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ANATEL'S 2023-2027 STRATEGIC PLAN

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Anatel's 2023-2027 Strategic Plan

By Ricardo Barretto Ferreira and Sylvia Werdmüller von Elgg Roberto

The National Telecommunications Agency (Anatel), the Brazilian regulatory authority, recently approved its Strategic Plan for the period between 2023 and 2027. The Plan is especially important, as it directs the Agency's activities, in accordance with the Federal Government's planning and public policies.

In the words of Anatel itself, the strategy “is based on the values of innovation, regulatory security and emphasis on results for society, having been built from the analysis of prospective scenarios, critical uncertainties, and trends that might shape telecommunications and the uses of connectivity in the medium and long term”.

Truly relevant, in said Plan, the Agency states that the strategic management is intended not only to promote access to information; there is also a concern with regard to the generation of new business models, so that the country “can be recognized for the technological advances in the digital transformation and for the benefits provided to its population”.

One of the points highlighted by Anatel concerns the need to regulate telecommunications in an agile and

responsive manner, in line with the innovations that emerge in the market, which will certainly suffer significant impacts resulting from the offer of 5G technology, whose implementation began in Brazil in 2022. On this subject, Anatel's action has been in fact in the sense of promoting regulatory simplification and updating. In addition, the Agency also stresses that measures relating to cybersecurity and privacy of personal data are fundamental.

According to Anatel, the digitization of Brazil will continue to leverage the growth in demand for connectivity. The networks' speed was considered an extremely relevant factor for the use of this connectivity - and it is easy to understand this if we consider, for example, the impact that connectivity already has on the expansion of telemedicine services, distance learning and working. Capacity, coverage, and latency were also mentioned as essential for the development, benefiting important Brazilian economic sectors, such as agribusiness, industry 4.0, and e-commerce, among others. Scalability, reliability, quality, simplicity, and elements of connectivity systems are the main attributes to be observed in infrastructures, which require investments.

In line with the foregoing and in accordance

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with the Strategic Plan, Anatel's *purpose* is to “connect Brazil to improve the lives of its citizens”; *values*, innovation, regulatory security, focus on results and effectiveness, as well as participatory construction; *mission*, “promote the development of connectivity and digitization in Brazil for the benefit of society”; and *vision*, “be an active institution in the digital transformation in the country, promoting dynamic markets with quality services”. With the implementation of the Strategic Plan, the inclusion of “Brazil in the Digital G20” is expected.

Additionally, strategic objectives were outlined, which support Anatel's action planning and delimit the future challenges to be overcome. In the aforementioned Strategic Plan, such objectives were subdivided into Strategic Objectives of Result and Strategic Objectives of Processes.

The Strategic Objectives of Result, namely, cover the final objectives of the Agency, i.e., those aimed at delivering public value to society, in accordance with the legal requirements and public policies in force.

In turn, the Strategic Objectives of Processes, in the words of Anatel, “unfold and detail the strategic objectives of results for a better direction of the Agency's performance”.

Goals were also stipulated, which “aim at translating the public value that will be generated and delivered by Anatel to society

from the fulfillment of its strategic objectives to be measured by indicators that will reflect the main results of sectoral regulation and its management”, as clarified by the Agency.

Let's see:

Strategic Objective of Result 1: *Promote connectivity and the provision of quality communication services for all.*

Anatel aims to direct future regulatory actions so that Brazilians are integrated into the information society, enjoying the benefits inherent to access to connectivity in an isonomic manner, since, as assessed by the Agency, the digital transformation will only occur satisfactorily if it is universal.

Regarding this point, Anatel established the following Strategic Objectives of Processes regarding infrastructure and quality:

- *Enable physical access and the quality of all services* – Anatel states that access with adequate connection and capacity will be necessary to meet the new uses of technology, with higher standards of excellence, maintaining the satisfaction of its users;
- *Enable the expansion and implementation of the base network infrastructure* – said expansion, as stated by Anatel, will be necessary to meet the new uses of connectivity; in addition, the increase in capacity and speed of

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telecommunications networks (backbone and backhaul) will have to accommodate the amount of accesses and band space;

- *Ensure compliance with regulatory obligations* – the quality of services provided requires monitoring, and the market growth, in turn, will make new regulatory mechanisms necessary;
- *Protect critical infrastructures of connectivity* – measures such as the definition of good practices, technical and regulatory standards are necessary for the protection of critical infrastructures, since, due to their essential nature, interruptions imply significant losses.

Still on the subject, Anatel outlined goals to be achieved by 2027, among which it is worth mentioning:

- Coverage with 5G-SA mobile telephony to 57.67% of the country's population;
- Expansion of optical fiber backhaul connectivity to 100% of municipalities and 50% of places with more than 600 inhabitants;
- Increase in the average speed contracted in fixed broadband to 1 Gbps.

Strategic Objective of Result 2: *Stimulate dynamic and sustainable markets for communication services and connectivity.*

According to Anatel's assessment, this objective requires large investments, including for the development of new technologies and the construction of networks, personnel training, and improvement of operational processes, ensuring the economic sustainability of the value chain of the productive sector.

With regard to this second item, Anatel determined the following Strategic Objectives of Processes, which refer to market dynamism:

- *Ensure the adequacy of the market definition* – the Agency considers it is necessary to monitor the adoption of new technologies and digital platforms, as well as their impact on the market and its relationship with users, so that proper regulation occurs;
- *Ensure equity of access and rules applicable to agents* – the market must be transparent and allow competition, with entry barriers proportionally identical to all, which may occasionally require asymmetric regulation;
- *Promote the efficient use of scarce resources* – spectrum and numbering were mentioned as examples of scarce resources;
- *Promote the attractiveness and sustainability of the sector through the modernity of regulation* – according to Anatel's understanding, any

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anachronisms can be reduced by means of regulation based on evidence, improved, and simplified; in addition, the Agency considers that predictability, stability, and regulatory security are factors that attract and retain investors;

- *Promote economic access for users* – this objective requires initiatives and public policies, since access to essential connectivity services is not guaranteed in competitive markets.

With regard to the foregoing, the goals outlined until 2027 are to maintain competition in the fixed broadband offer market in an aggressive scenario; and maintain competition in the mobile telephony offer market in a conservative scenario.

Strategic Objective of Result 3: *Foster digital transformation with society under conditions of market balance.*

With regard to this topic, Anatel states that its performance will aim to contribute to the digitalization of society and lead Brazil to the “state of the art of technology”, with a balance between supply and demand for connectivity.

The respective Strategic Objectives of Processes stipulated, namely, relate to modernity, digital transformation, innovation, and society, as follows:

- *Promote awareness and digital security of users and other agents* – Anatel intends to

promote preventive actions against fraud in the digital ecosystem and the digital literacy of its users, focused on the good use of technology;

- *Foster innovative applications and business models* – for this purpose, the Agency understands that it is essential to eliminate regulatory, knowledge, training, and investment barriers for the development of the sector to occur;
- *Promote the modernization of technology in an isonomic and transparent manner* – on this point, in summary, Anatel considers that it might “anticipate trends and assess the impacts of new technologies”.

The goals stipulated in relation to this item were to contribute to increase the percentage of internet users in Brazil **(i)** in general and **(ii)** with moderate skills in information and communication technologies (ICTs), to be compatible with the 20 countries best rated by the International Telecommunication Union (ITU) by 2027.

Strategic Objective of Result 4: *Ensure performance of excellence with a focus on results for the society.*

According to Anatel's analysis, excellence must encompass its performance as a whole, including management and final processes, an objective that requires motivation and a high level of performance from the workforce.

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Thus, the respective Strategic Objectives of Processes related to internal management lead to:

- *Promote the oxygenation and training of the staff* – Anatel understands that a balanced and qualified workforce generates excellence in deliveries;
- *Ensure transparency and adequate internal management* – according to the Agency, the planning contributes to institutional governance, adequate allocation of resources, and risk mitigation; in addition, based on the use of data in the institutional intelligence process, it will be possible to automate processes, with more quality and speed in deliveries;
- *Ensure the adequacy of the internal infrastructure and ICTs* – for this purpose, adequate tools and infrastructure must be available to the Agency's employees, and the automation and digitalization of activities must be exploited.

As goals to be achieved by 2027, the following objectives were cited: improve Anatel's level of governance and management, aiming at compatibility with the 20 bodies and entities best rated in the Federal Public Administration; and increase the availability of the Agency's data and information in an open format, from 21.9% to 85%.

Additionally, said Plan established several strategic initiatives, i.e., measures to be

adopted to achieve the abovementioned strategic objectives of processes, which will guide the development of projects or institutional action plans of Anatel within the scope of tactical planning for the fulfillment of goals. The mentioned strategic initiatives and the respective expected results are:

- *Promote national network coverage and increased capacity made available in the access* – increase of quality of the service provided and network coverage;
- *Promote quality and transparency in the offer of fixed broadband service* – increase of quality of the service provided, market competitiveness, and transparency in the consumption relationship;
- *Improve the capacity, sharing mechanisms, and the quality of the infrastructure and its operation* – carry out an intelligence diagnosis on the capacity of the networks; support decisions regarding the telecommunications input chain; access to network elements and infrastructure sharing on a non-discriminatory basis, at fair and reasonable prices and conditions;
- *Articulate with the government for the standardization and simplification of rules for installation of antennas and other infrastructures* – articulate at municipal and state levels to update legislation on infrastructure installation; and establish

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- a transparency and visibility tool regarding the simplification and updating of rules for infrastructure installation;
- *Modernize inspection mechanisms* – reduction of the period for executing inspection actions and improving the relationship with the regulated sector;
 - *Implement the Regulation for Regulatory Inspection and consolidate its cultural change* – increase of *compliance* in regulatory activities by regulated parties, regulatory resources aimed at expanding infrastructure, and a responsive culture; more responsive and effective performance; and reduction of liabilities, discharging the staff for more essential activities;
 - *Promote holistic risk management and protection of critical infrastructures* – increased protection of critical infrastructures; and increased protection against cyber threats;
 - *Monitor the adoption of new technologies and digital platforms* – increase of the Agency's scope of action; and expansion of the clarity of market definitions;
 - *Promote regulations appropriate to the competitive context by means of the PGMC* – greater assertiveness of regulation; increased market competition; greater allocation and productive efficiency; and greater transparency of information made available;
 - *Optimize spectrum use authorizations and define techniques for secondary market implementation* – increase spectrum use efficiency; and develop techniques for implementing the secondary market (transfer of right to use radiofrequency);
 - *Ensure the balance and planning of future uses* – increase of Brazil's relevance on the world stage; and reduction of the deadline for starting the use of new technologies;
 - *Seek action based on evidence and regulatory simplification* – action more based on principles; and increase of the sector's attractiveness;
 - *Drive competition in the digital ecosystem* – wholesale market development; and improvement of the competitive environment;
 - *Achieve the state-of-the-art regulation for new technologies and innovative business models, including by means of the regulatory sandbox* – increased speed of implementation and positive effects of Open RAN and new technologies; and greater agility and ability to adapt regulation to future transformations;
 - *Structure the process of monitoring retail offers* – provide consumers with accurate and up-to-date information on the main attributes of sectorial offers; and objectively support public policies aimed at fostering demand;

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- *Promote instruments that allow the economic feasibility to services even in situations of little attractiveness* – increase of the digital inclusion of the population; and improvement of services provided to users;
 - *Ensure the prevention of fraud in the digital ecosystem* - reduction of digital scams/swindling; increase of user confidence in technology;
 - *Promote users' digital literacy* – increase of the assimilation of information about the responsible use of digital services; and increase of participation and internal interest of the Agency in the subject;
 - *Promote articulation and cooperation for the development of new technologies* – greater agility in technology development; expansion of action possibilities; increase of recognition of the Agency as a promoter of intelligence and research; promotion of articulation and cooperation with the ecosystem of startups and information technology (IT) companies; and protagonism in regulatory discussions through principle-based and convergent actions;
 - *Promote studies and monitor projects on digital platforms and assess their impacts on the telecommunications sector* – foster the understanding about digital platforms, seeking greater balance between market agents;
 - *Ensure the performance, training, and motivation of the staff* – increase of the staff performance and satisfaction with the work environment; decrease of skills gaps; development of capacity for economic analysis and innovative technological businesses that impact the market environment regulated by Anatel; and standardization of the technical and regulatory understanding for the Regional Managements;
 - *Improve transparency, governance, and communication with external audiences* – improve the public perception on Anatel; and improvement of good governance and public management practices adopted by the Agency;
 - *Promote the automation of manual processes and the availability of the necessary work tools* – increase of productivity and transparency.
- Anatel also presented its considerations on factors that impact its actions, mentioning some relevant points such as, for example, inflationary control, exchange rate, and interest rates. Furthermore, it mentioned its concern about the possible imbalance between investments in telecommunications and *over-the-top* (OTT) services, cybersecurity, and tax and public safety issues, stating that they “affect sectoral investments and the demand for telecommunications services”.
- As stated by Anatel, the governance of the

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Strategic Plan summarized herein will be the responsibility of the Agency's Board of Directors. The Internal Governance Committee, in turn, will follow-up and monitor its performance. It is important to note that the results and the achievement of goals will be disclosed through Anatel's Annual Management Report and the available relationship channels.

Finally, the Strategic Plan also provides interesting elements that illustrate the temporal evolution of the profile of use of telecommunications services in Brazil and other data, in addition to indicators, which can be checked on the Anatel's page (<https://www.gov.br/anatel/pt-br>).

To receive the main legislative news and positioning on this and other topics related to telecommunications, follow the Technology, Media, and Telecommunication (TMT) team of Azevedo Sette Advogados.

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