 7/2004 of 7 January, ICP-ANACOM forms part of the CPC network, as set up under Regulation no. (EC) 2004/2006 of the European Parliament and of the Council of 27 October 2004, as regards cooperation between national authorities responsible for the enforcement of consumer protection legislation.

In general, this regulation establishes the conditions by which these authorities should cooperate with each other and with the EC in cases of intra-community violations of consumer protection laws. In Portugal, this network is coordinated by Direção-Geral do Consumidor (Directorate-General for the Consumer).

19.1.2. Bilateral cooperation within CPLP

ICP-ANACOM develops its activity of bilateral cooperation through specific programmes and measures arising from cooperation protocols with its counterparts.

In the particular case of PALOP countries and Timor Leste, these protocols are complemented by the development of PIC - planos indicativos de cooperação (Indicative Cooperation Plans), lasting three years, as embodied in the PAC - planos anuais de cooperação (Annual Cooperation Plans).

- **Cabo Verde (ANAC – Agência Nacional de Comunicações)**

In addition to the support provided in the postal and electronic communications sectors, in 2013 an exchange of experiences took place with ANAC, Regulator of Cabo Verde, on the regulation and organisation of documentation/information centres. It was agreed with ANAC to reactivate the regional Macaronesia project and to review the cooperation protocol between the two authorities.

- **Guinea-Bissau (ARN – Autoridade Reguladora Nacional)**

Support was given to the Guinea-Bissau regulator in the context of the regulation, installation, maintenance and operation of submarine cables. In 2013, missions were carried out with regard to regulatory and legal affairs, litigation and offences, consumer information, consumer support and protection, public attendance, functional support to the management board, document management, foreign relations, and certification and telecommunications infrastructure.

- **Sao Tome and Principe (AGER – Autoridade Geral de Regulação)**

In 2013, missions were made to AGER on equipment, radio spectrum monitoring and planning, and regulation. There were also bilateral meetings taking place between ICP-ANACOM and AGER to discuss the review of cooperation protocols between the two authorities, the preparation of the CIP for the 2014-2016 period and the structuring of the CAP for 2014.

- **Mozambique (INCM – Instituto Nacional das Comunicações de Moçambique)**

Under the protocol signed between INCM, ICP-ANACOM and ACIST-AET, a course was held on ITED installation.

ICP-ANACOM participated in the 2nd National Communications Conference in Mozambique, and held two bilateral meetings in July and December 2013, in which issues were discussed such as the CIP for the 2014-2016 period, the INCM-ANACOM-ACIST three-way Protocol and the Presidency of ARCTEL. A collaborative project was initiated to create a postal addressing system for Mozambique.

Technical missions of INCM were held on "Regulations and Procedures for the Measurement and Monitoring of Population Exposure to Electromagnetic Fields (9 Hz-300 GHz)" and on "Planning, Strategic Information and Performance".

- **Angola (INACOM – Instituto Angolano das Comunicações)**

In 2013, missions and training activities took place in Angola on the "Digital Dividend" and "Terrestrial Mobile Services", in the context of the ITU CoE.

19.1.3. International bilateral cooperation

Albeit with a lower profile in ICP-ANACOM's bilateral relations, a notable set of activities were carried out in 2013 which are important from a strategic point of view of relations between Portugal and third countries, in the framework of sector policies. In all cases, these were requests for cooperation received by Portugal, based on recognition of the work done by ICP ANACOM, particularly in terms of its performance in the framework of the EU and the ITU.

- **Morocco (ARNT – *Agence Nationale de Réglementation des Télécomunications*)**

In October, the 4th high-level ARNT-ANACOM meeting took place in Rabat, debating the main regulatory measures adopted in 2013 and the main challenges for 2014, revision of the sector's legal framework, the 4G licensing process, infrastructure sharing and network neutrality.

This meeting was preceded by another on spectrum management, in which definitive agreements were achieved on spectrum use by DTT in border areas between Portugal and Morocco, subsequent to the digital dividend (800 MHz band).

- **South Korea (KCC – *Korean Communications Commission*)**

In February 2013, a meeting was held with representatives from the communications regulator of South Korea, KCC, to exchange information on the sector, with issues addressed including regulation, consumer information and cooperation.

- **Thailand (NBTC – *National Broadcast and Telecommunications Commission*)**

Delegations of NBTC, the regulator of Thailand were received at ICP-ANACOM. The themes in focus included the management of spectrum in the 700 MHz band, universal service obligations and spectrum auctions.

19.1.4. Others

In 2013, ICP-ANACOM held a number of bilateral meetings with other regulators, notably the Polish regulator (UKE), the United Kingdom regulator (OFCOM) and the Irish regulator (ComReg).

19.2. National cooperation

19.2.1. AdC - Autoridade da Concorrência (Competition Authority)

During 2013, ICP-ANACOM responded to several requests from AdC, providing opinions on a range of issues, including, most notably:

- concentration operation consisting of the acquisition by Kento Holding, Unitel Holdings and Sonaecom of joint control, though a joint venture vehicle, of the company ZON Multimédia, as resulting from the merger with Optimus SGPS;
- concentration operation consisting in the acquisition by Controlinveste Media, ZON and PT - SGPS of joint control of the companies Sport TV Portugal, Sportinveste Multimedia and P.P.TV;
- concentration operation consisting of the controlling acquisition of Winreason, owner of ONI, by Altice Holdings, which already controlled Cabovisao;
- concentration operation consisting of the acquisition by Abertis Telecom of sole control of Hispasat.
- Study of AdC entitled "Digital Terrestrial Television in Portugal".

19.2.2. AR - Assembleia da República (Assembly of the Republic)

At the request of the Assembly of the Republic, the following draft legislation was examined by ICP-ANACOM:

- Draft Law no. 132/XII/2, approving the Framework Law of Regulatory Bodies

  At the request of the parliamentary group of the Socialist Party, ICP-ANACOM updated its opinion on this draft law. ICP-ANACOM had already commented on 8

November 2012, and the respective opinion was made available on the Assembly of the Republic website.

- Draft Law no. 228/XII, of the Portuguese Communist Party, on the legal regime governing the sharing of computer data.

  ICP-ANACOM issued an opinion on this draft law at the request of the Parliamentary Committee on Education, Science and Culture.

19.2.3. IPQ - Instituto Português da Qualidade (Portuguese Institute of Quality)

In the context of the activity developed by the sector standardisation body (SSB)/ICP-ANACOM, 384 documents were reviewed in 2013, received from the European standardization bodies ETSI, European Committee for Standardization (CEN) and European Committee for Electrotechnical Standardization (CENELEC).

20. Advising the Government

20.1. Process of designating the Universal Service Provider(s)

In 2013, ICP-ANACOM continued to engage in an important set of work to advise the Government in the context of designating the Universal Service Providers.

It is recalled that the instruments of the three tenders were approved in annex to Administrative Rule no. 318/2012 of 12 October 2012, specifically:

- tender 1 - connection to a public communications network at a fixed location and provision of a telephone service through that connection;.
- tender 2 - provision of public pay-telephones;
- tender 3 - provision of a comprehensive telephone directory and of a comprehensive telephone directory enquiries service.

ICP-ANACOM assisted the government in this process, which culminated in approval by the Council of Ministers, on 18 July 2013, of the decision to appoint the provider of the universal service consisting of connection to a public communications network of publicly

available telephone services (appointment of Optimus in North and Centre Zones and ZON in the South and Islands) and, provision of public pay-telephones (appointment of PTC in all zones); likewise, approval was given to the decision not to appoint a provider of the universal service comprising provision of a comprehensive telephone directory and of a comprehensive telephone directory enquiries service, given that no proposals had been submitted to the respective tender.

To select a provider for this third component, the Government would opt to use a direct award procedure and requested ICP-ANACOM's assistance in preparing the component documents of the procedure, in the procedure's handling and in the analysis of the single proposal presented. On 8 November 2013, the service of provision of a telephone directory and directory enquiries service was awarded to PTC.

The table below lists the main events that have occurred, since the tender instruments were published in October 2012, highlighting ICP-ANACOM's involvement, not only in the support provided to the tender panel in its analysis and in the procedures the panel was bound to follow, but also in providing the Government with advice and assistance, preparing and transmitting analyses of all enquiries put to it, and in defining the conditions and specifications which stem from its regulatory functions (as already detailed in section **Error! Reference source not found.**).

Table 50 – Major events occurring in 2013 in the context of designating the universal service providers

Year 2013	Event
30 January	Approval by the Minister of Economy and Employment of the proposals contained in the Tender Panel report as regards the qualification of candidates.
1 February	Invitations to tender sent to qualified candidates.
1 March	Publication of information on ICP-ANACOM's website regarding the universal service for purposes of the tenders, with data for 2011.
8 March	Publication of information on the electronic platform regarding Order no. 12/XIX/MEE/2013 which determined an extension to the deadline for the submission of proposals until 15 March 2013.
15 March	Candidates enter proposals into electronic platform (after various iterations regarding the provision of clarification, requests in respect of "errors and omissions" and a request for an extension to the deadline).

Year 2013	Event
12 April	Panel requests clarifications on proposals (FTS and public pay-telephone tenders).
15 April	Tender Panel informs the Minister of Economy and Employment that none of the companies qualifying for the tender for provision of a comprehensive telephone directory and a comprehensive directory enquiries service companies submitted a bid.
16 April	Tenderers provide requested clarifications.
18 April	Tender Panel approves preliminary report ordering the proposals, proposing PTC for the provision of public pay-telephones in all three lots; and for the FTS, the overall proposal of Optimus that includes lots 1 (North) and 2 (centre) and the specific proposal of ZON for lot 3 (South and Islands).
22 April	ICP-ANACOM presents the Government with an opinion on the development of the process given that no tenderer presented proposals in the tender for the provision of a comprehensive telephone directory and comprehensive directory enquiries service.
29 April	Publication of MEE Order laying down decision not to award the tender for the provision of a comprehensive telephone directory and comprehensive directory enquiries service, with basis in point a) of paragraph 1 of article 79 of the Código dos Contratos Públicos (Public Procurement Code), as approved by Decree-Law no. 18/2008 of 29 January, and with the effects specified in article 80 of the said Code.
6 May	ICP-ANACOM transmits position on the request of the Government concerning the procedure associated with the provision of a comprehensive telephone directory and comprehensive directory enquiries service.
15 May	Tender Panel sends the Government its final report regarding the proposals presented to the tender (following new iterations with respect to requests and clarifications and "errors and omissions" and after hearing interested parties) maintaining the ordering of proposals already presented in the preliminary report.
18 July	Council of Ministers approves the appointment of the providers of the universal service consisting of connection to a public communications network of publicly available telephone services and provision of public pay-telephones. As such approval was given to the proposal submitted by the Tender Panel, as summarised below: Tender 1 - Lot 1 (north) and Lot 2 (centre): Optimus Comunicações, S.A.: 7,050,000.01 euros. - Lot 3 (south): ZON TV Cabo Portugal, S.A.: 4,921,176.74 euros. Tender 2 - Single proposal for all lots: PT Comunicações S.A.: 12,333,000.00 euros.
19 August	ICP-ANACOM approves decision to amend the decision of 7 February 2012 as regards the specifications relating to the provision of a comprehensive telephone directory service and a

Year 2013	Event
	comprehensive directory enquiries service; the main change stems from a reduction in the term of the contract determined by the Government, which is reduced from five years to one, extendable for an additional six months.
9 September	Issue of MF/MEE Order no. 11699-A/2013 which adopts the contracting decision with a view to the selection of the provider of the universal service consisting of a comprehensive telephone directory and comprehensive telephone directory enquiries service, by means of a direct award procedure, with invitations issued to various entities.
3 and 6 September	Approval of component documents of the direct award procedure for provision of a comprehensive telephone directory and comprehensive directory enquiries service, by order of SEITC of 3 September 2013 and by order of SEF of 6 September 2013.
13 September	Invitations issued to undertaking to participate in the procedure for the direct award of provision of a comprehensive telephone directory and comprehensive directory enquiries service.
23 September	Submission of a single proposal by PTC in respect of the direct award for provision of a comprehensive telephone directory and comprehensive directory enquiries service.
18 October	Award of provisions as relating to tenders 1 and 2, in accordance with Resolution of the Council of Ministers no. 66-A 2013.
18 October	ICP-ANACOM determination approving the draft decision to be submitted to SEITC and SEF on award of the universal service provision of a comprehensive directory and of a comprehensive telephone directory enquiries service.
8 November	Award of the provision of the comprehensive telephone directory and directory enquiries service to PTC, in accordance with Resolution of Council of Ministers no. 70-B/2013.

Source: ICP-ANACOM.

As can be seen in the above table, 2013 was marked by a series of actions in this context. Preparation of the contracts drafts began back in 2013 and continued through 2014.

According to the tender documents, Optimus and ZON are required to commence provision of the FTS universal service no later than six months following the date of the contract's conclusion and PTC is required to commence provision of the public pay-telephones component as from the date of the contract's conclusion. As a result of the developments that have already occurred in 2014, Optimus and ZON launched the respective universal service provision on 1 June 2014 whereas PTC has been providing the public pay-telephones service within the tender framework since late February 2014.

Meanwhile, PTC commenced provision of a comprehensive telephone directory and comprehensive directory enquiries service upon signing the contract in late February 2014.

20.2. Revocation of the concession contract

The Portuguese State was bound to negotiate with PTC as to the exclusion of the universal service from the scope of the public telecommunications service concession contract concluded between the State and PTC in 1995 and amended in 2003; under this contract, PTC ensured provision of the universal telecommunications service and a set of additional services - provision of fixed telex, switched data transmission, telegraph and mobile maritime services, in the public correspondence component.

Taking into account the public consultation conducted by ICP-ANACOM in October 2012, with the aim of assessing the extent to which it remains necessary and/or appropriate to maintain these additional services as a public service, and taking into account the relevant recommendations made by ICP-ANACOM, the Portuguese State concluded that there were no grounds to justify continuing to ensure provision of the fixed telex, fixed switched data transmission and telegraph services and MMS, in the public correspondence component, as public services. The Government therefore decided that there was basis for terminating the concession contract concluded with PTC.

As such, note is made of the following Resolutions of the Council of Ministers:

- Resolution of Council of Ministers no. 2/2013 of 10 January, which determined discontinuation of provision of the MSS as a public service from 30 April 2013;

- Resolution of Council of Ministers no. 66-A/2013 of 18 October, which determined discontinuation of the fixed telex service, the fixed data transmission service and telegraph service as public services from 31 January 2014. This Resolution approved the terms of the agreement concluded between the Portuguese State and PTC on the revocation of the public telecommunications services concession contract.

In this specific matter ICP-ANACOM has provided advice to the Government, including through opinions issued on the methodology to be used in calculating compensation to be paid to PTC for early termination of the concession contract, sent to the Government in

June and July 2013. ICP-ANACOM also arranged auditing of the respective compensation values, conducted by an external and independent entity.

As such, in late October 2013, an agreement was concluded to revoke the concession contract between the Portuguese state and PTC.

Finally, by Resolution of the Council of Ministers no. 72-A/2013 of 15 November, the Government considered it necessary to correct a material lapse, with approval of the draft agreement which rectifies the agreement on the purchase and sale of the basic telecommunications network and telex network, as concluded between the Portuguese state and PTC on 27 December 2002.

20.3. Implementation of measures set out in the Memorandum of Understanding (MoU)

Since the signing of the MoU between the Government of Portugal, the EC, the ECB and the IMF (Troika) in 2011, ICP-ANACOM has developed a series of actions aimed at accomplishing the measures stipulated for the communications sector. The main actions carried out by ICP-ANACOM in 2013 are detailed in this section.

20.3.1. Measures for the telecommunications sector

20.3.1.1. Adopt measures to increase competition in the fixed communications market, reviewing barriers on entry and adopting measures to reduce them

In 2013, ICP-ANACOM took the following actions to accomplish an increase in competition in the fixed communications market:

- On 27 August 2013 and with immediate effect, ICP-ANACOM approved the interim and urgent measures contained in the document "wholesale market for call termination on the public telephone network at a fixed location - Definition of product and geographic markets, assessment of significant market power (SMP) and imposition, maintenance, amendment or withdrawal of regulatory obligations". The ICP ANACOM determination which includes analysis of these markets identifies operators with significant market power and imposes regulatory

obligations including establishment of new termination rates as from 1 October 2013. See details in section **Error! Reference source not found.**.

- On 27 November 2013, ICP-ANACOM approved the adoption of new and urgent interim measures concerning the obligation of price control imposed on the "wholesale market for call termination on the public telephone network at a fixed location". See details in section **Error! Reference source not found.**.

- On 27 November 2013, ICP-ANACOM approved the launch of a public consultation on the methodological definition with respect to the development and implementation of the fixed termination cost model. See details in section 5.2.

- On 19 December 2013, ICP-ANACOM approved a draft decision on markets 1[93] and 2[94] of Commission Recommendation 2007/879/EC of 17 December 2007. These draft decisions were submitted to the prior hearing of interested parties and to public consultation, with final decision due in 2014. See details in section 3.2.

20.3.1.2. Facilitate market-entry by auctioning 'new' radio frequencies for broadband wireless access and lowering mobile termination rates and examine competitive situation as regards call origination pricing on mobile networks

The measures relating to the auction and to mobile termination were taken in 2012. As regards mobile origination, no developments have occurred since transmission of ICP-ANACOM's opinion to AdC in December 2012.

20.3.1.3. Ensure a mechanism to designate the universal service provider(s), which is effective, objective, transparent and non-discriminatory

As detailed in sections 20.1 and 20.2, ICP-ANACOM worked intensively in this area, especially in terms of the support provided in preparing the second tender for the universal service provision of a comprehensive telephone directory and directory enquiries service; in the assistance provided to the Government preparing the contracts drafts and

[93] Retail markets for access to the public telephone network at a fixed location and markets for telephone services provided at a fixed location.

[94] Wholesale market for call origination at a fixed location.

the support given in the negotiations between the State and PTC regarding the revocation of the public telecommunications services concession contract.

20.3.2. Measures envisaged for the postal services sector

As regards the measures envisaged for the postal services sector, note is made of the following actions in which ICP-ANACOM provided assistance to the Government:

- **Decree-Law no. 160/2013 of 19 November**

  In response to requests from the Office of SEITC, ICP-ANACOM assisted the Government in the amendment of the Lei Postal (Postal Law) and the amendment of the universal postal service concession bases, as enacted by this Decree-Law.

- **Proposed Draft Law 179 / XII**

  ICP-ANACOM provided the Government with assistance on a draft (2nd) amendment to the Lei Postal (Postal Law), which was put to the Assembly of the Republic during 2013. The amendment focused on issues related to the financing of any net costs of the universal Postal Service, to the rules governing access to certain postal network elements to safeguard provision of the universal postal service and to the mechanism of administrative litigation resolution. The proposal became law during 2014, as Law no. 16/2014 of 4 April.

20.3.3. Framework Law of Regulatory Bodies and new statutes

Following the publication of Law no. 67/2013 of 28 August, which in annex approves the Framework Law of Regulatory Bodies and which determined, in article 3 thereof, that each regulatory authority submit a draft amendment of its statutes to the Government, bringing them into line with the regime laid down in the framework law, ICP-ANACOM drew up and submitted a draft decree-law to the Office of SEITC to amend its Statutes.

20.4. Next generation access networks (NRA)

To ensure territorial cohesion and equal opportunity of access to high-quality advanced services by companies and citizens, regardless of the area of the country where they are

based, on 5 February 2010 the Government awarded NGA contracts in the North[95], Centre[96] and Alentejo and Algarve[97]. Contracts for the Autonomous Region of Madeira [98] and for the Autonomous Region of the Azores [99] were awarded to Fibroglobal on 7 June 2010.

The project comprises an investment of 156.5 million euros and will provide these regions with high-speed electronic communications networks giving coverage to more than one million people.

According to information from the respective operators, on 31 December 2013 the North, Centre and Alentejo and Algarve regions had appropriate infrastructure to launch a wholesale offer corresponding to the obligations contracted with the Portuguese State. ICP-ANACOM performed partial inspections in a number of municipalities, assisted by the services of IEP - Instituto Eletrotécnico Português (Portuguese Electrotechnical Institute) and ISQ - Instituto de Soldadura e Qualidade (Institute of Welding and Quality).

ICP-ANACOM has been assisting the Government in overseeing implementation of the various projects, in order to verify compliance with the respective contracted conditions, especially in terms of the wholesale offers.

Over the course of 2013, five reimbursement requests to PRODER were forwarded to ICP-ANACOM, submitted by DSTelecom Alentejo e Algarve, pursuant to the contract in force for the areas of Alentejo and Algarve, and nine reimbursement requests (three to PRODER and six to ERDF) submitted by Fibroglobal, pursuant to the contract in force for the Centre zone.

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[95]Arouca, Castelo de Paiva, Póvoa de Lanhoso, Vieira do Minho, Terras de Bouro, Cabeceira de Basto, Celorico de Basto, Alfândega da Fé, Macedo de Cavaleiros, Miranda do Douro, Mogadouro, Vimioso, Vinhais, Carrazeda de Ansiães, Freixo de Espada à Cinta, Torre de Moncorvo, Vila Flor, Vila Nova de Foz Côa, Baião, Arcos de Valdevez, Melgaço, Monção, Paredes de Coura, Ponte da Barca, Vila Nova de Cerveira, Boticas, Montalegre, Murça, Valpaços, Alijó, Mesão Frio, Sabrosa, Santa Marta de Penaguião, Mondim de Basto, Ribeira de Pena, Armamar, Moimenta da Beira, Penedono, São João da Pesqueira, Sernancelhe, Tabuaço, Tarouca, Cinfães and Resende.

[96] Sever do Vouga, Idanha-a-Nova, Penamacor, Oleiros, Proença-a-Nova, Sertã, Vila de Rei, Penacova, Góis, Miranda do Corvo, Pampilhosa da Serra, Penela, Tábua, Vila Nova de Poiares, Almeida, Figueira de Castelo Rodrigo, Manteigas, Meda, Pinhel, Sabugal, Trancoso, Aguiar da Beira, Fornos de Algodres, Alvaiázere, Ansião, Castanheira de Pera, Figueiró dos Vinhos, Pedrógão Grande, Constância, Ferreira do Zêzere, Sardoal, Vila Nova da Barquinha, Mação, Carregal do Sal, Castro Daire, Mortágua, Penalva do Castelo, Santa Comba Dão, São Pedro do Sul, Sátão, Vila Nova de Paiva, Vouzela.

[97] Aljustrel, Almodôvar, Alvito, Barrancos, Mértola, Moura, Ourique, Serpa, Alandroal, Arraiolos, Mourão, Redondo, Reguengos de Monsaraz, Viana do Alentejo, Vila Viçosa, Mora, Sousel, Alter do Chão, Arronches, Avis, Castelo de Vide, Crato, Fronteira, Gavião, Marvão, Nisa, Ponte de Sor, Chamusca, Coruche, Golegã, Salvaterra de Magos, Alcoutim, Aljezur, Castro Marim, Monchique e Vila do Bispo.

[98] Calheta, Porto Moniz, Porto Santo, Santana and São Vicente.

[99] Calheta, Corvo, Lajes das Flores, Lajes do Pico, Madalena, Nordeste, Povoação, Santa Cruz da Graciosa, Santa Cruz das Flores, São Roque do Pico, Velas and Vila do Porto.

ICP-ANACOM examined the information received (forms, invoices and measurement records), under paragraph 2 of Order 115/XIX/MEE/2012 of 17 May 2012, and issued opinions stating that the costs listed in the payment requests respected the investment categories envisaged in the economic and financial applications presented in these tenders.

At the request of the Office of the Secretary of State for Public Works, Transport and Communications (SEOPTC), final comments were prepared on the contract draft in respect of the Autonomous Region of Madeira and its annexes, subsequent to those made in the previous year, and clarifications provided responding to a question from the Court of Auditors concerning this contract, in relation to the method used for calculating the amount of public funding allocated to Fibroglobal.

At the request of the Government, ICP-ANACOM was also called on to provide opinions, conduct analyses and provide other contributions on this topic.

20.5. Assistance to the Ministry of Internal Affairs

On 11 July 2013, a cooperation agreement was concluded between ICP-ANACOM and the Ministry of Internal Affairs to provide assistance in the process of evaluating Quality of Service on the SIRESP Network.

The protocol provides for a series of collaborative actions, including:

- support in preparing the Tender Specifications for the contract to provide evaluation of quality of service on the SIRESP network;
- oversight of the evaluation process and of the analysis of results;
- oversight of steps taken to correct nonconformities.

The work corresponding to the first point was completed by the end of 2013. The action will continue during 2014.

20.6. Other activities in advising the Government

- Contribution to responses to clarifications requested by the EC through the EU-Pilot system, on Law no. 35/2012 of 23 August, establishing the electronic communications universal service compensation fund

  ICP-ANACOM contributed to the preparation of the response to clarifications requested by the EC on the universal service compensation fund set up by Law no. 35/2012 of 23 August, and on the method used to calculate the CLSU.

- Contribution to the response to the request for clarification from the EC of 27 August 2013, made in respect of the pilot project EU PILOT 3026/12/INSO, on Directive 2002/20/EC (Authorisation Directive)

  ICP-ANACOM contributed to the preparation of the response to clarifications requested by EC on the general authorisation regime under the LCE, as well as other national legal provisions of relevance.

- Contribution to the response to the EC's additional request of 5 September 2013 for information, made in respect of the EU PILOT 4752/13/CNCT project, concerning the PPER - Programa Plurianual da Política do Espectro Radioelétrico (Multiannual Programme of the Radio spectrum policy)

  Subsequent to a proposed response to a request for clarification from the EC, made in respect of the pilot project EU PILOT 4752/13/CNCT, concerning the PPER - Programa Plurianual da Política do Espectro Radioelétrico (Multiannual Programme of the Radio spectrum policy), sent on 24 May 2013 by ICP -ANACOM to DGAE - Direção-Geral das Atividades Económicas (Directorate-General for Economic Activities), the Commission made an additional request for information, enquiring how ICP-ANACOM intends to assign the remaining parts of the 900 MHz, 1800 MHz and 2.5-2.6 GHz band in the light of market demand.

  This additional request was forwarded to ICP-ANACOM by DGAE on 2 August 2013.

- Amendment to Administrative Rule on Fees

ICP-ANACOM provided assistance in the process of amending Administrative Rule no. 1473-B/2008 of 17 December, as rectified by Statement no. 16-A/2009 of 13 February, and amended by Administrative Rules no. 567/2009 of 27 May, 1307/2009 of 19 October and 291-A/2011 of 4 November (Administrative Rule on Fees), seeking, specifically, to establish the fees provided for in the Lei Postal (Postal Law). This change was enacted by Administrative Rule no. 296-A/2013 of 2 October.

Subsequently, ICP-ANACOM was again called upon to provide assistance to the Government, this time to revise the reference value associated with fees for the use of frequencies for terrestrial electronic communications services and mobile services, a matter which has led to amendments to Annex IV of the Administrative Rule on Fees under the terms laid down in Administrative Rule no. 378-D/2013 of 31 December.

- **Analysis of legislative drafts**

  In 2013, ICP-ANACOM received a request from SEITC to analyze and give advice on various legislative drafts:

  - Draft Decree-Law establishing rules restricting use of certain hazardous substances in electrical and electronic equipment (EEE).

  - Draft Decree-Law no. 259/2013, which regulates the measures supporting the development and protection of cinematographic and audiovisual activities provided for in Law no. 55/2012 of 6 September.

  - Draft Decree-Law no. 508/2013, amending Decree-Law no. 555/99 of 16 December, which establishes the RJUE - Regime Jurídico da Urbanização e Edificação (regime governing urban development and building construction).

  - Draft Decree-Law no. 509/2013, establishing an exceptional and transitional regime to apply to the rehabilitation of buildings or building divisions, completed at least 30 years ago or located in areas of urban regeneration.

  - Draft Law no. 525/2013, making the first amendment to Law no. 55/2012 of 6 September, establishing the principles governing the State's action in the

context of the promotion, development and protection of cinema art and cinematographic and audiovisual activities, in order to adapt the financing model of incentive measures and the allocation of grants with a view to the development of the cinematographic and audiovisual sector.

- Draft Law making the fourth amendment to Law no. 24/96 of 31 July, which establishes the legal regime applicable to consumer protection, partially transposing Directive no. 2011/83 / EU of the European Parliament and of the Council of 25 October 2011 on consumer rights.

- Draft Decree-Law transposing Directive no. 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights.

- Draft Decree-Law which establishes the legal regime governing the licensing of radio transmitter or transmitter and receiver equipment of radio stations installed on board aircraft.

- Proposed drafts of Law to revise the statutes of the professional public associations.

ICP-ANACOM participated in the Working Group set up to review legislation aimed at making a second amendment to Decree-Law no. 123/2009 of 21 May, which led to Law no. 47/2013 of 10 July.

21. Litigation

This chapter presents information on ongoing legal proceedings, in which ICP ANACOM is a party or has involvement.

The number of new cases where legal proceedings have been brought against ICP-ANACOM in 2013 increased over the previous year. 30 new judicial procedures were brought over the last year, in which ICP-ANACOM was cited or knew to be pending, versus 15 procedures initiated in 2012. The increase occurred mainly at the level of tax processes and civil litigation.

21.1. Legal proceedings

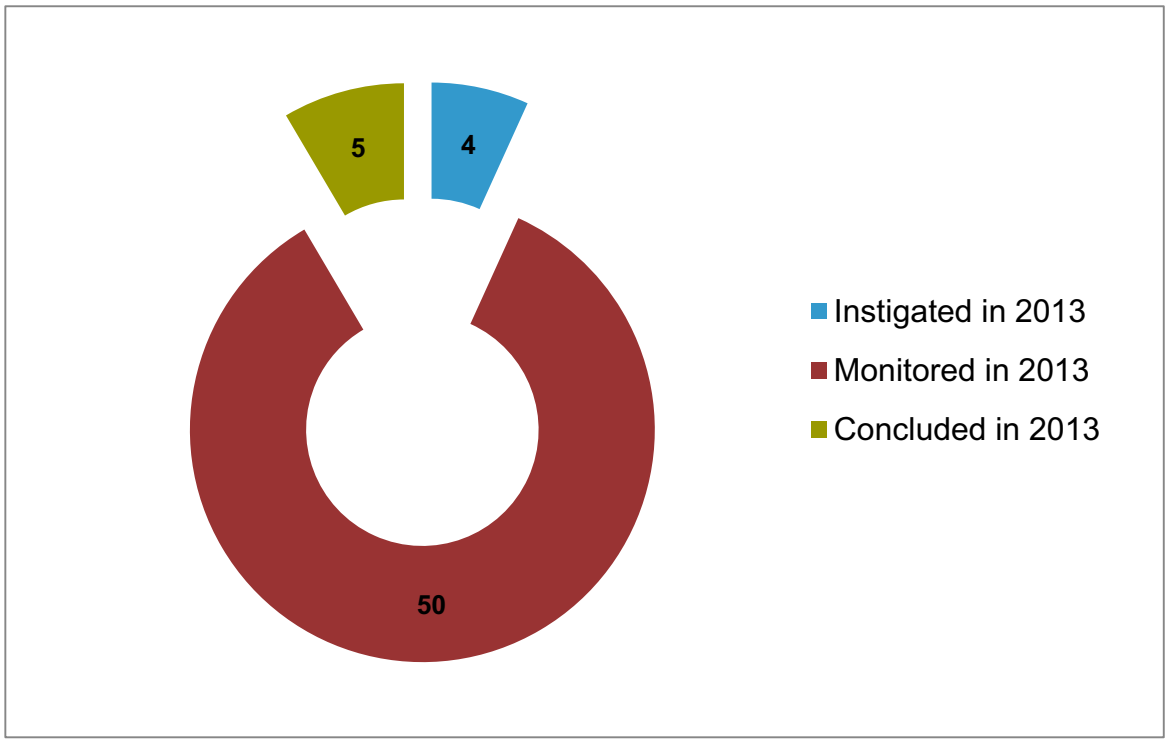
21.1.1. Administrative Litigation

With regard to the administrative litigation, ICP-ANACOM intervened in four new cases, following summonses, while also working on 50 cases which were pending at the beginning of the period being reported.

In the period under review, five cases were concluded: one special administrative procedure, three subpoena procedures as regards provision of information and issuance of certificates and one protective order seeking suspension of an administrative act.

As reported, the level of litigation in the sector remained a relevant factor.

Graph 56 – Litigation in 2013



Source: ICP-ANACOM.

The new cases brought - in which ICP-ANACOM submitted a defence, - relate to different types of actions, namely:

- Common administrative actions: brought by DECO - Associação Portuguesa para a Defesa do Consumidor (Portuguese Association for Consumer Protection). a common

administrative action (*actio popularis*), in which application was made that ICP-ANACOM be convicted to pay total damages of 42 million euros to consumers in respect of " material and non-material damages allegedly caused by action and by omission in the process of transition from analogue television to DTT, which process ICP-ANACOM had been tasked to direct, supervise and oversee",.

- Subpoena processes for provision of information, consultation of processes or issuance of certificates: DECO brought subpoena proceedings seeking provision of information, whereby it applied for access to information and documentation comprising or related to DTT procedures.

- Processes of pre-contractual litigation: Leadership brought an action of pre-contractual litigation to challenge the administrative act which determined the exclusion of the proposal which the company had submitted and the award to Analysys Mason Limited Sucursal en España, issued as part of the Public Tender procedure for the formulation of the contract to acquire services to develop and implement a fixed termination costing model.

- Execution procedures: AMBISIG instigated proceedings against ICP-ANACOM and others, seeking execution of a ruling annulling an administrative act (following a judgement given on 30.01.2013 by Supremo Tribunal Administrativo (Supreme Administrative Court)), in order that ICP ANACOM be ordered to undertake the acts and operations necessary to implement the above decision (namely, through the opening of the public tender procedure for the acquisition of an integrated set of services of design, development, implementation, management, accessibility and maintenance of the centralised information system - making this public - and undertaking all such other acts and formalities as necessary to conduct said procedure).

21.1.2. Tax litigation

In terms of tax litigation, in 2013, ICP-ANACOM was citied or notified in respect of nine new cases (eight processes of judicial appeal of fees and one process of opposition to tax foreclosure); meanwhile, there were 55 cases ongoing.

In the year in question, three cases of judicial tax proceedings were closed.

The eight new cases of judicial appeal of fees in which ICP-ANACOM was cited or notified were brought by Grupo ZON, Optimus and Cabovisao. Responses were presented, with the exception of the Cabovisão process, given that the period to respond ends in 2014.

The process of opposition to tax foreclosure that began in the period being reported was brought by the company Amazing Life.

Throughout 2013, ICP-ANACOM followed 33 legal challenges brought in previous years as well as one subpoena procedure seeking adoption of behaviour and 21 cases of opposition to tax foreclosure and tax foreclosure processes, all initiated in previous years.

21.1.3. Civil litigation

As referenced above, in 2013 there was also an increase in civil cases, especially insolvency proceedings and special company revitalization procedures, with ICP-ANACOM intervening in 17 new cases.

In additions, there were 47 cases ongoing, as follows: two unspecified protective orders, one declaratory action with ordinary procedure, one common process action (labour law) and 43 company recovery, bankruptcy and insolvency and revitalization procedures.

In the same year, only one case of this nature was concluded.

21.2. Administrative appeals

In 2013, ICP-ANACOM was also involved in two administrative appeals related to tax matters, presented by Media Capital and Cabovisão.

21.3. Administrative processes

ICP-ANACOM was also involved in eight administrative procedures leading to the imposition of administrative penalties and four procedures that originated in requests for provisional resolutions of disputes in the context of e-commerce.

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Annex I

List of acronyms and abbreviations

ADSL	**Asymmetric Digital Subscriber Line**
CLSU	**Custos líquidos decorrentes da prestação do serviço universal (Net costs of universal service provision)**
DTT	**Digital terrestrial television**
ENUM	**Electronic numbering**
FTS	**Telephone service at a fixed location**
FWA	**Fixed wireless access**
ITED	**Infraestruturas de Telecomunicações em Edifícios (Telecommunications Infrastructure in Buildings)**
ITUR	**Infraestruturas de Telecomunicações em Loteamentos, Urbanizações e conjuntos de edifícios (Infrastructure in Housing Developments, Urban Settlements and Concentrations of Buildings)**
LCE	**Lei das Comunicações Eletrónicas (Electronic Communications Law)**
LLRO	**Leased lines reference offer**
LMS	**Land mobile service**
LRIC	**Long Run Incremental Costs**
MFN	**Multi-frequency Network**
MVNO	**Mobile Virtual Network Operator**
NGA	**Next generation access networks**
NTFA	**National Table of Frequency Allocations**
OSP	**Other service providers**
PNN	**Plano nacional de numeração (National numbering plan)**
QSI	**Quality of service indicator**
RDAO	**Reference Duct Access Offer**

RELLO	**Reference Ethernet Leased Lines Offer**
RF	**Radio Frequency**
RIO	**Reference Interconnection Offer**
RPAO	**Reference Poles Access Offer**
RUO	**Reference Unbundling Offer**
SCA	**Sistema de contabilidade analítica (Analytical accounting system)**
SFN	**Single frequency network**
SIC	**Sistema de informação centralizado (Centralized information system)**
SLRO	**Subscriber Line Resale Offer**
SMP	**Significant Market Power**
VAS	**Value added service**

Annex II

List of operators

Cabovisão	**Cabovisão - Sociedade de Televisão por Cabo, S. A,**
CTT	**CTT – Correios de Portugal, S. A.**
Grupo PT	**Grupo Portugal Telecom**
ONITELECOM	**OniTelecom – Infocomunicações, S. A.**
Optimus	**Optimus – Telecomunicações, S. A.**
PTC	**PT Comunicações, S. A.**
TMN	**TMN – Telecomunicações Móveis Nacionais, S. A.**
VODAFONE	**Vodafone Portugal – Comunicações Pessoais, S. A.**
ZON	**ZON TV Cabo Portugal, S. A.**

Annex III

Other undertakings/organisations

AdC	**Autoridade da Concorrência(Portuguese Competition Authority)**
AP	**Assembly of Parties**
AR	**Assembleia da República (Assembly of the Republic)**
BEREC	**Body of European Regulators for Electronic Communications**
CEPT	**European Conference of Postal and Telecommunications Administrations**
COCOM	**Communications Committee**
Com-ITU	**Committee for ITU Policy**
COREPER	**Permanent Representatives Committee**
CPLP	**Comunidade dos Países de Língua Oficial Portuguesa (Community of Portuguese Speaking Countries)**
DECO	**Associação Portuguesa para a Defesa do Consumidor (Portuguese Association for Consumer Protection)**
EC	**European Commission**
EEA	**European Economic Area**
EMERG	**Euro Mediterranean Regulators Group**
ERC	**Entidade Reguladora para a Comunicação Social (Media Regulatory Authority)**
ERGP	**European Regulators Group for Postal Services**
EU	**European Union**
ICP-ANACOM	**ICP-Autoridade Nacional de Comunicações**
IMSO	**International Mobile Satellite Organization**
ITSO	**International Telecommunications Satellite Organization**
NRA	**National Regulatory Authority**
OECD	**Organization for Economic Cooperation and Development**

REGULATEL	**Fórum Latino-americano das Entidades Reguladoras de Telecomunicações (Latin-American Forum of Telecommunications Regulatory Authorities)**
RSC	**Radio Spectrum Committee**
SEOPTC	**Secretary of State for Public Works, Transport and Communications**
TCAM	**Telecommunications Conformity Assessment and Market Surveillance Committee**
UPU	**Universal Postal Union**

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