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ANATEL'S 2023-2024

TACTICAL MANAGEMENT PLAN

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Anatel's 2023-2024 Tactical Management Plan

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The National Telecommunications Agency (Anatel), the regulatory body for Brazilian telecommunications, recently published its 2023-2024 Tactical Management Plan, in which, in its own words, “it seeks to exemplify what the Agency understands as fundamental for the country”.

The Tactical Management Plan is in line with [Anatel's 2023-2027 Strategic Plan](#), which aims to connect Brazil to improve the lives of its citizens, as well as public policies related to telecommunications, aiming to increase the efficiency and quality of services provided by the Agency, improving its performance, in addition to “increasing the satisfaction of society's interests, focusing on results”, as mentioned.

Anatel mentions that the most relevant tactical efforts will be the monitoring of the implementation of 5G technology in mobile telephony; the relationship with platforms of content distribution over the internet without intermediaries (Over The Top – OTTs); the attraction of investments to expand infrastructure; the improvement of spectrum management; the definition of cybersecurity and privacy measures; the protection and promotion of demand for

connectivity; and the improvement of the Agency's internal management in the face of technological convergence.

To prepare the Tactical Management Plan, Anatel carried out a diagnosis in which challenges and opportunities were identified, in order to guide decision-making and plan the Agency's performance in the indicated period. When discussing the aforementioned diagnosis, Anatel raises some interesting issues related to telecommunications services, as follows.

With regard to multimedia communication services (SCM), the relevance of fixed broadband in Brazil was mentioned and, according to Anatel, small-sized providers (PPPs) contributed to expanding access to the service, including in locations deemed less attractive for investments. The trend, according to the understanding of the Agency, is that fixed broadband will have more and more prominence. Still on the subject, according to it, the points of regulatory attention relate to the concentration of markets resulting from mergers and acquisitions of business groups, the growth of PPPs “beyond the limits that guarantee them regulatory and

LEGAL – REGULATORY

tax advantages”, as well as technological innovations.

About the personal mobile service (SMP), Anatel mentioned that in September 2022, of the more than 208 million accesses to mobile broadband, more than 91% occurred through 4G technology, having also recalled that the auction occurred in November 2021 authorized the use of radio frequencies for 5G networks; in addition, it established, for the winning bidders, various obligations related to the provision of telecommunications services.

The continuous decrease in the number of users of the conditional access service (SeAC), caused by the growth of streaming services, was also mentioned by Anatel, which emphasized the existing asymmetries between SeAC providers and OTTs providers; in particular, it was mentioned that the first ones bear higher taxes, charges arising from regulatory obligations, in addition to being compelled to upload content as set forth by the SeAC Law (Law No. 12,485/2011).

As for the fixed switched telephone service (STFC), Anatel understands that this service will increasingly become a corporate service, since population habits and advances in internet communications have led to a decrease in its relevance.

The document also makes important additional considerations.

With regard to the expansion of 5G technology, Anatel considered that, although high data transmission rates and low response time may imply new uses for connectivity and new services, social and regional inequalities may impact the access to and use of new technologies, in addition to their supply being restricted by infrastructure, demand and barriers to digital knowledge, among other issues.

Still concerning OTTs and besides issues related to the regulation and taxation to which telecommunications service providers are subject, Anatel considers that, in the medium term, the increase in demand for data may cause even more imbalances, since, in the words of the Agency itself, “there may not be enough incentives for infrastructure investment to keep pace with the growth in demand for telecommunications infrastructure”. In this regard, Anatel is presently conducting a process to get subsidies from interested parties to discuss a new Regulation of Duties of Telecommunications Network Users, that is also addressing regulation models focused on the duties of large users of telecommunications networks, which the Agency intends to take as a reference to regulate the digital environment and seek balance between the several parties involved.

In turn, the challenge to be faced by Anatel in the long term would be to regulate the telecommunications sector based on

LEGAL – REGULATORY

evidence and in a participatory manner, enabling the expansion of investments in infrastructure, the increase in the quality of services, and the implementation of 5G technology throughout the country.

In the Tactical Management Plan, Anatel also mentioned that there is a trend for telecommunication operators to migrate from the physical network infrastructure to more profitable connectivity services. Another trend mentioned was towards the reconcentration of the infrastructure market, resulting from several corporate transactions that took place in the sector.

About the spectrum management, among other considerations, Anatel states that there is an opportunity to develop the secondary radio frequency market. The challenges would be the revision of the Plan for Allocation, Assignment and Distribution of Radio Frequency Bands in Brazil (PDF), the regulatory and competitive definitions related to non-stationary orbit satellites, as well as the regulation and monitoring of private networks (which, according to the Agency, will be boosted by the availability of 5G technology).

Cybersecurity and privacy were also issues addressed by Anatel. Cybersecurity measures, certification and approval of telecommunications products, management of network vulnerabilities, among other efforts to encourage the use of digital media, were deemed relevant points.

As Anatel points out, there are products and services encompassing characteristics of different sectors and, therefore, it is necessary for the involved supervisory and regulatory agents to act together, within their competences, in digital ecosystems.

Other items, such as the Agency's governance and relationship, for example, were also part of the diagnosis and were addressed in the Tactical Management Plan.

Based on the diagnosis carried out, tactical goals were established, which correspond to the Agency's priorities until 2024 and which, as follows, are to:

- Execute 67% of the Network Coverage and Quality strategic project, with the expected results of increasing the quality of the service provided, network coverage, market competitiveness, and transparency in the consumption relationship;
- Reduce the rate of complaints with Anatel (from 0.62 to 0.50 in 2023; and to 0.43 in 2024), aiming at the same results mentioned in the previous item;
- Execute 40% of the Connectivity infrastructure capacity strategic project, with the expected results of carrying out an intelligence diagnosis on the capacity of the networks; access to network elements and infrastructure sharing on a non-discriminatory basis and at fair

LEGAL – REGULATORY

and reasonable prices and conditions; articulation aimed at updating legislation for the installation of infrastructure at the municipal and state levels, among others;

- Conclude 90% of the inspection actions planned in the Annual Plan of Inspection Activities (PAAF), seeking, for example, to reduce the execution period of inspection actions; improve the relationship with the regulated sector; increase compliance in the regulatory action with the regulated parties, regulatory resources for the expansion of the infrastructure, as well as the responsive culture;
- Execute 100% of the Infrastructure Protection against cyber threat strategic project, aiming to increase critical infrastructure and protection against cyber threats;
- Execute, in 2023, 70% of the revision project of the General Plan of Competition Goals (PGMC) and, in 2024, 100% of said project, increasing Anatel's scope of action and expanding the clarity of market definitions;
- Approve the Product Reference Offers in the Wholesale Market (ORPA) in 80% of those analyzed annually, aiming at greater assertiveness of regulation, increased competition in the market, greater allocative and productive

efficiency, as well as greater transparency of the information made available;

- Execute 40% of the Secondary spectrum market strategic project, the expected results of which are the increase of spectrum use efficiency and the country's relevance in the international scenario, the development of techniques aimed at implementing the secondary market (with the transfer of right to use radio frequencies), and the reduction of the period for new technologies to be used;
- Disclose, in open data, 83% of the economic and financial indicators of large companies, so that there is a more principled action, an increase in the attractiveness of the sector, the speed of implementation, and positive effects of Open RAN and new technologies, and greater agility and ability to adapt regulation to future transformations;
- Execute 40% of the Monitoring of retail offers strategic project, so that accurate and up-to-date information is available to consumers regarding the main attributes of sector offers, an objective subsidy for public policies aimed at fostering demand, increased digital inclusion of the population, and improvement of the services provided;
- Execute 40% of the Literacy and Digital

LEGAL – REGULATORY

Skills strategic project, so that there is a reduction in digital scams and fraud, an increase in user confidence in technology, the assimilation of information about the conscious use of digital services, and the participation and internal interest of Anatel on the subject;

- Execute 67% of the Regulatory challenges of the digital ecosystem strategic project, aiming at greater agility in the development of technology, expansion of possibilities of action, increased recognition of Anatel as a promoter of intelligence and research, promotion of articulation and cooperation with the ecosystem of startups and information technology companies, and protagonism in regulatory discussions;
- Execute 100% of the Impacts of digital platforms on telecommunications strategic project, the expected result of which is a greater understanding on digital platforms, aiming at greater balance between market agents;
- Achieve at least 70% of the training prioritized annually, having as expected results, among others, the development of capacity for economic analysis and innovative technological businesses that impact the market environment regulated by Anatel, and the standardization of technical and

regulatory understandings in its Regional Managements;

- Execute at least 95% of the annual budget; increase by 7.5% the effective monthly average of the number of posts published on social networks compared to the previous year; and execute 45% of the normative projects of the Regulatory Agenda in 2023 and 90% in 2024, with these three goals having as objective the improvement of the public perception on Anatel and the improvement of its good governance and public management practices;
- Achieve at least 95% of the global execution of the Master Plan of Information and Communication Technology annually, the expected results of which are increased productivity and transparency.

To achieve these goals, the Agency will use several initiatives, among which we can mention:

- Portfolio of Strategic Projects (PPE) – corresponds to the set of initiatives and operations to achieve the strategic goals or those intended to promote the quality of services provided by Anatel;
- Anatel Communication Plan (PCA) – consolidates communication actions planned by the Agency, increasing its transparency through interaction with

LEGAL – REGULATORY

the public;

- Regulatory Inspection Plan (PFR) – its purpose is to program and prioritize the necessary measures for Anatel's action and, therefore, it aligns objectives, resources, and efforts;
- Spectrum Use Plan (PUE) – directs Anatel's actions related to technical aspects of spectrum management and covers prospective studies and initiatives for the World Radiocommunication Conferences;
- Open Data Plan (PDA) – organizes planning for the implementation and rationalization of open data publication processes;
- Master Plan of Information and Communication Technology (PDTIC) – directs the application of information and communication technology resources;
- People Development Plan (PDP) – aims to train Anatel's employees;
- Budget Plan (PO) – enables the execution of the Agency's plans; and
- Regulatory Agenda (AR) – management instrument containing Anatel's norms in the reference period, which allows society and regulated entities to monitor pre-established commitments, thus providing transparency to the regulatory process.

In addition, as determined in the document, the 2023-2024 Tactical Management Plan will be monitored with the follow-up of the initiatives' execution through information coming from the technical areas involved, with said execution being measured based on certain indicators. The results will later be included in Anatel's Annual Management Report.

After the publication of the 2023-2024 Tactical Management Plan, a subsidy process was started in order to obtain contributions supporting its implementation, addressing the following strategic initiatives: promotion of quality and transparency in the provision of fixed broadband services; improvement of capacity, sharing mechanisms, and quality of the infrastructure and its functioning; upgrade of inspection mechanisms; guarantee of the prevention of fraud in the digital ecosystem; and promotion of articulation and cooperation for the development of new technologies.

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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