



ANNUAL REPORT 2023

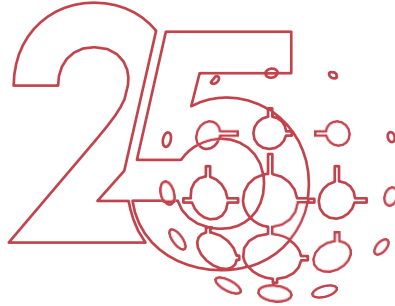


AKEP

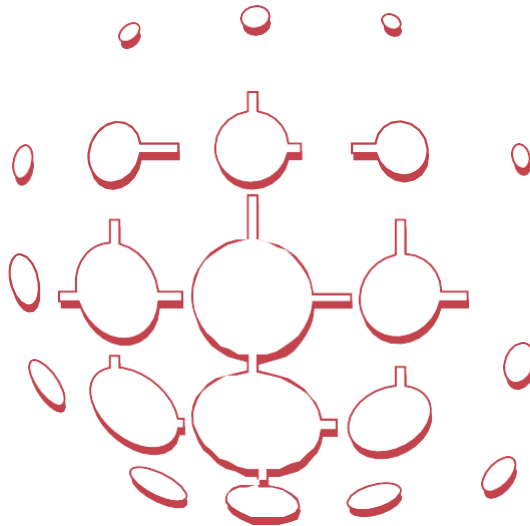
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Electronic and Postal Communications Authority



**REPORT ON THE ACTIVITY
OF THE ELECTRONIC AND POSTAL
COMMUNICATIONS AUTHORITY FOR
2023**



REMARKS FROM THE CHAIRPERSON

The Report on AKEP's activity for 2023 takes on a special dimension in light of the 25th anniversary of the national electronic communications and postal services regulatory entity's establishment. As a law-established independent authority and public institution with well-defined duties, for the past twenty-five years, AKEP has been working toward fulfilling its mission as an impartial warrantor of market sustainability and progress under its supervision, based on the fundamental principles of objectivity, proportionality, transparency, efficiency and free and fair competition, as well as the role of user rights promoter through real-time addressing of complaints and encouragement of the ongoing improvement of services currently delivered nationwide.



Tomi Frashëri, AKEP Chairperson

The present Report to be presented to the Albanian Parliament and the general public provides factual and numerical

evidence of the enhanced engagement of the institution with regard to its relevant areas of competence, as well as the intensification of cooperation and coordination at the national, regional and international levels, which are essential to sustainable development in the sectors of electronic communications and postal services. It would be impossible to summarize the entirety of works undertaken in the past year to this end, as well as the information and rigorous accountability in just a few sentences; therefore, they have been professionally elaborated in the following pages. There are two achievements that should be noted, as they extend beyond the narrow framework of the productive daily work of the institution and, as such, they are substantial to the country's progress. With regard to such achievements, namely the successful process of the normative approximation of the subordinate sectors with the European framework and the drafting and revision of the new law on electronic communications in the Republic of Albania, AKEP has provided an extensive - at times, crucial - contribution. Both processes, which have also guided the rapid adaption of the country with respect to the harmonization with European Union standards, will have a significant and long-term impact on the physiognomy of markets, services, undertakings, digital society promoting instruments, and the relevant regulatory intervention concepts.

Simply put, the digital society currently implemented across all aspects and levels nationwide,

will undergo an accelerated evolution, with remarkable technological transformations and the free undertaking principle challenging the legal order and classic economy concepts, by pushing this developing society to adapt to contemporary needs, expectations, and demands. As regards AKEP, its primary challenge consists in finding the golden mean between the need for adaptation and ongoing reforms in such orders and concepts, and the primary public mission to preserve the integrity of law enforcement, from the view of rigorously implementing the national legislation and ensuring the inviolability of the rule of law, as an expression of the guarantees of fundamental rights and freedoms of individuals as subscribers, users, and consumers, in their entirety.

It is exactly in light of this guiding principle that AKEP's activity during 2023 will be reviewed and examined, as elaborated and provided in the following pages, thanks to the dedication of the institution's staff, to which I wish to express my gratitude.

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**RETROSPECTION,
ADVANTAGES
AND PRIORITIES**

1. AKEP's 25th Anniversary: Developments and Retrospection

Last year, the Albanian Electronic and Postal Communications Authority celebrated its 25th anniversary. The anniversary took us on a journey across the key events and developments that have shaped the current telecommunications and postal sectors.

Twenty-five events - not solely concerning legal or regulatory developments but also commercial and technological ones - were selected, which symbolically correspond to AKEP's and its predecessor's, the Telecommunication Regulatory Entity (ERT), 25-year activity. The Annual Reports drafted by the institution and submitted to the Parliament are the main sources for the selection of these key events. Parliament's Resolutions were also taken into account to complete the required information with respect to the activity of the regulatory institution, as well as the commercial register and specialized press.

1998 ERT's Establishment

During the second half of the '90s, regulatory institutions for the power, water supply, radio-television, and telecommunications sectors were established in the country under the influence of the European Union legislation. The Telecommunication Regulatory Entity (ERT) was established upon Law No. 8288, dated 18.2.1998. During its first complete fiscal year, ERT had an ALL 26 million budget, of which ALL 20.7 million were operational expenditures and ALL 5.3 million were investments. The Entity's organizational chart included 17 staff members. Its headquarters comprised two offices at the former Postal and Telecommunication State Department at the relevant Ministry. In 2023, AKEP had an ALL 381,500,000 budget, of which ALL 75,904.000 were allocated to investments, and comprised 84 staff members. The institution operates in an owned building, focused on the technical missions, critical infrastructures, and operations of the National Frequency Monitoring Center. AKEP also operates in a rented building where the Steering Board, Chairman and administrative staff facilities are established.

1999

Grating of First Licenses

Contrary to the current general authorization regime, which sets forth that the commencement of economic activity in the field of electronic communications is only subject to advance notification, in the late '90s, the sector operation was subject to ERT licensing. In 1999, ERT granted the first two licenses to "Albtelekom" sh.a., and "AMC" sh.a. **Albtelekom**, the historic telephony operator in the country, was founded as a company with the Ministry of Public Economy and Privatization as the sole shareholder, on 16 February 1999. It was later acquired by a private Turkish company in 2008 and its name was changed from "ALBTELEKOM" to "ALBTELECOM", as a sign of internationalization. In March 2022, CETEL TELEKOM ILETISIM SANAYI VE TICARET ANONIM SIRKETI sold its shares to the 4iG Group. In late 2022, the previous undertaking "Telekomi Shqiptar" exited the electronic communications scene upon its absorption by "ONE Albania". The first ISP licenses were granted to "AOL", "Abissnet", and "Adanet".

2000

"AMC" Privatization

"Albanian Mobile Communications" (AMC) was the first active company in the mobile market. The company was founded on 27 November 1995 with the Ministry of Finance as the sole shareholder and its activity commenced in 1996. In 2000, "AMC" became a private company. The State sold 85% of its shares to the "Cosmoholding Albania S.A." Greek company. The State held 12.6% of shares, while the remaining 2.38% were owned by company staff at the time of privatization. The oldest mobile operator was then acquired by the "Deutsche Telekom AG" German company, which renamed it to "TELEKOM ALBANIA" sh.a. on 22.7.2015. The company was renamed "ONE TELECOMMUNICATIONS" following its acquisition by the Albanian-Bulgarian financial group "Telecom Invest AD" in 2019. Nearly three years later, the company's ownership changed once again after being acquired by the 4iG Group. In late 2022, the company also absorbed "ALBTELECOM" sh.a. and was renamed to "ONE ALBANIA".

2001

VODAFONE's Market Entry

In 2001, "VODAFONE ALBANIA" entered the market, becoming the most successful undertaking in the electronic communications market for more than two decades, as part of the renowned international group "Vodafone", which operates in 17 countries in Europe and beyond.

In the following years, other undertakings entered the mobile market. In 2003, "Eagle Mobile" commenced its operation in the market, with "Albtelecom" sh.a. as the sole shareholder, thus establishing the first electronic communications network group operating simultaneously in the fixed and mobile sectors. In 2013, "Eagle Mobile" was absorbed by the parent company and, thus, "Albtelecom" sh.a. started providing services under that trade name in both the fixed and mobile markets. The fourth entry into the mobile market was "Plus" in 2010, which operated for a shorter period, exiting the market in late 2017.

2008

Applicable Law pertaining to AKEP

In 2008, the currently-applicable Law No. 9918, dated 19.5.2008 on Electronic Communications was adopted. It marks the third legal package in the telecommunication field after Law No. 8038, dated 23.11.1995, "On Telecommunication in the Republic of Albania" and Law No. 8618, dated 14.6.2000, "On Telecommunication in the Republic of Albania". The latter repealed Law No. 5841, dated 20.2.1979, "On Postal and Telecommunication Services". Upon the line ministry's initiative and supported by a foreign consultant and with the substantial contribution of AKEP, the Albanian Government is currently in the final stage of designing the new draft law on electronic communications, which aims at transposing the European Electronic Communications Code into the national legislation.

2009

Postal Service under AKEP's Supervision

The letter “P” in AKEP stands for “Postal” and has been part of the institution’s title since its re-establishment in 2008 (see above Law No. 9918, dated 19.5.2008). However, AKEP’s designation as the regulatory body supervising the postal regulatory framework established pursuant to Law No. 8530, dated 23.9.1999, “On Postal Service in the Republic of Albania”, as amended, took place in 2009 by way of Law No. 10 132, dated 11.5.2009. This marked the first step toward the liberalization of the postal market in view of the European Union directives, materializing the division between state rights, as the owner of “Posta Shqiptare” sh.a., and the regulatory competences transferred from the General Postal and Telecommunication Directorate under the Minister’s subordination, toward a regulatory authority independent from the Government.

2009

ccTLD's Operation under AKEP's Effective Control

In addition to the regulatory duties in the field of electronic and postal communications, pursuant to Article 8, subparagraph (k) of Law No. 9918, dated 19.5.2008, AKEP has been designated as the ccTLD register operator. The “.al” domain and its subdomains (.gov.al, .mil.al, .edu.al, .com.al, .org.al and .net.al) are top-level domains (TLD) under the domain name system (DNS) assigned to the Republic of Albania by ICCAN and administered by AKEP. In its capacity as register operator, AKEP is responsible for maintaining the database register and ensuring the smooth operation of TLD. After several years of Parliament prompting, ccTLD’s effective operation was taken over by AKEP in 2009. Previously, ccTLD was managed by a university center in the Republic of Italy.

2010

Service Quality Indicator Regulation adoption

In 2010, AKEP Steering Board adopted Regulation No. 16, dated 16.4.2010 on “Service Quality Indicators”. The Regulation constitutes a significant milestone for the enhancement of subscribers’ experience when using electronic communications services. The Regulation comprises two main pillars: Firstly, it defines a minimum number of indicators that undertakings are required to measure and which will be subjected to AKEP monitoring. Secondly, the Regulation requires undertakings to publish service quality reports, thus highlighting the subscriber’s choice in terms of the highest quality network or best suited for their needs, which encourages competition among undertakings.

2011

3G technology implementation

Following the public open-procedure tender, “Vodafone Albania” was announced as the winning undertaking that would provide terrestrial broadband mobile services in accordance with the IMT-2000/UMTS standard. Subsequently, the provision of 3G services, which are fully digital mobile systems established in the early 2000s based on the TDMA/FDMA technologies, was enabled, which, in addition to the delivery of mobile telephony and SMS services, will also enable adequate-speed mobile internet service provision.

2011

Portability enabling

The portability of the telephone number is underlined as a key facilitator of the consumer selection options and as an inherent means of fostering competition among electronic communications providers. Following the signing of the Contract on the Establishment of a Reference Database for Number Portability Provision in December 2010, number porting in Albania commenced in May 2011. AKEP has closely monitored the implementation of portability regulation obligations by undertakings and has not refrained from imposing fines on undertakings - as was the case in 2021 - or from issuing warnings of escalated penalties in case of repeated failure to abide by legal requirements.

2013

Liberalization of the “.al” domain use

The liberalization of the registrar function marks the second key moment in the widespread use of the “.al” domain and subdomains thereof. During 2013, the transition from the sole “Registrar” system to a liberalized system of registrar duties took place. The process was effectuated by the licensing of the first 5 entities as registrars. Registrars are legal entities, primarily commercial companies, that sell domain names to the public. They can access the database register operated by AKEP. Registrars are supervised by AKEP in terms of meeting their regulatory obligations. AKEP has played a hybrid role encompassing both ccTLD operator and registrar functions, providing services to state institutions and the general public. The total number of domains registered in 2013 was 12,888. In late 2023, this indicator amounted to **28278 registered domains**.

2015

Establishment of the ATLAS System

In 2012, AKEP adopted the modality of the electronic communications public network electronic register, which comprises the geographic base of the territory of the Republic of Albania and electronic communications network operators’ data. In 2015, the management and integration of the spatial and non-spatial information of public electronic communications networks of radiofrequency transmission systems and cable electronic communications infrastructure and channels was transferred to the ATLAS system, as part of the GIS web system.

2015

National Frequency Spectrum Monitoring System Establishment

Based on a Project drafted by ITU in 2011, AKEP undertook the establishment of the National Frequency Spectrum Monitoring System. In 2015, the first stage of the Project was finalized, resulting in the completion of the construction of the Fixed Monitoring Station in Pinet. In cooperation with the Fixed Monitoring Station in Kruja, the Pinet Station enabled 24-hour monitoring of the 20-3000 MHz frequency band across a 70 km area around Tirana and Durrës, including the Rinas International Airport. The stations are remotely controlled from the Main Control Center (MCC), part of the National Frequency Monitoring Center in Tirana.

2015

Completion of the regulatory framework on postal services

The placement of the postal market under AKEP's supervision in 2009 marks an undoubtedly epochal change in the handling of this critical service to the lives of citizens and businesses. However, the actual legislation modernization carried out through the complete transposition of the three respective EU directives, took place in 2015 by way of Law No. 46/2015 "On Postal Services in the Republic of Albania". All eight regulations currently in force that govern the postal sector were adopted by AKEP over a one-year timeframe (2015-2016):

1. Regulation No. 46, dated 27.10.2016, "Inspection Methodology for the Activity of Electronic Communications Service and Network Undertakings"
2. Regulation No. 45, dated 27.10.2016, "Inspection Methodology for the Activity of Postal Service Providers"
3. Regulation No. 42, dated 3.3.2016 "On the Estimation of Universal Postal Service Net Costs"
4. Regulation No. 41, dated 3.3.2016 "On the Separation of Accounts and Estimation of Universal Postal Service Costs"

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5. Regulation No. 40, dated 17.12.2015, “On Periodic Statistical and Financial Data on the Services Provided by Postal Service Operators and Providers”
 6. Regulation No. 39, dated 17.12.2015, “On the Procedures of Dispute Settlement between the Postal Service User and Provider and Dispute Settlement between Postal Service Providers”
 7. Regulation No. 38, dated 19.11.2015, “On General Authorization for Postal Service Provision”
 8. Regulation No. 36, dated 29.10.2015, “On Universal Postal Service Provision”.

2016 Emergency Number implementati on

In line with the Community legal framework, undertakings should provide all end users with access to emergency services through free-of-charge emergency contacts and without having to use any means of payment, simply by calling the European Emergency Number ‘112’ and any national emergency hotline designated by the legislation in force. In 2016, the European Emergency Number ‘112’ was also made available in Tirana, followed by its extension nationwide.

2016 Incentiviza tion of high-speed networks

Law No. 120/2016, “On the Development of High-speed Electronic Communications Networks and Ensuring Right of Way”, adopted on 24.11.2016, marks the first written involvement of the State in the sector, the development of which until then was primarily carried out privately. The Law has been completely approximated with Directive 2014/61/EU of the European Parliament and of the Council, dated 15 May 2014,

“On Measures to Reduce the Cost of Deploying High-speed Electronic Communications Networks”, aimed at facilitating and incentivizing the roll-out of high-speed electronic communications networks by reducing roll-out costs by way of measures taken in four areas:

- (i) facilitation of access to existing physical infrastructure (including that of other utilities and the physical infrastructure of buildings);
- (ii) civil works coordination;
- (iii) simplification of administrative procedures for permit granting;
- (iv) specifications on physical infrastructure construction for new buildings and major renovations.

The development of high-speed networks since 2016 has been impressive. With regard to the fixed broadband, in 2022, high-speed and ultra-speed broadband connections (download speed greater than 30 Mbps) comprised 51% of the total access provided in the market, compared to only 1% in 2016. In terms of technology, the main observed trend concerns the increase in the number of fiber connections from just 11% in 2016 to over 61% in 2022, becoming the main access technology.

With regard to mobile broadband, nearly 4 out of 5 mobile subscribers use Internet on their mobile devices. Compared to 2016, data usage has increased almost seven fold.

2016 Fixed broadband market analysis

Upon Decision No. 2701, dated 22.12.2016, AKEP adopted the analysis of Internet *broadband access* and leased lines wholesale markets. It was the first time a market analysis was carried out in accordance with the new European Commission recommendations for 2014.

The relevant markets analyzed in the document included: 1. Wholesale access market at the local level at fixed locations (VVLA); 2. Wholesale access market at the central level for general market products (VVCA); 3. Wholesale high quality access market at fixed locations (VVHQA); 4. Wholesale market of access to passive elements of network infrastructure at the national level.

For the first three markets, provided for under Regulation No. 9, dated 17.7.2009, “On Market Analysis”, “Albtelecom” was identified as a significantly powerful operator in the market and the following regulatory measures were imposed:

3.1 Obligation to nondiscrimination, pursuant to Article 39 under Law No. 9918;

3.2 Obligation to transparency, pursuant to Article 40 under Law No. 9918;

3.3 Obligation to access and interconnection and network facilities joint use, pursuant to Article 42 under Law No. 9918;

3.4 Obligation to fee control, pursuant to Article 45 under Law No. 9918.

The wholesale market of access to passive elements of network infrastructure at the national level was deemed ineligible for *ex ante* regulation.

It should be noted that the development of fixed broadband networks, which has been quite rapid to date, has very limitedly relied on regulatory measures. At present, four out of five households have access to fixed broadband in the country. The fixed broadband market underwent a new analysis during 2023, the conclusions of which are expected to be approved within the first half of 2024.

2018

Mobile Network Voice Termination

The inbound voice termination wholesale market is one of the markets subject to *ex ante* regulation in line with Regulation No. 9, dated 17.7.2009, “On Market Analysis”. Upon Decision No. 70, dated 1.10.2018, AKEP adopted the maximum fee currently in force for national voice termination on mobile networks at ALL 1.11/min. This fee regulatory measure applies uniformly to all electronic communications undertakings. The mobile network voice termination market underwent a market analysis in 2023. Following the public consultation, AKEP is expected to adopt a further reduction of the maximum termination fees. In contrast to the past, the voice termination cost analysis was based on a cost model for mobile network wholesale services, adopted by AKEP Decision No. 10, dated 22.7.2021, instead of relying exclusively on the mobile network average voice termination fees published by other European countries.

2019

Granting of the first usage right on the 800 Mhz band, part of DD1

The development of the mobile broadband Internet was propelled by the granting of the usage right on the 800 MHz band, part of the so-called Digital Dividend 1. Investments in the new 4G technology facilitated the successful coping with the radical increase in data consumption during the pandemic, when a substantial part of work, education, and recreation activities moved *online*. The 4G technology, which utilizes the frequencies on this band, is special because digital mobile systems rely entirely on IPs (Internet Protocols) and deliver high-speed mobile Internet service. 4G networks also enable the provision of very high quality VoLTE over IP telephony services.

2020

Government's adoption of two key documents on the development of secure and high-speed networks

Four years after the Law on the incentivization of high-speed networks, the Albanian Government adopted two key documents on the development of secure and high-speed networks in summer 2020. National Plan for Sustainable Broadband Development, adopted by DCM No. 434, dated 3.6.2020, underlines that the development of the Information and Communication Technology (ICT) constitutes one of the priorities of the Albanian Government. In order to utilize the transformative powers of ICT, it is fundamental to establish a high-speed *Broadband infrastructure* across the country. With respect to establishing the Gigabit Society foundations, inter alia, the following *Broadband* development strategic objectives have been defined: Sustainable Broadband infrastructure development, digital division reduction and provision of comprehensive Broadband services.

Upon Decision No. 636, dated 29.7.2020, the Council of Ministers adopted the multiannual spectrum policy program and its action plan. The above act is partially approximated with Decision No. 243/2012/ EU of the European Parliament and of the Council of 14 March 2012, "On Establishing a Multiannual Radio Spectrum Policy Program". The strategic objectives defined in the spectrum policy program include efficient use, overcoming the digital divide, broadband service development, and ensuring effective competition.

2021

Western Balkans RLAH (and EU glidepath)

Western Balkans (WB) governments signed an agreement on the elimination of *roaming* service charges in the region in Sofia on 17 May 2018, and expressed their support to lowering these costs between WB and EU countries. Since 1.7.2021, thanks to the intensive efforts of WB country regulators, roaming charges were eliminated for all Albanian and regional citizens and subscribers when travelling across WB countries, on the basis of the Roam Like At Home (RLAH) principle, consisting

in the implementation of the relevant charges applied in the home country for mobile services, such as:

- inbound, outbound calls (0 ALL);
- inbound, outbound SMS (0 ALL);
- Data/Internet (according to the fair use policy - FUP).

Owing to the ongoing insistence of AKEP and the successful coordination of RCC with European decision-making bodies, the European Commission requested BEREC's active involvement in the process of lowering roaming charges between EU and WB countries. The lowering of roaming service charges between the WB and EU countries is not foreseen on the basis of agreements between countries, but through voluntary implementation by mobile operators in each country.

2021

**New focus
on
subscriber
protection**

In addition to competition fostering and development of electronic communications networks, the protection of consumer and subscriber rights is one of AKEP's primary missions. This objective has gained increasingly greater attention by AKEP, starting with the adoption of a framework complemented, modernized and updated based on European developments, by way of Regulation No. 49, dated 11.3.2021 "On the Protection of Public Electronic Communications Services Consumers and Subscribers". Faced with a large number of complaints from subscribers due to unreasonable delays and rejections during number porting between operators, in 2021, AKEP identified violations from three undertakings and fined them. Two years later, AKEP issued a serious warning to one of the undertakings in the case of systematic failure to meet the applicable legal requirements during number porting. In 2023, as a result of the failure to comply with service/contract termination procedures in case of subscriber defaulting, AKEP undertook an inspection and administrative adjudication process that concluded with an ALL 10 million fine against the violating undertaking.

2022

AKEP in the era of cyberthreats

Upon DCM No. 553, dated 15.7.2020, for the first time, the Government designated AKEP as the operator of critical and key information infrastructures, as follows:

- i. CctId.AI Management System;
- ii. Centralized Number Portability Database System (Crdb);
- iii. Online Applications and Reports management system (RevZone); and
- iv. Frequency management/monitoring system); and
- v. Electronic Register of Public Electronic Communications Networks (Atlas)

In view of such legal developments and pursuant to the fundamental principle establishing that no investment in the electronic/digital systems area can be sustainable if the relevant security component has not been obtained, in late 2021, AKEP reviewed its budget and carried out a number of consultations, investments and maintenances in the following year, which eliminated AKEP's vulnerability to any major dysfunctions in the period of aggressive and ongoing cyberthreats that commenced with the cyberattack of 15 July 2022.

Moreover, although often relying on soft power tools, AKEP has also played a key role in promoting and ensuring the security of electronic communications networks, both by assisting undertakings, as well as by supporting the state initiative to adopt clean networks.

2023

Toward a greater performance level of the Regulatory body

The emergence of multiple and increasingly complex challenges has given rise to the need for the institution's modernization and performance enhancement. Firstly, it was deemed necessary to computerize the entire activity of the institution into a central system that covers the complete progress of the work. The project aimed at digitizing and automating the entire operational activity of the institution by integrating and combining all processes into one, with real-time synchronized data and fully integrated operations. The implemented platform consists of the ERP component - *Enterprise Resource Planning software* and iBPMS component (Intelligent Business Process Management System). The implementation of this system had the following benefits:

- Reduction of time spent for the realization of business processes;
- Improvement of employee performance, thus avoiding potential errors;
- Improvement of information safety, thus reducing the likelihood for data loss.

Secondly, the increase in capital and operational expenditures to fulfill legal liabilities, primarily in the area of cybersecurity, has led to the prioritization of the proper utilization of available funds in the institutional agenda. As a result of a legal provision, on the one hand, which mandates the transfer of unspent amounts during the fiscal year to the State Budget and, on the other hand, the low-quality planning and inefficient implementation of public procurement procedures, AKEP had annually failed to utilize amounts comprising up to 20% of the annual budget. In 2023, following significant improvements over the years, AKEP realized the Government-adopted budget in its entirety, on which it also reports to the Parliament.

2023

The historic reconfiguration of the landscape of frequency usage aimed at efficiency and competition assurance

The reduction in mobile network electronic communications undertakings number from three to two undertakings on the basis of the authorization granted by the Competition Authority, in addition to the resulting unavoidable hindrance in ensuring market competition, also presented AKEP and the two remaining undertakings with a rare - even unique - opportunity to optimize frequency spectrum usage efficiency at maximum levels. Based on the Competition Authority's recommendation promoting the rebalancing of spectrum ownership by the two remaining undertakings, and also benefitting from its exclusive competence in frequency spectrum administration, including usage rights transfer, AKEP prompted and mediated a complex and delicate process, not only in terms of rebalancing the spectrum used by each market actor but also redistributing spectrum ownership, in order to ensure continuation for each operator without redundant guard bands. Owing to this operation, the current configuration of the dedicated frequency spectrum for electronic communications is efficient in terms of usage, promotes fair competition for quality services delivery by active market undertakings, and ensures, in case of interest, adequate spectrum blocks for a third mobile electronic communications network undertaking.

2. Parliamentary Committee on Production Activity, Trade and Environment's Working Visit to AKEP

The twenty-fifth anniversary of the establishment of the Regulatory Entity of Electronic and Postal Communications was marked by a working visit by the Parliamentary Committee on Production Activity, Trade and Environment's to AKEP premises on 4 October 2023.



Members of the Parliamentary Committee on Production Activity, Trade and Environment during talks with AKEP regarding the implementation of recommendations made by the RoA Parliament, October 2023

(Source: AKEP)

The Parliamentary delegation was composed of Mr. Arben Pëllumbi, Committee Chair, Mr. Helidon Bushati, Committee Deputy Chair, Mr. Laert Duraj, Committee Secretary and the following members: Mrs. Luljeta Bozo, Mrs. Tatjana Piro, Mr. Baftjar Zeqaj, Mr. Ilir Ndraxhi, Mr. Ismet Beqiraj, Mr. Nusret Avdullaj, Mr. Gëzim Ademaj, Mr. Lefter Gështenja, Mr. Ramadan Likaj, Mr. Qani Xhafaj, Mr. Lodovik Hasani, Mr. Xhelal Mziu and Mr. Agron Duka. The Parliamentary delegation was accompanied by Mrs. Elona Toto, Committee Secretary and Councilors Mrs. Manjola Merlika and Mr. Marlind Myftiu.

The Delegation was received by Mr. Tomi Frashëri, AKEP Steering Board Chairperson, and proceeded to meet with AKEP's delegation at the institution's administrative headquarters, in the room dedicated to Steering Board meetings. In addition to Mr. Tomi Frashëri, Steering Board Chair, AKEP's delegation also comprised Board Members, Mr. Armer Juka, Mr. Bleron Dokle, and Mr. Lorenc Bako, the Head of

Chair's Cabinet, Mrs. Eriola Mosko, and the Director of Monitoring and Inspection, Mr. Vasil Mitezi.



Members of the Parliamentary Committee on Production Activity, Trade and Environment during talks with AKEP regarding the implementation of recommendations made by the RoA Parliament, October 2023

(Source: AKEP)

Mr. Pëllumbi, Parliamentary Committee Chair, outlined the reasoning and context of the working visit to AKEP. In the Committee's view, working visits constitute an additional means of monitoring the activity and performance of independent institutions under the Committee's jurisdiction. On the one hand, they complement AKEP's formal accountability, which is carried out via the submission of the Annual Report and subsequent Committee-led hearing attendance by the institution's Chairperson. On the other hand, such working visits familiarize MPs with the regulatory area and help them understand how legal missions translate into daily administrative activities in practice.

Mr. Pëllumbi underlined the importance of annual reporting by independent institutions, acknowledging AKEP's work in this regard. The Annual Report should provide a comprehensive and accurate overview of the institution's accomplishments, challenges, or failures. In Mr. Pëllumbi's view, Parliament's resolutions should receive particular attention. Such resolutions aim at integrating a political component into the Authority's institutional agenda that, without replacing the institutional work schedule, supplements it with priorities deriving from a democratic expression.

Lastly, Mr. Pëllumbi noted that, besides the monitoring and supervisory mission, the Parliamentary Committee he chairs considers it fundamental to remain open to listening and learning about the Authority's challenges and supporting the latter in fulfilling its duties, particularly when their success is conditional and dependent on the cooperation with other state bodies.

Mr. Frashëri thanked the Committee Chairperson for his speech, wherein he eloquently elaborated on the terms of the Parliament - Independent Authority relationship as regards, on the one hand, the accountability toward the democratic will representative body and, on the other hand, the willingness to assist independent authorities, which occupy a special place and role in the constitutional and administrative structure of the State.

AKEP's Steering Board Chairperson expressed his readiness to appear before the Parliamentary Committee not solely for annual reporting but anytime a regulatory-area related issue garners the Committee's interest. AKEP holds that replying in writing to Committee's questions is another effective tool that may be utilized more broadly.

AKEP's twenty-fifth anniversary provided Mr. Frashëri with the opportunity to touch briefly on the future of the regulatory authority and the foreseen challenges. With respect to the proper preparation and success of independent authorities, such as AKEP, Mr. Frashëri views the Parliament's role as key, specifically through the relevant Parliamentary Committee, on at least three levels:

Firstly, the parliamentary body may undertake initiatives to evaluate the effectiveness of the institutional setup of one or several independent regulatory authorities and, based on the findings, issue recommendations for legal amendments or additional useful modernizations.

Secondly, the Committee, in coordination with other parliamentary bodies, may act as an interface to facilitate the communication between independent authorities and other state bodies in Albania. In this regard, an initiative that bears noting is the Committee's support to AKEP to address the Committee on Legal Affairs, Public Administration and Human Rights, which comprises the Sub-committee on Local Government. Through this initiative, AKEP aims to coordinate a number of steps toward raising the awareness of several sectoral actors, primarily of local government, with regard to the necessity of taking a coordinated series of measures that concern the infrastructural development of telecommunication networks at municipal and administrative unit levels.

Lastly, Mr. Frashëri underlined that sectoral regulatory bodies occupy a special place, not only in the organization of the Albanian State, but maybe even

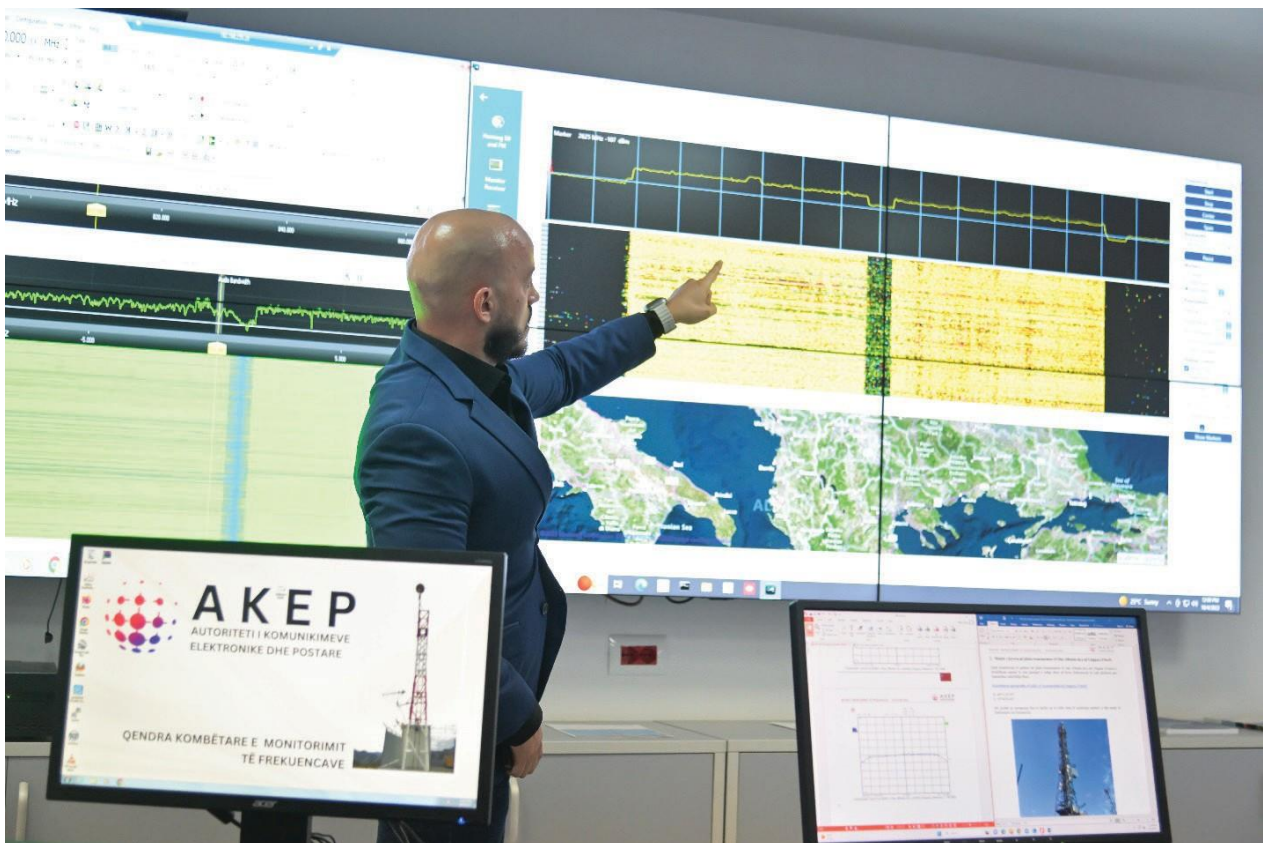
more so in the legislative provisions of the European Union. Independent regulatory bodies, particularly those like AKEP, that are at the front of digital developments, are increasingly tasked with more key missions to regulate digital markets and services. In the context of European integration, the Parliamentary Committee may bridge the communication between independent regulatory bodies and the Parliamentary Committee on European Affairs to utilize all capacities and play a proactive role in advancing the integration agenda.

The Chairpersons' speeches were followed by a fruitful and open discussion with the participation of all attendees, addressing matters of public interest, such as mobile service coverage, fixed and mobile Internet service pricing, consumer rights protection and observance, etc.



*Parliamentary Committee on Production Activity, Trade and Environment's Working Visit to AKEP premises, October 2023
(Source: AKEP)*

The acquainting of the Parliamentary Delegation with the National Frequency Monitoring Center was a key moment during the working visit, which introduced the Delegation to the work of the technical staff, actual operation of frequency monitoring in the Republic of Albania and the entirety of electronic devices, engineering works, and special vehicle fleet that enables the regulatory authority to carry out its special missions with regard to monitoring the frequency spectrum and public telecommunication networks operation. The Delegation was also introduced in detail to the major investments in AKEP over the recent years with regard to cybersecurity and it acknowledged the high standards of the premises dedicated to server operation and critical infrastructures managed by AKEP.



*Presentation of Frequency Monitoring Sector by Mr. Vasil Mitezi, Director, during the meeting with the Committee on Production Activity, Trade and Environment
(Source: AKEP)*

The aim of the visit to the technical facility building at AKEP was to inform MPs how AKEP ensures security and non-interference during the utilization of an invaluable and finite natural resource such as the radio spectrum in its daily work. This working visit also enabled AKEP to highlight a systemic feature, which sets it apart from other sectoral regulatory bodies, which, at its core, consists in its role as a critical infrastructure administrator and operator.

The Committee's visit concluded with a business lunch hosted by the Chairperson of AKEP's Steering Board in honor of the Parliamentary Delegation. In an amiable setting, the discourse focused on connectivity and digitization, as well as on their expected impact on the economy, well-being and progress of the country and Albanian citizens.



*Image of the discourse with the members of the Committee on Production Activity, Trade and Environment
(Source: AKEP)*

3. Implementation of Albanian Parliament's Recommendations for 2023

Pursuant to the recommendations made by the Parliament of the Republic of Albania in its Resolution of 20.7.2023 "On assessing the activity of the Electronic and Postal Communications Authority in 2022", AKEP is led by the outmost commitment to fulfill these recommendations and is working with diligence and professionalism to this end. All 13 recommendations made for 2023 in the Parliament's Resolution have been fully fulfilled. Recommendation fulfillment has been translated into the following measures and actions:

1. To AKEP, the Resolution paragraphs listed first, were one of the key priorities, not just for 2023 but also in the medium term.

In order to address the challenge arising from the number of mobile operators dropping to 2, the situations resulting from the merger of "One Telecommunication" sh.a. and "Albtelecom" sh.a. into "One Albania" sh.a., as well as the subsequent formation of a duopoly market, AKEP has undertaken and foreseen a series of measures and activities in its work plan.

Firstly, AKEP increased its focus on the progression of three key parameters monitored by the institution: retail prices, service quality indicators, and investment level. AKEP is ready to intervene through the legal and regulatory means at its disposal and to refer to the Competition Authority the cases that may raise suspicions for prohibited agreements or abuses of power. In the context of the cooperation between the two institutions, throughout the year, AKEP has provided the Competition Authority with detailed information on mobile service fee plans, as well as the changes thereto with the relevant rationale, submitted to AKEP by electronic communications service undertakings.

2. In 2023, the institution paid greater attention to guaranteeing the integrity and inviolability of electronic communications undertakings' networks.

In addition to the reports and measures pertaining to cybersecurity, which constitute legal or regulatory obligations for electronic communications undertakings, AKEP has regularly requested information, reporting or additional measures from electronic communications undertakings, in order to guarantee network integrity and inviolability. Moreover, it also requested undertakings to increase the security level of their infrastructures to the maximum level, with several cases requiring new

investments from the undertakings.

In close cooperation with electronic communications undertakings, it has played a key role in the majority of cases concerning cybersecurity incident resolution for both public institutions, as well as for businesses categorized as national critical infrastructures.

With respect to the measures taken by AKEP in relation to the institution infrastructures and systems, 3 investments were made in 2023, which significantly increased the security level of the infrastructures and systems established, maintained and managed by AKEP.

3. AKEP has taken the required measures to implement SAI recommendations related to cybersecurity and data protection by establishing a permanent working group to monitor the cybersecurity situation for electronic communications undertakings that are directly or indirectly related to national critical infrastructures.
4. AKEP has been an active member of the Interinstitutional Working Group (IWG) for the release of Digital Dividend 2 (DD2) for the 700 MHz band by providing process solutions, as well as by introducing the position of electronic communications undertakings regarding the 700 MHz band and all the required information about mobile market expectations for 5G networks.
5. As regards the postal market, AKEP's activity focused on combatting informality. In this respect, in cooperation with law enforcement bodies, AKEP's inspection structures carried out the inspection of entities advertising postal services on their social media during 2023 to identify violators and hold them legally accountable, in order to improve the business setting and make entities aware of the importance of complying with the applicable legal rules and standards.
6. Pursuant to the Memorandum of Cooperation with AMA and the establishment of a joint AMA-AKEP Task Force, several inspections of electronic communications undertakings were carried out during 2023 in line with both institutions' scope of activity. Following the inspection of 12 (twelve) electronic communications undertakings, 3 (three) were identified as having failed to meet the obligation to abide by restriction cases regarding illegal or harmful content or other regulatory obligations. Upon inspection procedure completion, administrative measures were imposed on the undertakings found in violation of regulatory obligations, pursuant to the provisions under Article 137 of

Law No. 9918, dated 19.5.2008, “On Electronic Communications in the Republic of Albania”, as well as supplementary penalties in the form of recommendations.

7. AKEP has worked closely with the Ministry of Infrastructure and Energy on drawing up the electronic communications draft law, which transposes the code fully. After the two-year efforts to this end and following the feedback received from institutions, stakeholders, and the European Commission, a final document was drafted and then approved by the Council of Ministers, and finally submitted to the RoA Parliament for adoption.
8. Based on the recommendations of the Competition Authority and the decision thereof to allow the merger of “ONE” and “Albtelecom”, AKEP incentivized and supported a delicate operation that transformed the spectrum ownership landscape in favor of competition, spectrum usage efficiency, and encouragement of investments to enhance network quality and coverage. The transaction between the two operators resulted in the repositioning of spectrum ownership, enabling the continuation of spectrum blocks owned by an operator, thus ensuring maximum spectrum usage efficiency that encourages investments in the respective operator’s networks, which, in turn, translates into higher quality and coverage. According to AKEP’s analysis, the free blocks on different frequency spectrum bands are adequate and sufficient to grant access to a new MNO (Mobile Network Operator) interested in providing mobile network services in Albania.
9. Pursuant to the obligations under Regulation No. 49/2021, AKEP has cooperated with the relevant operators and institutions, such as the National Civil Protection Agency (NCPA), to unify the ‘112’ emergency number throughout Albania so as to enable SMS and location data reception by emergency call/communications handling platforms.
10. In the framework of consumer protection, AKEP has continued requesting “Posta Shqiptare” sh.a. to comply with the obligation to deliver postal parcels to the recipient’s address, as this is a persisting issue. AKEP continues to monitor the process of recommendation fulfillment, while also conducting an inspection at the end of the year, followed by the relevant recommendations.
11. In cooperation with the Ministry of Infrastructure and Energy, AKEP has concluded the work with the consultant selected by the MIE for the “Development of the Albanian Broadband ATLAS” project, in the framework of the EU investments under the Western Balkans Investment Facility (WBIF) program.

The consultant officially submitted the final report to the MIE and AKEP in early February 2023. In the meeting held on 28.9.2023 in Budva, Montenegro, during the Regional Regulatory Forum, AKEP requested ITU's support to further the establishment of the new ATLAS. The support pertained specifically to the drafting of the terms of reference but also to the option for ITU to fund the project and provide support in sharing best experiences for the establishment of the broadband ATLAS.

12. In line with the obligations stipulated in the Regulation regarding the issue of the existing cable system placed on power line towers, AKEP continued carefully monitoring the situation of networks and infrastructure of undertakings in problematic areas during 2023, followed by interventions in several areas to eliminate the overhead infrastructure according to the annual inspection plan, in order to comply with the technical conditions under Regulation No. 22, dated 24.6.2011, "On the Technical Conditions on Infrastructure Construction for Electronic Communications Urban Cable Networks and Interurban Optic Fiber Networks".

AKEP addressed the Committee on Legal Affairs, Public Administration and Human Rights, which comprises the Sub-committee on Local Government, in writing to propose the initiation of an engaging audit and awareness-raising process for the local government related to the electronic communications network development on-site and serious institutional cooperation with AKEP, in the framework of the Sub-committee on Local Government.

In this respect, AKEP continues to prioritize this issue and has coordinated with the other stakeholders in this process, fostering cooperation between them to arrange the use of passive infrastructure.

13. Throughout the year, AKEP has paid particular attention to QoS Monitoring for new road axes, requesting both operators to undertake measures to resolve issues pertaining to mobile telephony service provision, set up new stations, increase the number of new dedicated antennas in the existing stations, and optimize the latter.

MAIN DIRECTIONS OF THE 2024 WORK PROGRAM

1. Commencement, monitoring and successful completion of administrative processes for granting frequency usage access on new-generation 3400-3800 MHz pioneer bands, aimed at enabling 5G services, full and efficient utilization of the radio spectrum, and fostering competition through innovation and quality assurance;
2. Engagement in a comprehensive reflection on the drafting of a working paper for the reformation of the organizational structure, internal funding and functioning of the institution, aimed at equipping AKEP with skills and performance means to fulfill the regulatory duties and cope with the challenges faced during critical infrastructure management and operation;
3. Updating and approximation of the regulatory framework on “.al” domain and relevant subdomains thereto administration with best practices, as well as ensuring the technological and financial sustainability of the ccTLD register’s operation;
4. Adoption of the final fixed broadband access wholesale market analysis and mobile telephony market analysis for mobile network voice termination wholesale markets, as well as supervision of undertakings’ implementation of relevant decisions and eventual regulatory measures;
5. Adoption of the work plan for the implementation of the new electronic communications legislation focusing on the inventorying of new or revised tasks under the regulatory framework, identification of regulatory acts and administrative documents to be adapted, scheduling of decision-making, and initiation of law enforcement processes;
6. Improvement of service quality real-time data obtainment processes at the national level, aimed at the ongoing monitoring and observance of subscriber rights as an electronic communications user in the mobile telephony market composed of the operation of the two large undertakings.

I. OVERVIEW OF DEVELOPMENTS IN ELECTRONIC COMMUNICATIONS MARKETS

1. Overview of Sector Regulatory Aspects

1.1. Work on the Approximation with the European Legislation and Expected Impact on the National Legislation

During 2023, AKEP has participated in the interinstitutional working groups established for *acquis* chapters, which have conducted specific situation analysis of policies, legislation, financing, and administrative procedures.

Chapter 10 “*Information Society and Media*” is one of the main Chapters AKEP contributes to, the aim of which is to ensure the liberalization of electronic communications services and networks and to eliminate any barriers to the effective single market operation, to promote competition, safeguard consumer interests in this sector and establish modern universally available services.

One of AKEP’s main contributions to the Chapter with regard to information society consists in the implementation of the Memorandum of Understanding between Western Balkans countries and the Regional Cooperation Council on the 5G Roadmap, as well as electronic communications services’ aspects, to which AKEP has contributed/provided updates on the application of the single emergency number (112), user rights, universal service, as well as the implementation of the new European Union (EU) Domain Regulation 517/2019.

The implementation in the domestic legislation, as highlighted in AKEP representatives’ report on Chapter 10 of February 2023 to the European Commission, includes, *inter alia*, the enhancement of AKEP’s operational independence and the expected outcomes of the adoption of the new Law on Electronic Communications in the Republic of Albania by the Parliament of the Republic of Albania in 2024.

The law will better address issues pertaining to the market and strategic objective fulfillment by gigabit companies by considering the ongoing technological changes and complying with the recommendation of the EU Progress Report 2021 for Albania under Chapter 10 “*Information Society and Media*” on the transposition of Directive 2018/1972/EU.

In view of the tasks carried out in the framework of the contribution to Chapter 3 reporting, as regards postal services, with the *acquis* itself aiming to open the sector to the competition in a gradual and controlled manner under a regulatory framework that ensures universal service provision, according to the 2023 Report of the European Commission, Albania is nearing the full transposition of the EU Directive on Postal Service, ensuring, *inter alia*, complete competition in the sector.

The recent EU reports on Albania have recommended to proceed with the adoption process for the required amendments to the Law on Electronic Communications, in line with the new European Electronic Communications Code and to adopt the digital agenda action plan.

The transposition of Directive (EU) 2018/1972 of the European Parliament and of the Council “On the Establishment of the European Electronic Communications Code”, constitutes the starting point of AKEP’s legal framework amendment process.

The draft law seeks to review and upgrade the general regulatory framework on electronic communications, as defined under Law No. 9918, dated 19.5.2008, “On Electronic Communications in the Republic of Albania”, as amended, in order to promote investments in very high capacity electronic communications networks (VHCN), both optic fiber and wireless (5G) networks. The draft act reviews the regulations in force concerning the frequency spectrum, universal service regime, consumer protection rules, numbering and emergency communications, market access rules and general arrangement based on a more symmetrical regulation.

This draft law aims at transposing Directive (EU) 2018/1972 of the European Parliament and of the Council establishing the European Electronic Communications Code, which has replaced the package of electronic communications directives from 2002 and 2009, and codifies in a single document the various legal documents composing the EU electronic communications Regulatory Framework, while reorganizing the electronic communications regulatory framework to achieve a different policy balance between the importance of safeguarding competition on the one hand and the need for large investments on the other, which are considered necessary for the Single Digital Market Strategy progress.

The review of the electronic communications regulatory framework focuses on measures aiming to foresee investment initiatives related to high-speed broadband networks, ensuring a more stable access for the domestic market to radio spectrum policies and management, avoiding regulatory framework fragmentation, effectively safeguarding consumers, and envisaging a

more effective regulatory institutional framework. The technological environment and market change process comprise the main pillars of institutional framework strengthening.

The entry into force of the new law is expected to have a significant impact on the domestic legislation as regards the drafting and entry into force of sub-legal acts pursuant to the law, such as Decisions of the Council of Ministers and Regulatory Acts issued by way of the relevant decisions of AKEP's Steering Board.

With respect to AKEP, the regulatory body's independence should be underlined, in addition to the Steering Board's role, decision-making and leadership, funding, and the budget, which is a novelty and will be adopted by the steering body, administrative fee application principles, payments to AKEP, electronic communications market supervision payments, number, number series and frequency allocation and usage payments, radio spectrum usage rights fees, numerical source usage rights fees, cooperation between competent authorities, and anything else pertaining to the establishment and operation of AKEP as a regulatory body, its cooperation with other institutions and its Steering Board.

During 2023, AKEP has prioritized the monitoring of reports and participation in European Commission meetings, contributing throughout the analytical legislation review process and ensuring physical and virtual attendance at managerial level in line with the following chapters:

- Chapter 1 *"Free Movement of Goods"*
- Chapter 3 *"Right to Establishment and Freedom to Provide Services"*
- Chapter 8, *"Competition Policies"*
- Chapter 10 *"Information Society and Media"*,
- Chapter 23 *"Judiciary and Fundamental Rights"*
- Chapter 28 *"Consumer and Health Protection"*

AKEP is a main contributor to Chapter 10 and Chapter 3.

1.2. Statistical Indicators of Electronic Communications Markets

Mobile services market Subscriber structure

With respect to the key mobile market indicators, several important market structure changes took place in 2023, such as the merger by absorption of "Albtelecom" sh.a. by "One Telecommunications" sh.a., which led to the market's reconfiguration.

Since 1.1.2023, the market is composed of only two mobile operators:

“Vodafone Albania” sh.a. and “One Albania” sh.a.

In terms of mobile network usage, the data found by AKEP indicate that the total number of SIM cards amounted to about 3.8 million in 2023:

- roughly 1.4 SIM cards per resident, a figure greater than the European region (1.23) and global (1.11) averages¹.

Meanwhile, the number of active mobile services subscribers² during the past year reached 2.6 million, marking a decrease compared to the preceding year.

In 2023, the trend of subscriber structure changes continued, as follows:

- the number of prepaid subscriptions dropped (to 62% from 68% in 2022);
- the purchase of mobile services increased symmetrically through post-payment contracts, a widely-applied practice in the region’s and EU countries.

Prevalence of Mobile Service Data Usage

The data volume transmitted through mobile internet networks peaked at some 193 million GB. Compared to 2022, this is a growth of approximately 4.95%.

The number of active subscribers using mobile internet services reached 2 million by the end of 2023, marking a decrease of 2.69% compared to the previous year.

Although 2023 marked the finalization of the process of merger by absorption of two mobile operators (“Albtelecom” sh.a., and “One Telecommunication” sh.a.), resulting in only two active mobile operators in the market, the number of mobile broadband access users has remained nearly similar to 2022.

The following key indicators decreased in 2023:

- active mobile service users;
- active users using the broadband internet access service;
- volume of outbound mobile phone calls;
- volume of inbound international phone calls;
- volume of inbound national phone calls;
- number of SMS.

1 <https://www.itu.int/en/ITU-D/Statistics/Documents/facts/FactsFigures2023.pdf>

2 Subscriber that has used mobile services at least once in the past three months.

It also should be noted that in 2023:

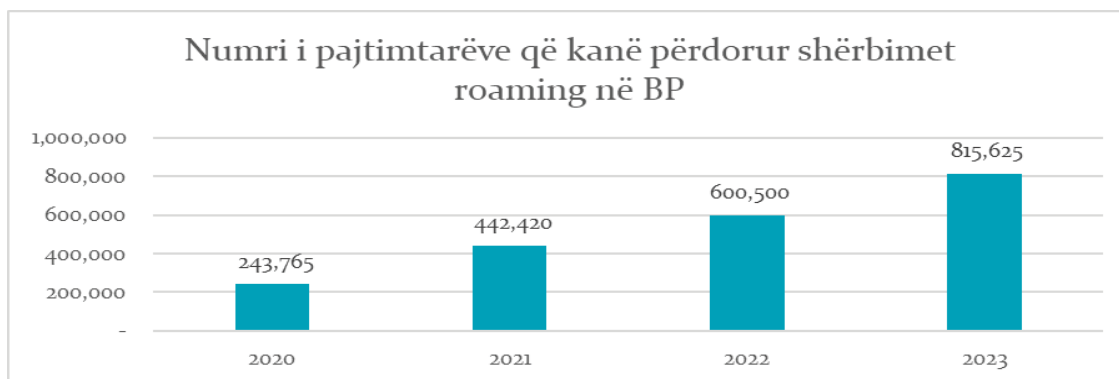
- the average calls volume per user was about 14% lower, totaling 268 inbound and outbound call minutes,
- average monthly internet use volume has increased by some 5% amounting to 7.64 GB per month.

As regards calls within the network or towards other national mobile networks, in 2023 some 38% of the outbound calls were placed towards other operators off-net, while 61% were on-net, thus marking a slight difference of 4 and 5 percentage points, respectively, for both indicators when compared to the previous year.

Progression of Roaming Indicators in the Western Balkans

According to data on the implementation of the *Roam Like at Home* in the Western Balkans, the process has been very successful in 2023 as well, which is shown by the increased number of users and electronic communications volumes (voice, data and SMS).

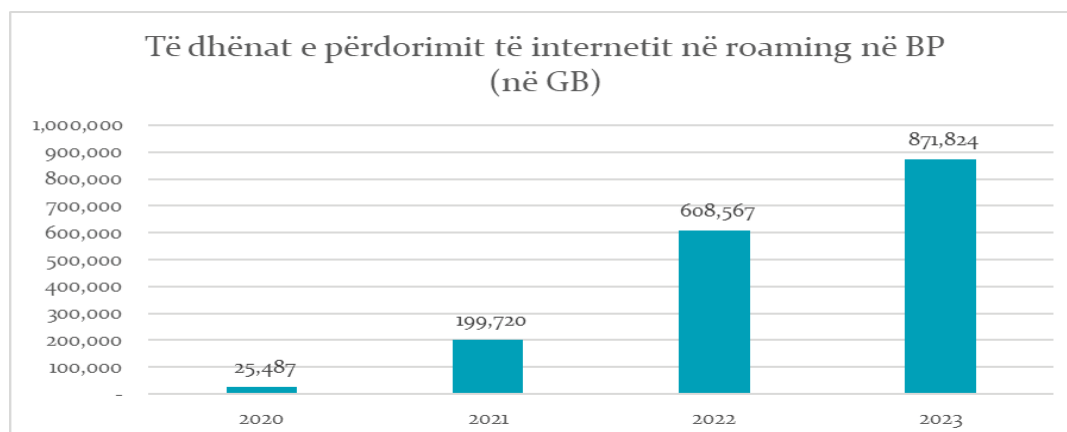
Number of subscribers using roaming services in the WB



Source: Data sent by operators. Processed by AKEP.

As seen in the previous chart, the number of subscribers that have used roaming services during their stay in a Western Balkans country has continuously increased, exceeding 800 thousand subscribers in 2023, an increase of some 36% compared to the preceding year.

Data on internet use while roaming in the WB (in GB)



Source: Data sent by operators. Processed by AKEP

The increase in the number of subscribers using roaming services during their stay in a WB country was accompanied by an increase in the volume of data consumed by them, marking an increase of approximately 43% from 2022.

Mobile Network Coverage

Both mobile services operators have reported 3G coverage at a rate of 99% of the population in 2023.

With regard to territory and population coverage with LTE (4G) network, the following was reported by providers for 2023:

- “Vodafone Albania” sh.a. is the operator with the widest coverage with this technology, covering 97% of the territory with 4G and 100% of the population.
- “One Albania” sh.a., has a 4G territory coverage of 96% and population coverage of 99%.

Mobile Services Market Share Dynamic

“Vodafone Albania” sh.a., continues to be the operator with the largest market share in 2023, with regard to all main mobile electronic communications services indicators.

In more concrete terms, the market share in 2023 for “Vodafone Albania” sh.a., is presented as follows:

- approximately 47% of the market share for SIM card users;
- approximately 51% of the market share for active SIM card users;
- approximately 55% of the market share for outbound calls;
- approximately 54% of the market share for data volume (internet);
- approximately 56% of the market share for active internet users (broadband);
- approximately 56% of the market share, respectively of the total revenue and retail revenue.

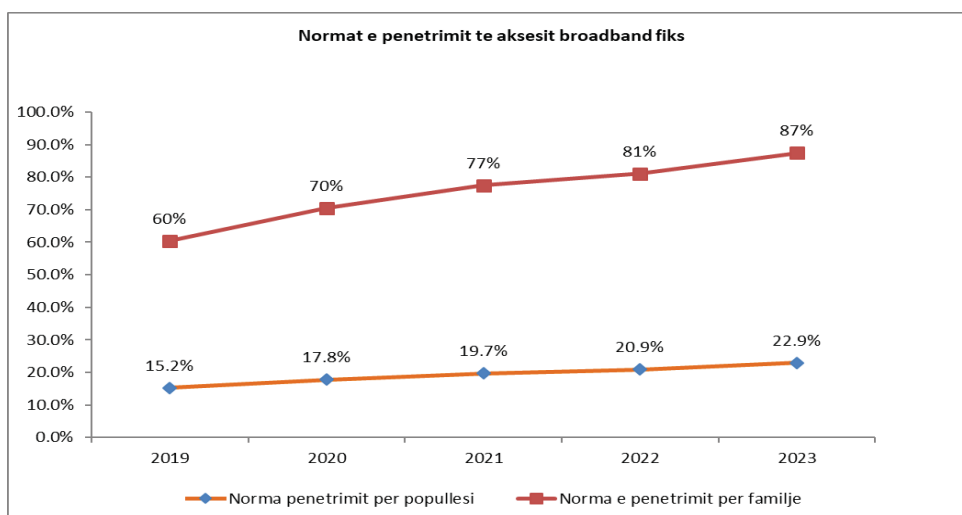
Market shares for several key indicators for “One Albania” sh.a. are as follows:

- approximately 53% of the market share for SIM card users;
- approximately 49% of the market share for active SIM card users;
- approximately 45% of the market share for outbound calls;
- approximately 46% of the market share for data volume (internet);
- approximately 44% of the market share for active internet users (broadband);
- approximately 44% of the market share, respectively of the total revenue and retail revenue.

Fixed Market

For the first time in 2023, the number of broadband access subscribers on fixed networks exceeded 631 thousand or, in other words, approximately 8% more than in the previous year.

The broadband access penetration rate from fixed networks per household³ reached 87% by late 2023, marking an increase of roughly 6% compared to the preceding period.

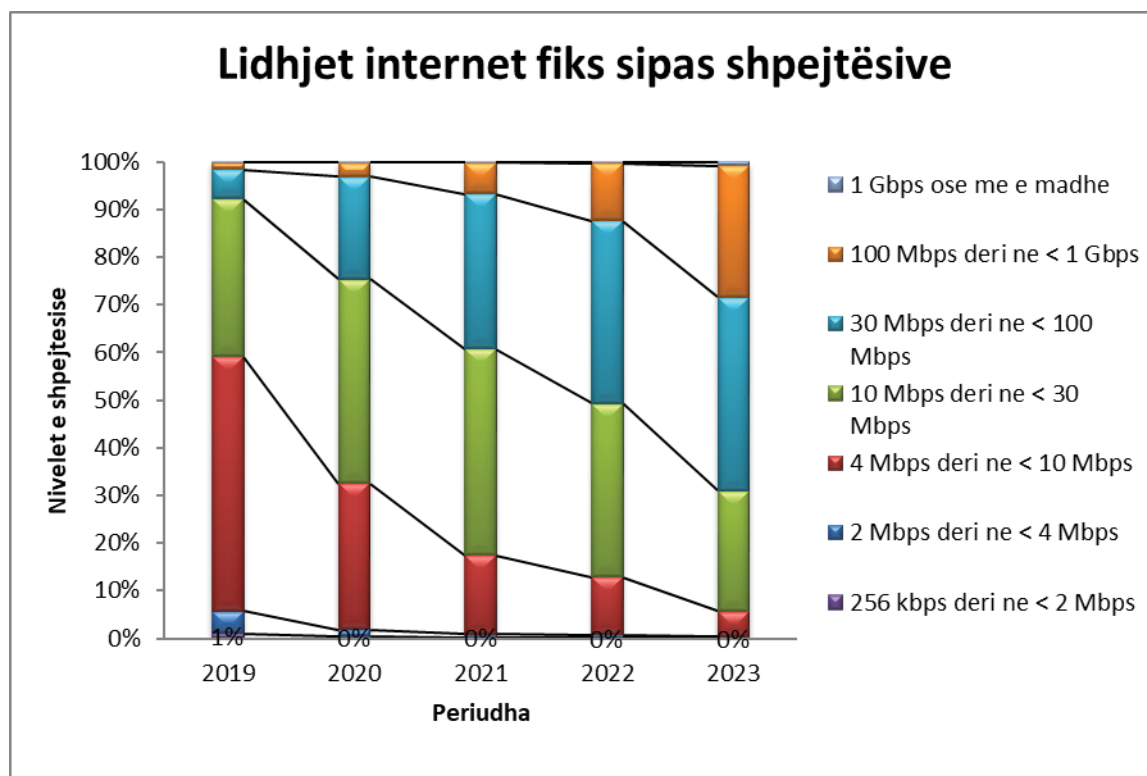


Source: Data sent by operators. Processed by AKEP

³ Number of households according to the 2011 Census.

In the course of 2023, broadband internet traffic from fixed networks reached some 1.25 billion GB, or approximately 24% more than in 2022, which shows that subscribers to these services have used the network to systematically access their financial, information, social, health and other services.

The structure of subscribers with access to fixed internet services is continuously evolving toward broadband services with a 30 Mbps download speed. About 69% of subscribers had access to a fixed connection of such speed in 2023.



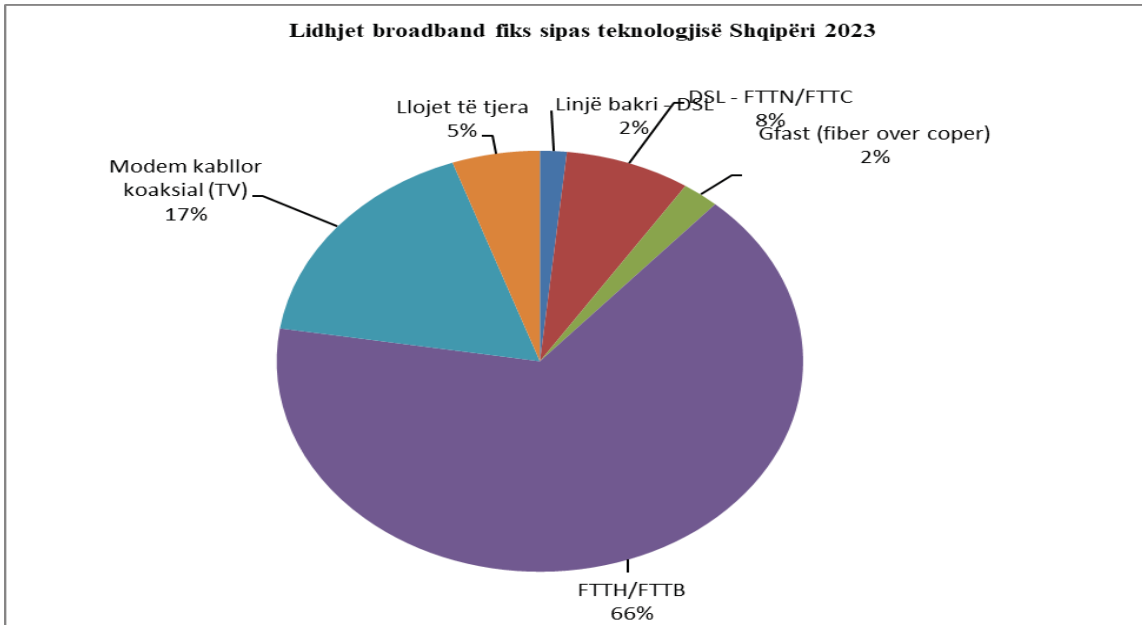
Source: Data sent by operators. Processed by AKEP

Based on the data shown in the chart above, it can be noted that, as of late 2023, the number of subscribers with access to an internet connection with a download speed faster than 30 Mbps comprises about 69% of the total number of subscribers with fixed broadband access, marking a significant increase compared with the preceding period, where subscribers with a speed greater than 30 Mbps constituted some 51% of the total.

Meanwhile, the number of fixed broadband service subscribers with access to a speed greater than 100 Mbps is 179,537 (about 28% of subscribers), marking a significant increase compared with the previous year (about 12% of the subscriber total for 2023).

Fixed Broadband Coverage

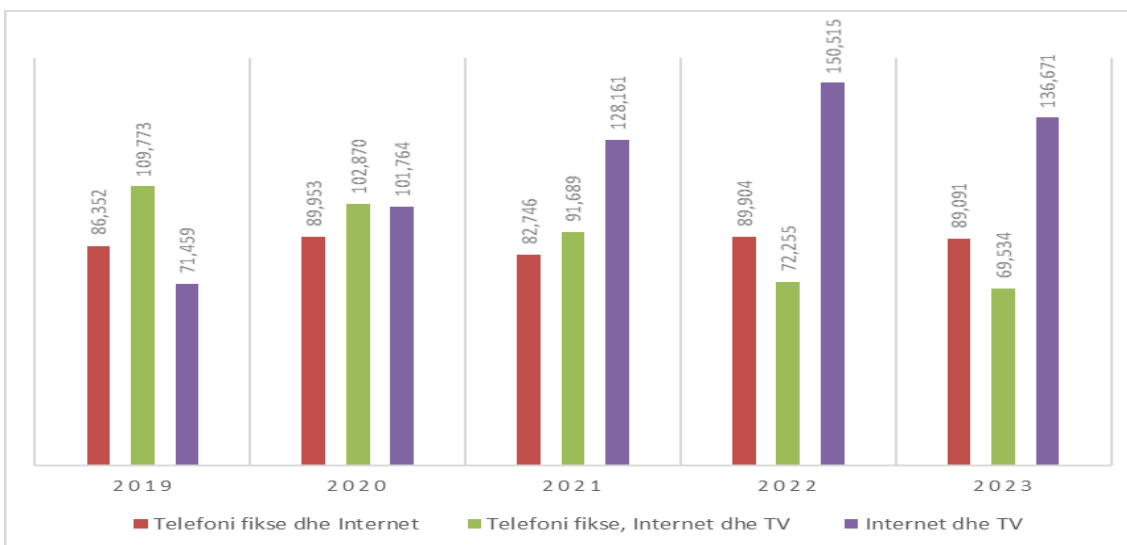
The increasing coverage with fast and ultrafast broadband is led by the wide extension of the FTTH/FTTB technology, which has increased by approximately 17% compared to 2022.



Source: Data sent by operators. Processed by AKEP

Integrated packages (Bundles)

The number of fixed network subscribers that have access to dual and triple bundled services (combination of telephony/Internet/TV) at the end of 2023 was some 300 thousand or 6% fewer than in 2022.



Source: Data sent by operators. Processed by AKEP

Fixed Market share

The number of operators that have reported to provide services from fixed networks in Albania as of the end of 2023 was 252.

The majority of alternative operators are small and have a very limited network presence in urban or rural areas in the proximity of urban centers.

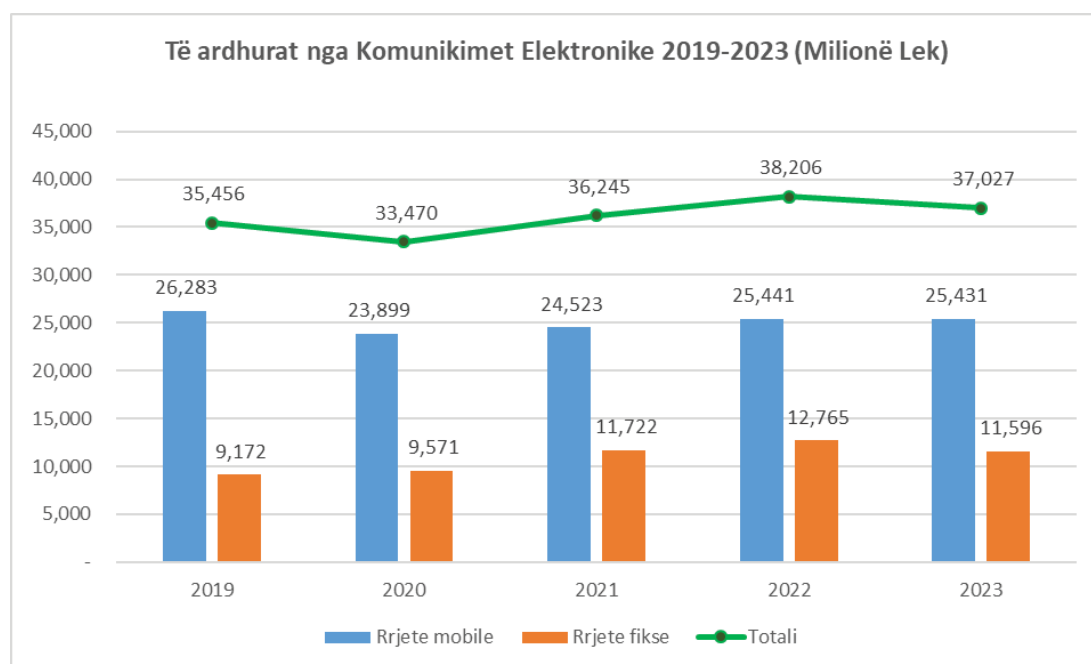
The market of fixed network broadband service provision is marked by a large number of participants, which offer a wide variety of plans and offers to service subscribers.

In 2023, the operators with the largest shares of the fixed broadband network market in terms of subscriber count, were the following:

- “One Albania” with approximately 22% of the market share;
- “Vodafone Albania” with approximately 20% of the market share;
- “A.S.C” with approximately 10% of the market share;
- “Abissnet” with approximately 7% of the market share;
- “Digicom” with approximately 5% of the market share;
- “Nisatel” with approximately 4% of the market share;
- OA (other operators) with 32% of the market share.

Revenue and investments in electronic communication networks

Based on the data reported by electronic communications undertakings for 2023, it results that the delivery of such services during the year made the undertakings some ALL 37 billion, a decrease of approximately three percentage points compared with the previous period. This decrease was also impacted by the decrease in the revenue of fixed electronic communications service providers.

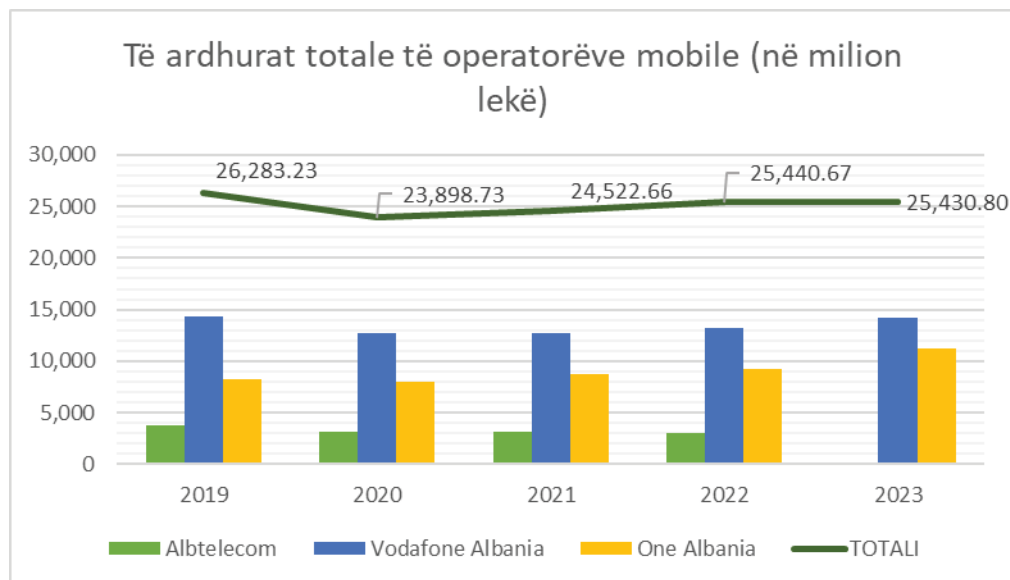


Source: Revenues reported by electronic communications undertakings. Processed by AKEP.

As shown by the data in the chart above, the largest share of revenues is occupied by the revenue generated from mobile electronic communications providers.

Mobile services

During 2023, mobile network service providers made about the same level of total annual revenues as in 2022.



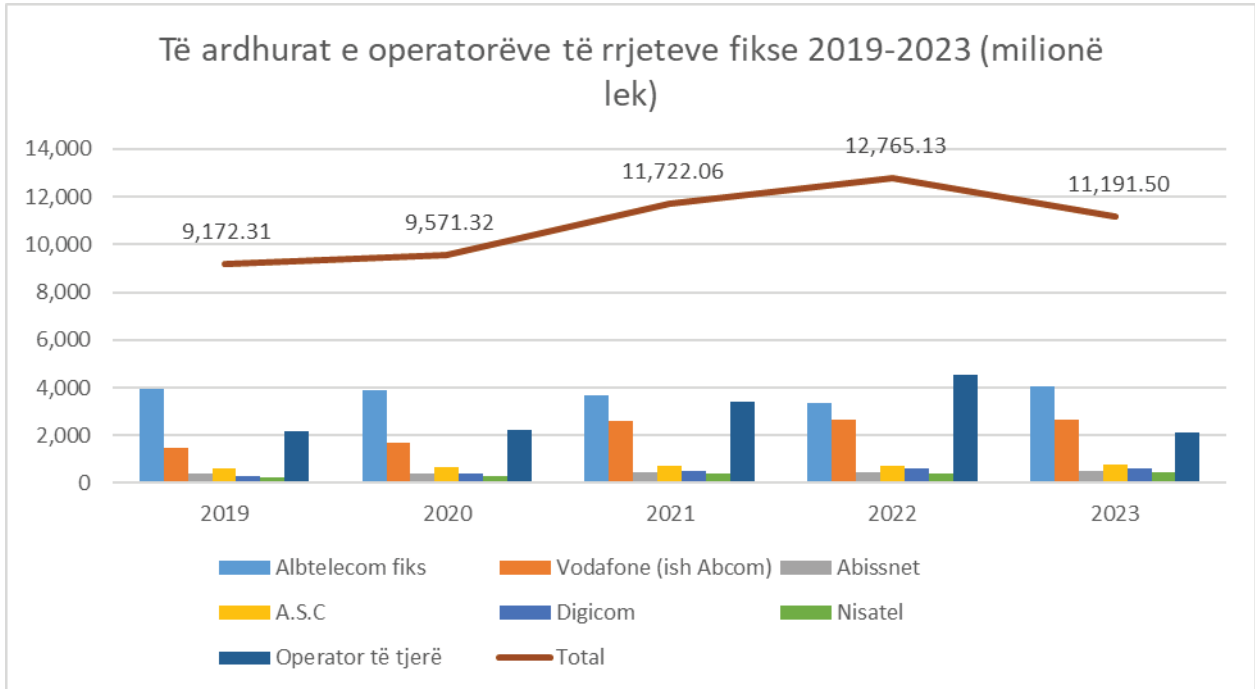
Source: Revenues reported by electronic communications undertakings. Processed by AKEP.

Although during 2023 “One Albania” commenced the delivery of services after the merger of “One Telecommunications” with “Albtelcom”, “Vodafone Albania” remains the undertaking with the highest revenues in the mobile service market, with about 56% of the market total.

In 2023, mobile undertakings invested approximately ALL 1.8 billion, focusing primarily on the provision of mobile network broadband services.

Fixed services

In contrast to the previous periods where fixed service providers’ revenues continuously increased, in 2023, the total revenues generated by fixed network service providers marked a decrease of some 10%, also impacted by the classification of the revenues of both undertakings due to their contestation through judicial means to not be categorized as revenue generated by the provision of electronic communications in Albania (in 2022, the revenues reported by both undertakings amounted to about ALL 1.3 billion).



Based on the data above, it results that the decrease in fixed service provider revenues was impacted by the decrease in the total market share of other operators included in the abovementioned chart.

The revenues generated by large and medium undertakings comprise about 81% of the total revenues generated in 2023.



Source: Operator data: Processed by AKEP

During 2023, fixed network undertakings have invested about ALL 2.6 billion into their networks, marking a 3% increase compared with 2022. According to reports, the investments carried out during the year focused primarily on improving the access to broadband services, with the main investments concerning the relocation of transmission networks from DSL to fiber.

1.3 The Universal Service Status

The Status of Universal Services for electronic communications

Pursuant to Law No. 9918/2008, the main objective of universal service provision in the electronic communications sector is to provide all users in the RoA territory, regardless of geographical location, with access to and use of basic public electronic communications network services (to make outgoing and receive incoming calls and have functional access to the Internet with satisfactory speed), and at an affordable price. The fulfillment of this objective should be carried out by accounting for the main technologies utilized by the majority of subscribers and the technological feasibility, in line with national conditions.

Based on the data on territory and population coverage and fixed and mobile network usage in Albania, mobile networks have been the prevalent technology used to deliver the universal service for access to basic public electronic communications networks and services, despite geographical location and at affordable prices.

GMS/3G mobile network coverage which enables access to public electronic communications networks, including access to and use of functional internet was approximately 99% of the population and some 96% of the territory in 2023. In the recent years there has been a significant increase in 4G network coverage, which provides broadband internet access from mobile networks and, according to operator reports as of late 2023, the 4G network coverage reached 100% of the population and 97% of the territory.

The high mobile network population and territory coverage in the RoA enables access to the public electronic communications network for all residents, regardless of geographical location. In addition to mobile network access despite geographical location, the usage of services delivered by mobile networks has increased.

In late 2023, the number of active mobile telephony users was 2,614,764, while the number of active mobile broadband access users was 2,082,525, comprising 95% and 75% of Albania's population, respectively.

Technological developments, market competition and consumer demand changes (turning toward broadband internet access usage) have resulted in a considerable increase in the coverage and use/number of fixed network broadband access subscribers in Albania.

According to statistical data reported to AKEP by electronic communications networks operators, the number of subscribers with broadband access from fixed networks at the end of 2023 reached some 631 thousand, marking an 8% increase compared with 2022.

The changes in the demand for fixed network telephony services and broadband access resulted in opposite trends with regard to the usage of such services in the recent years: constant decrease in the usage of fixed telephony and annual double-digit increase in the number of fixed broadband access subscribers. Meanwhile, at the end of 2015, the number of fixed telephony subscribers (253 thousand) was somewhat larger than the number of broadband access subscribers (243 thousand), at the end of 2023, the number of fixed telephony subscribers reached 173 thousand, which is approximately 4 times smaller than the number of fixed broadband access subscribers.

Although historically Albania has had very low levels of fixed public network coverage and service usage compared to EU countries, recent developments have led to a considerable increase in the share of households with fixed network broadband access, reaching to 87% at the end of 2023, compared with 37% in 2016, when this indicator was more than two times lower than the EU average.

In addition to the considerable increase in the number of fixed broadband access users, significantly positive progress was made with regard to fixed broadband access speed. In 2023, the number of subscribers/connections to fixed broadband access with a 30 Mbps or higher speed (high-speed and ultra-high-speed broadband) reached to 69% of the total fixed broadband subscriber number, compared with only 1% in 2016. Meanwhile, in 2023, only 6% of subscribers used fixed broadband access with a speed lower than 10 Mbps compared with 83% in 2016.

While the data above refer to the information reported to AKEP by the undertakings (supply end), the high rate of Internet access and service usage is also confirmed by the data on the demand end, according to INSTAT observations.

According to the data published by INSTAT, based on the results of the Survey on Information and Communication Technologies (ICT) usage in Households in 2023:

- *83.1% of the population (16-74 years of age) use the internet, of which 96.26 % use it daily;*
- *The percentage of Albanian households with internet access is 96.7%, compared to*

96.5% in the previous year.

- 90.4 % or about 660 thousand households have access to fixed network broadband internet (optic fiber or cable network, ADSL, etc.).
- The percentage of households with mobile broadband internet access (3G/4G, tablet, etc.) is 99.3%, compared to 99.2% in 2022;
- 99.8% of individuals have used a smart device/phone to access the internet. Meanwhile, 28.2% of the population access the internet through laptops, 27.4% through desktops and 19.1% through tablets;
- 98.7% of individuals use the internet to make voice/video calls through the use of OTT apps (e.g. WhatsApp, Skype, Viber, etc.)

The data above regarding the territory and population coverage with electronic communications services show that mobile and fixed networks enable access to public electronic communications networks and broadband access to almost every household and all the population of Albania, regardless of user geographical location.

The following table provides information according to the latest ITU data⁴ on the affordability of ICT prices, by comparing the affordability of expenses for ITU bundles for Albania for 2022-2023 and comparing them to the global average for 2023.

Table 8: ITU ICT bundle expenses compared to the GNI per capita (2022/2023)

ITU ICT bundles	Albania		Global average
	2022	2023	2023
Fixed broadband access bundle (256kbps / 5GB)	1.27	2.07	2.21
Low-use mobile service bundle (70 min + 20 SMS)	1.09	1.59	0.73
Low-consumption voice/sms/internet mobile bundle (70 min + 20 SMS + 500 MB)	1.45	1.59	1.35
Only mobile internet bundle (2GB)	2.17	2.07	0.84
High-consumption voice/sms/internet mobile bundle (140min + 70 SMS + 2 GB)	1.45	2.07	2.00

Note: The data are shown as percentages (expense/GNI per capita) according to ITU data.

4 <https://www.itu.int/en/ITU-D/Statistics/Dashboards/Pages/IPB.aspx>

The indicators of expense levels compared to income per capita (GNI per capita) for four out of five ITU bundles for access to and use of fixed and mobile network services for Albania increased in 2023 compared to 2022, and for three bundles they were at a higher level than the global average for 2023.

During 2023, it was noted that both mobile operators have changed their unit fees and/or quantities (minutes, SMS or GB) included in the plans used by the ITU as shown in the table above. Such changes have resulted, *inter alia*, in the decrease of units/quantities (minutes, SMS or MB) included in pre-paid 30-day plans priced at ALL 600 introduced during the Covid-19 pandemic in 2021 by the mobile operators, and used by the ITU during 2021-2022 for two low-consumption mobile bundles.

However, it should be taken into account that ITU's ICT bundles contain the minimum quantity of communication units (minutes, SMS or GB) or the lowest speed of fixed broadband access (256 kbps), while the plans offered by market operators and used by the ITU for expense estimation can change over the years according to operators' policies and/or they may contain more communication units/ a higher speed than the minimum reference values of the relevant bundles.

Based on the detailed data published by the ITU for 2023, it results that the relevant plans of Albanian operators used to estimate ITU's bundle expenses contain:

- 1400 minutes + 400 SMS /+1000 MB or 2-20 times more compared to the minimum units of ITU's two low-consumption mobile bundles for calls +SMS + /Data (70 min + 20 SMS / +500 MB);
- 5000 minutes + 2000 SMS / +8 GB or 4-36 times more compared to the minimum units of ITU's two high-consumption mobile bundles for calls +SMS + /Data: 140 min + 70 SMS / +2 GB;
- A 60 Mbps Internet speed and unlimited GB compared to the minimum units of ITU's fixed broadband access bundle (256 kbps / 5 GB).

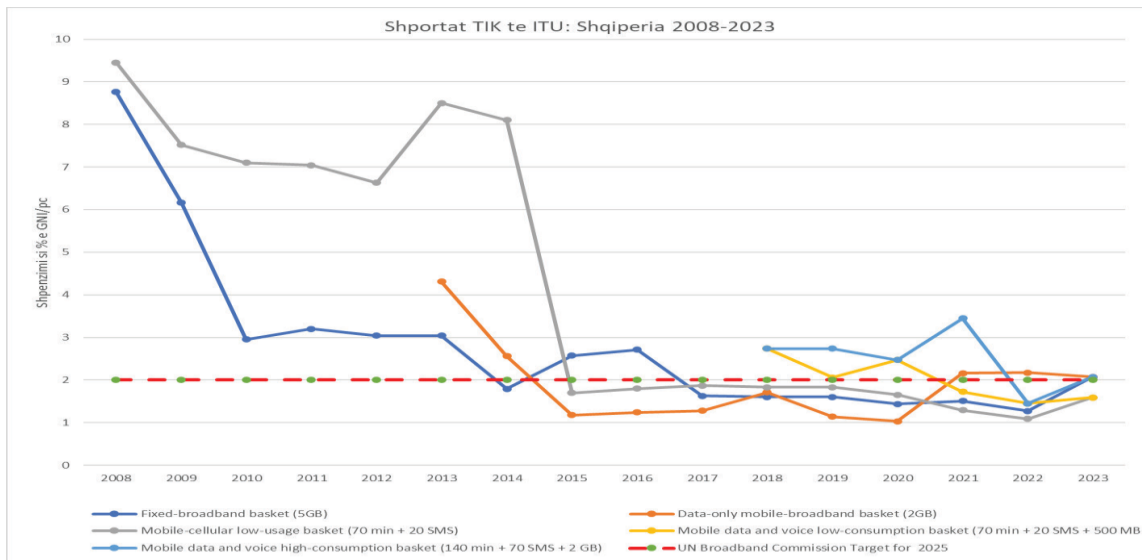
Based on the data published by the ITU, in the following image AKEP shows the progression of expenses for five ICT bundles of the ITU compared to the GNI per capita for Albania during 2008-2023.

The chart includes the affordability target of the UN Broadband Commission for Sustainable Internet Development⁵ to keep broadband access expenses for 2025 below 2% of

⁵ UN Broadband Commission for Sustainable Development defined a number of objectives in 2018, aiming at universalizing broadband access, including reaching a target level of no more than 2% of expenses for basic broadband access services as a share of gross national income (GNI per capita), by 2025.

gross national income per capita. The data show that the expenses for the majority of ITU bundles have been under 2% of the gross income in Albania since 2015, with few exceptions. Moreover, irrespective of the increase in 2023, the expenses for ITU's five ICT bundles are below 2% of the GNI per capita, of which 2 bundles at 0.4 percentage points below threshold and 3 bundles at the 2% threshold.

The progression of expense affordability for ITU's ICT bundles: Albania 2008-23



Source: AKEP according to ITU data

EU and legislative developments for US

Law No. 9918/2008 focuses on the provision of access to public telephony service usage and functional internet access of satisfactory speed under the universal service.⁶ Thus, according to Law No. 9918/2008 and based on the practices of most EU countries⁷ until recently, broadband internet access has not been considered part of the US.

The EU Electronic Communications Code (hereafter the EECC) aims at regulating all sector activities, with the purpose of adding another pillar to its regulation (*the new connectivity objective*), promoting high speed networks, ensuring maximum expansion and access to high speed infrastructure networks, with one of the main implementation goals being the implementation of 5G, as well as several significant changes regarding

⁶ These provisions are in line with Directive 2002/22/EC, as amended by Directive 2009/136/EC.

⁷ Based on the BEREC report's data (BoR (20) 99), published on 11.06.2020, it results that during 2010-2018, only 9 of 28 EU Member States had included broadband access under the universal service. In these countries, universal service's minimum internet speed varied from 1 to 4 Mbit/s, with the exception of the UK and Sweden that have defined a speed of 10 Mbit/s.

universal service.

The EECC emphasizes that the universal service concept should evolve to reflect technological advancement, market developments and changes in user requirements. In accordance with the changes that have taken place across EU countries, particularly with respect to broadband access (in 2015, fixed broadband networks covered 97% of households and 72% of EU households were fixed broadband subscribers, while wireless network services had greater usage and coverage), the EECC has included the broadband internet access from fixed locations with adequate speed under the universal service, marking a fundamental departure from the concept of functional internet access of satisfactory speed, part of the previous EU regulatory framework and Law No. 9918/2008.

As regards the adequate speed of the broadband access, the EECC provides that it may be defined by the relevant member state based on the national conditions and the maximum speed used by the majority of consumers, while also considering BEREC reports on best practice, with the goal of ensuring the level of speed required for social and economic participation in the society.

On 7 March 2024, BEREC published the report (BoR (24) 40) on the best practices to define the adequate broadband internet access service. According to the report, the situation regarding the inclusion of broadband internet access has changed significantly compared to the previous 2020 report as the majority of EU/EEA Member States have transposed the EU Electronic Communications Code (EECC) and have defined parameters for adequate broadband internet access service under the universal service.

BEREC monitoring data indicate that as of mid-2023, 19 countries had defined the US adequate internet service, 1 country had yet to do so, while 9 other countries were conducting public consultations or had envisaged doing so, or had yet to transpose the EECC into their national legislations). The large increase (from 9 to 18) in the number of countries that have included broadband access under the universal service took place during 2021-2022, which corresponds to the EECC transposition in such countries.

In terms of the definition of the adequate broadband internet access service under the US, it results that the majority of countries (9) have defined the broadband internet access with a 10 Mbps download speed as a minimum requirement. Only certain countries (6) have defined - or are in the process of doing so - a higher speed (up to 30 Mbps), while some countries (3) have defined a lower speed (6-8 Mbps) as adequate internet speed under the US.

With regard to the methodology employed to establish the minimum requirements on adequate internet access service/speed under the universal service,

BEREC's report (BoR (23) 178) highlights that the countries have factored in several criteria, such as:

- National conditions, which constitute the main factor considered, such as minimum speed of internet access used by at least 80% of consumers, current market fees/offers, etc.;
- Set of minimum services to be enabled by adequate internet access;
- Experience of other European countries according to BEREC reports;
- Future needs, such as broadband service and demand evolution;
- US availability and affordability;
- Technological solutions to enable broadband access on fixed, mobile and satellite networks according to national conditions and network availability;
- Geographical parameters (needs/costs by geographical region).

As regards the mechanisms of obligation designation for US, the EECC provides that US delivery obligations shall only be designated in specific cases, when the market fails to provide the US in commercial terms. According to BEREC's report, only 9 countries have established obligations to service providers to ensure adequate broadband internet access service delivery under the universal service, while the majority of countries have neither done so, nor do they intend to.

During 2023, AKEP has continued cooperating with the MoIE on finalizing the new draft law on electronic communications, which aims to transpose Directive No. 2018/1972/EC of the European Parliament and of the Council, dated 11/12/2018 "On the Establishment of the European Electronic Communications Code", including the relevant EECC definitions on universal service and adequate-speed broadband access under the US.

In view of the recent developments in fixed network broadband access, mobile market's consolidation, and in the framework of the measures on the implementation of the new law, AKEP foresees to carry out a detailed review of the universal service and its key aspects during 2024-2025, which will cover the definition of parameters for adequate broadband access under the US and price affordability, taking into account the latest developments in EU countries with respect thereto.

2. The progress of regulatory monitoring in the telephony and mobile networks sector

2.1. *The preparation and publication of the document “The Analysis of Voice Termination Wholesale Markets in Mobile Telephony Networks” for Public Consultation.*

In support of the fulfillment of the recommendations of the Parliament of Albania resolution for AKEP in 2023, the Electronic and Postal Communications Authority has paid special attention to drafting the documents related to the analysis of mobile and fixed markets during 2023.

The preparation and publication of the document “*The Analysis of Voice Termination Wholesale Markets in Mobile Telephony Networks*” for Public Consultation was prepared by the Electronic and Postal Communications Authority, in accordance with articles 34 and 35 of Law No. 9918/2008, “*On Electronic Communications in the Republic of Albania*”, and Regulation “*On Market Analysis*”. Based on Decision No.16, dated 16.11.2023, the AKEP Steering Board approved the document “*The Analysis of Voice Termination Wholesale Markets in Mobile Telephony Networks*” for Public Consultation.

The market analysis purpose is to analyze and assess whether there are competition problems in the relevant market, then, to announce the operators with significant power in the relevant markets, to adopt regulatory measures and approve the voice termination fee in mobile networks for the achievement of AKEP objectives to:

- promote the efficiency of mobile networks;
- promote sustainable competition in the mobile services retail market;
- enable greater benefits to subscribers from the electronic (mobile) communications services.

The main objective of reviewing the voice termination fees is to assess the competition in the mobile market of the Republic of Albania and to take appropriate measures for *ex-ante* correction with the purpose of promoting competition and efficiency in this market. The document of the Analysis of Voice Termination Market in Mobile Networks is prepared in implementation of Law No. 9918, dated 19.5.2008, “*On Electronic Communications in the Republic of Albania*”, as amended, as well as taking into consideration the guidelines and recommendations of the European Union, aiming to improve and promote effective competition in the mobile electronic communications market in the Republic of Albania, the characteristics of the domestic market, as well as to address market developments and AKEP expectations in the near to mid future and relevant regulatory measures

for SMP in the analyzed relevant markets.

The drafting of this document is of particular importance as it takes into account the outcomes of the costs model benefited from the consultation service during 2020-2021, which presents detailed information regarding the mobile network service costs, and it provides relevant recommendations for the continuation of mobile voice termination service adjustments according to the characteristics of the Albanian market.

The document of the Analysis of Voice Termination Market in Mobile Networks, in accordance with the provisions of article 35, of Law No. 9918/2008, as amended, was subject to Public Consultation procedures for 60 days (16.11.2023 -16.1.2024), during which the Competition Authority and other interested undertakings have submitted their comments to AKEP.

2.2. The monitoring of the merger by absorption effects of “One Telecommunications” sh.a., and “Albtelecom” sh.a. operators,

2.2.1. Completion of the “switch off” and “cut-over” technical processes.

The merger by absorption of the two main operators in the mobile and fixed telephony markets represented an unprecedented development with significant medium-term consequences. The partially unpredictable effects of technical grafting in the new company framework and the technological displacement in a unified internal network and systems circuit was added to the impact in terms of competition and spectral reorganization. Consequently, in addition to the tasks arising from addressing potential distortions of competition, AKEP assessed the direct monitoring of the maintenance of several vital technical processes as strategic matters for the successful completion of the merger by absorption.

Monitoring, according to the Decisions of the Steering Board No. 14 and 15, of November 7 and December 16, 2022, which approved the transfer of frequency usage rights to the new undertaking, provided that, among other things, “shall approve the transfer of frequency usage rights”⁸, aimed:

first to anticipate any unexpected events that could be caused by transition to the unified networks and systems, which could result in a services violation to the public, consequently, violating the subscriber’s rights;
secondly, to guarantee a synchronized, and as real-time transparent as possible objective technical process, to avoid incidents caused by the lack

⁸ <https://akep.al/wp-content/uploads/2022/11/Vendim-Nr.-07.11.2022.pdf>
<https://akep.al/wp-content/uploads/2022/12/VKD-nr.15-date-16.12.2022.pdf>

of experience, possible negligence and limited human resources of the engaged staff;

thirdly, to supervise and help in the adjustment, as far as it could be necessary, of the staff and systems response capacities in relation to the current problems of the process and relevant information to the public.

AKEP decided to engage in this dynamic even based on the consecutive alerts, during October-December 2022, for serious dysfunctions in the implementation of new integrated B/OSS systems.

The above-mentioned processes, known as “switch-off” and “cut-over” in technical language, are related to the decommissioning of the merged undertaking’s networks and systems and the transfer of its subscribers to the new undertaking’s networks and systems. At first routine appearance of these technical moments, in the present case, an in-depth preliminary preparation and a verification of the undertaking capacities was required to undertake it standardly and within the appropriate warranties. To ensure that “One Albania” sh.a. undertaking, would take the appropriate measures in this regard, AKEP held a round of technical meetings with its representatives during December 2022 - February 2023. Based on the meetings, AKEP was convinced of the necessity for an increased supervision during the process, therefore, on March 29, 2023, it decided to include the “One Albania” sh.a. undertaking, in a general inspection procedure. In addition, during this period, importance was given to the B/OSS system monitoring process, including the issues in the modules that this system could present in the porting process as well as with the NPresponses and the phone calls routing in the ported numbers.

During the inspection, which covered the entire period of technical processes, the AKEP team monitored their maintenance, step by step, requiring the undertaking:

- I. To take the necessary technical measures to reduce as much as possible the time of limitation or interruption of mobile telephony services;*
- II. To resume providing mobile telephony services within the provisions of Regulation No. 16, dated 16.4.2010, “On Service Quality Indicators”;*
- III. To take specific measures or actions on informing the users of public communication networks services related to the works planned for maintenance or updates, (informing on the public information campaign, via media or SMS addressed to the subscribers on the “Cut Off” process);*
- IV. To have detailed plans and an analysis of the areas, subscribers, which*

may be affected by service interruption, as well as time intervals which can cause an interruption within the stated timeframes;

- V. *To pay special attention to the institutions of particular importance, (ministries, constitutional institutions, agencies, authorities, airports, ports, customs, etc.)*

The implementation of the combined “switch-off” and “cut-over” processes started on April 1, 2023 at 01:30. Problems which could not enable the migration of “Albtelecom” network majority of subscribers to “One Albania” sh.a. network, were immediately identified, causing an interruption of the telephone services for 4 hours. The complex problems which appeared and risked even longer service interruptions for the subscribers after the morning of April 1, obliged the undertaking to suspend the processes based on AKEP recommendation. The regulator immediately asked the undertaking to continue, prior to any reactivation, the analysis of the failure causes, to draw the appropriate conclusions and inform the individual subscribers, businesses and institutions of particular importance, on the progress of the process. AKEP issued a Press Release on his behalf after being officially acquainted with the undertaking’s respective report on the occurred incident. Analyzing the situation, considering AKEP recommendations and taking the appropriate measures, led to the reactivation of the process one week later. On April 8, 2023, the “One Albania” sh.a. undertaking, despite all the identified problems, successfully completed the “switch-off” and “cut-over” of the old networks and systems. AKEP closely and in real-time monitored the “cut-over” process, carrying out the control and monitoring of service quality indicators on-site during the whole time, for GSM, UMTS and LTE services. Through AKEP stimulus and under its supervision, a technical assistance facility was also set up online and at the points of sale by the undertaking, to help the subscribers regarding the minimum manual actions necessary to complete the transition to the new network and systems.

2.2.2. Prudence for the protection of the rights of subscribers

a. Information measures

The main reason for the detailed monitoring of the “switch-off” and “cut-over” processes was to guarantee the continuation of the telephony-internet services for the end-users and to ensure transparency on handling the merger technical challenge. Therefore, AKEP has repeatedly recommended the undertaking to proceed with the shortest possible terms, systematically and with clear and easily accessible formats by:

- a. Notifying all subscribers on the possibility of a lack of mobile services

- in time intervals within the range of several minutes;
- b. Taking necessary measures to minimize the interruptions duration in case of a technical incident;
 - c. Performing a migration to the new systems during late night hours;
 - d. Compensating the affected subscribers in case of prolonged interruption of mobile services;
 - e. Reporting the migration progress on the new systems to AKEP.

In the framework of facilitating access to information and assistance during the complicated migration process, two online communication modules were formed and activated by AKEP to serve the subscribers.

The first module, e-Complaint, is related to the opportunity given to the subscriber to submit the complaint *online*, via AKEP website, respectively at the link <https://akep.al/e-ankesa/>.

The second module is again related to the opportunity of subscribers communication to the relevant AKEP directorates. Through this module, subscribers are given the opportunity to address various problems (not just complaints), to specific directorates. This service is offered online on AKEP website, respectively at the link <https://akep.al/kontakt/>.

b. Corrective measures

Despite the successful completion of the “switch-off” and “cut-over” processes, the comprehensive inspection at the “One Albania” sh.a. undertaking, on March, 2023, resulted in disturbing findings, especially regarding number portability processes, invoicing procedures and information on the progress of contracts with the subscribers and call routing malfunctions. The inspection concluded that the “One Albania” sh.a. undertaking, did not guarantee the regular progress of the portability process pursuant to the provisions of the Regulation No. 43, “On the Manner of Implementing Number Portability”. Under these conditions, the following main administrative measure was imposed on the “One Albania” sh.a. undertaking: “Warning” accompanied by additional tasks in the form of a recommendation.

In order to verify the established recommendations, AKEP performed a new inspection at the same undertaking during September 2023, also including the examination of the technical incidents causes occurred on 24 - 26 August 2023, which caused occasional interruption of the telephony and internet public services to the end users.

Based on the examination of the administered documentation during the second inspection,

characterized administrative offences were found in the activity of the electronic communications undertaking “One Albania” sh.a., necessarily punishable pursuant to the relevant provisions of the sectoral legislation, with the administrative measure “Fine”.

At the end of the inspection procedure of AKEP Steering Board, based on Decision No. 14, dated 24.10.2023, approved the proposal of AKEP inspectors that an administrative measure “Fine” in the amount of 10 000 000 (ten million) Albanian Lek shall be imposed against the undertaking of electronic communications “One Albania” sh.a., according to paragraph 18, section III, article 137, of Law No. 9918/2008.

The imposed administrative measure was implemented by the “One Albania” sh.a. undertaking, on January 9, 2024.

AKEP continues the periodical monitoring of the corrective measures implementation which consist of:

- acting in accordance with the legal and contractual obligations related to service limitations and prior notice to the subscriber before the termination of the contract;
- acting in accordance with the legal obligations related to the publication of transparent, comparable, appropriate, and updated information in case of termination of the contract;
- acting in accordance with the legal obligations related to the subscriber and AKEP notices on the restriction or prohibition of access to their services;
- repairing all the technical issues identified in the architecture of the B/OOS system modules aiming to eliminate the points of failure and to improve the system.

2.2.3. Results from the inspections and corrective measures of the problems, imposed by AKEP

AKEP (technical and inspection) structures closely followed the technical process of the mobile numbers migration from the “Albtelecom” sh.a. undertaking network to the “One Albania sh.a.” undertaking network (on April 1, 2023, at 01:00am).

Problems which could not enable the migration of the “Albtelecom” sh.a. network majority of subscribers to “One Albania” sh.a. network, were immediately identified during the implementation of this delicate process, causing an interruption of the telephone services for approximately 4 hours.

Under the conditions where this process was problematic and complex, AKEP inspection structure took an urgent measure on 29.3.2023 against the

“One Albania” sh.a. undertaking, a Decision delivered on time to the undertaking imposing duties and commitments.

In order to guarantee proper and suitable services for every user/subscriber in the territory of the Republic of Albania as well as avoid every possible issue, which could cause limitations on mobile telephone services, AKEP Inspection Group, ordered the inspection undertaking to immediately inform the public, individual subscribers, businesses as well as institutions of particular importance on the possible problems which could be faced during the transfer of numbers.

In addition, AKEP notified the general public on its official website, through a Press Release on 2.3.2023 about the network unification procedures and services update of “One Albania” sh.a.

Subsequently, even during the second attempt on 8.4.2023, AKEP closely monitored the “cut-over” process, controlling and monitoring the service quality indicators on-site during the whole time, for GSM, UMTS and LTE services.

The implementation of this process enabled the successful transfer of the “Albtelecom” sh.a. network majority of subscribers to “One Albania” sh.a. network.

However, based on the preliminary analysis of the situation, problems in portability and call routing process were found, which originated from the technical obstacles of the systems applied by the “One Albania” sh.a. undertaking.

Assessing the portability situation as highly disturbing, the AKEP inspection structure found that the activity of the “One Albania” sh.a. undertaking, does not guarantee a regular use of the portability process according to the provisions of Regulation No. 43, “*On the Manner of Implementing Number Portability*”. Under these conditions, a main administrative measure “Warning” and additional administrative penalties in a recommendation form were imposed against the “One Albania” sh.a. undertaking.

In order to verify the established recommendations during September 2023, AKEP has performed a reinspection at the electronic communications undertaking “One Albania” sh.a.

Based on the examination of the managed documentation, administrative offences were found in the activity of the electronic communications undertaking “One Albania” sh.a., necessarily punishable pursuant to the relevant provisions of the sectoral legislation, with the administrative measure “Fine”.

At the end of the inspection procedure of AKEP Steering Board, based on Decision No. 14, dated 24.10.2023, *approved the proposal of AKEP inspectors* that according to paragraph 18, section III, article 137, of Law No. 9918/2008, an administrative measure “Fine” in the amount of 10,000,000 (ten million) Albanian Lek, shall be imposed on the electronic communications undertaking “One Albania” sh.a.

This administrative measure has already been voluntarily implemented by the “One Albania” sh.a. undertaking, and meanwhile, the periodical monitoring continues on the implementation of corrective measures, which consist of:

- acting in accordance with the legal and contractual obligations related to service limitations and prior notice to the subscriber before the termination of the contract;
- acting in accordance with the legal obligations related to the publication of transparent, comparable, appropriate and updated information in case of termination of the contract;
- acting in accordance with the legal obligations related to the subscriber and AKEP notices on the restriction or prohibition of access to their services;
- repairing all the technical issues identified in the architecture of the B/OOS system modules aiming to eliminate the points of failure and to improve the system.

3. The progress of regulatory monitoring in the fixed network sector

3.1. *The preparation and publication of the document “The Analysis of Fixed Networks Infrastructures and Broadband Access Wholesale Markets” in Public Consultation*

AKEP Steering Board by means of Decision No.1, dated 10.1.2024 approved the document “*The Analysis of Fixed Broadband Access Wholesale Markets*” for Public Consultation.

The document “*The Analysis of Fixed Broadband Access Wholesale Markets*” is prepared according to the provisions of Law No. 9918, dated 19.5.2008, “*On Electronic Communications in the Republic of Albania*”, as amended, and it also takes into consideration the guidelines and recommendations of the European Commission for these markets, aiming to improve and promote effective competition in the broadband internet market from specific locations in the Republic of Albania.

AKEP, in the capacity of the Contracting Authority, regarding the document drafting, has received the service “*Consultation for the Assessment of the Broadband Market Analysis*” from the merger of the operators “*Albanian Business Partner sh.p.k*” and “*Tera Consultants*”.

The fixed Broadband access wholesale markets are part of the list of markets approved in AKEP Regulation No. 9, dated 17.7.2009, “*On Market Analysis*”, as amended, also part of the regulated markets based on the recommendation of the European Commission in 2014, therefore, AKEP does not consider it necessary to conduct an analysis of the three criteria if these are relevant markets justifiable for an *ex-ante* intervention. Meanwhile, the wholesale market for the access to passive interurban infrastructure at a national level is not part of this list and it is considered necessary to carry out an analysis based on the forecasting of the three criteria test to determine whether this market is justifiable for an *ex-ante* intervention.

AKEP, in collaboration with the consultant, has carried out an in-depth analysis of the broadband market, related to all the markets that affect its development in Albania, which are part of EU recommended markets, but also taking into consideration the national circumstances pursuant to Regulation No. 9 “*On Market Analysis*” and provisions of Law No. 9918, “*On Electronic Communications in the Republic of Albania*”, including the EC recommendations, as well as the best international practices and provisions of DCM No. 434, dated 3.6.2020, “*On the National Broadband Development Plan 2020-2025*”.

Due to the importance of such a document according to the provisions of article 35, of Law No. 9918/2008, as amended, the Decision and this document have been published in AKEP website on 11.1.2024 and shall be subject to Public Consultation procedures for a period of 60 days.

AKEP Steering Board, after receiving the comments and being informed of the interested parties attitude, shall approve the final document during 2024.

3.2. Problems of extending the network to access points and the shared-use of infrastructure.

AKEP has established, operates and manages the (CIS) Centralized Information System - ATLAS, in which electronic communications undertakings are obliged to record their active and passive networks pursuant to the legislation in force⁹. All the electronic communications undertakings continued to update the data in the electronic communications network centralized information system (ATLAS) during 2023.

In addition to the need of a new technological and manageable system interface, its efficient use faces two major problems which have a negative impact on the sustainable and long-term development of infrastructures and broadband networks in our country: the systematic data population from small and numerous undertakings dispersed in the four territorial directions; weak cooperation with local government units.

AKEP noticed negative data regarding the first problem based on the last inspection at the end of the fourth quarter of 2023. According to the inspections of the ATLAS system it is concluded that:

- 15 electronic communications undertakings update the network;
- 144 electronic communications undertakings have declared a network, but have not performed updates;
- 92 electronic communications undertakings have not declared a network.

In the framework of the above findings, the undertakings were made aware of their legal obligations by AKEP pursuant to Regulation No. 26, dated 16.8.2012, “On the Content, Form and Operation of the Public Electronic Communications Networks Register in the Republic of Albania”, as well as the need for a more professional interaction with ATLAS system, despite the technical and structural deficiencies that small undertakings have to face on a daily basis.

Omissions from the local government units, municipalities, cause even more major problems that are encountered in the management of the ATLAS system. The municipalities manage passive infrastructure (which can include cable routes), consisting of underground infrastructure, wells, poles, etc.

⁹ Law No. 9918, dated 19.5.2008 “On Electronic Communications in the Republic of Albania”; Law No. 120/2016 “On the Development of High Speed Electronic Communications Networks and Ensuring the Right of Way”, articles 12 and 13.

Most of the municipalities continue to hold an indifferent attitude, although they are obliged to upload the relevant data to ATLAS, and although they have been made aware of their importance through formative meetings organized by AKEP. The lack of these essential data and failure to complete them entails significant consequences: damage to road infrastructure through new interventions in the asphalted segments, overload of the aerial infrastructure through cables multiplication, neglecting the underground ones, as well as massive overuse of radio transmitters.

The role of municipalities in granting construction permits for transmission towers is another impasse that continues without a solution from the local government. In order to ensure the widest possible service coverage across the territory, AKEP also imposes conditions regarding the percentage of the territory for which the undertakings should provide service coverage, determining the obligations related to the areas without or with low coverage, while providing the electronic communications undertakings with a general authorization. In order to meet the obligations, the undertakings must invest in the transmission towers construction, which requires professional handling and quick responses to requests of building permits. However, in most cases, the time to obtain a building permit exceeds any reasonable timeframe, reaching an average of 2 to 3 years.

The lack of interaction with the ATLAS system reflects a generally weak awareness of the local government towards strategic policies of connectivity development through the construction of high-speed networks, which are pillars for nowadays sustainable development in the region, continent and anywhere across the world. Under these conditions, AKEP has deemed it necessary to address to the Parliament of Albania on October 2023, to coordinate a disciplinary process through its special structures of local government units, in order to create the conditions for a real cooperation and their significant involvement in the territory planning process as well as the development of public policies in the digital sphere.

Electronic and Postal Communications Authority (AKEP), regarding the implementation of legal and sub-legal sectoral framework for electronic communications in the Republic of Albania, aims to intensify the cooperation with the Parliament of Albania as the highest normative and supervisory institution for public activities which intend to improve services and standardize them in a daily basis as well as use them as efficiently and satisfactorily as possible for the consumer.

In addition to the annual reporting to the Commission of Production, Trade and Environmental Activities, AKEP considers it necessary to establish a regular communication even with the Commission of Legal Issues, Public Administration and Human Rights, which is composed of a Subcommittee for the Local Government, for the coordination of a series of steps to raise the awareness of several sectoral actors, mainly of local government, for the need to take a coordinated set of measures related to

the infrastructural development of telecommunication networks, at the level of municipalities and administrative units.

While the normative framework in force is quite complete, as the state strategies and the directive documents of the European Union are quite clear in this regard, their effective implementation on-site seems slow and problematic. Over the years, AKEP has tried to transmit to the local government the importance and relevant obligations arising from this framework, but it has faced a continuous lack of proactive reaction.

Under the conditions where the sustainable digital development of the country highly depends on the systematic development of their networks and infrastructures, according to the relevant standards, the delays in the specific implementation of the legal and European framework cause a backlog and accelerated depreciation of access to digital goods, which severely impacts the market stability due to high risk of generated informality and administrative delays, violating the services continuation for the consumers.

Due to the absence of an interlocutor focused on local government issues at local level until today, in the framework of the Sub-Committee on Local Government, AKEP addressed to the honored Committee to propose the initiation of an engaging audit and awareness process on local government related to the problems of electronic communications network development on-site and serious institutional cooperation with AKEP.

Based on the above, a synoptic presentation of the issues that deserve special attention was submitted, welcoming any future initiative from the relevant Committee and Sub-Committee in order to address them during the communications with the regulatory authority and local government¹⁰.

During 2024, AKEP will engage even with the new Ministry for Local Governance to ensure a proactive approach to the above-mentioned issues, that need to be addressed immediately to improve the digitalization public policies which, nowadays, impact all the public and private administration fields in the Republic of Albania.

3.3 Technological update of territory mapping, through the ATLAS system in cooperation with the International Telecommunication Union (ITU).

In order to fulfill its duties for the implementation of the connectivity and digitalization policies and strategies, AKEP has been working for the system improvement in cooperation with the Ministry of Infrastructure and Energy during 2023.

¹⁰ Letter No. 2137 Prot., dated 3.10.2023, "Forwarded information" submitted to the Commission of Legal Issues, Public administration, and Human rights.

ATLAS through the “Albanian Broadband ATLAS Development” project, in the framework of EU investments and the Western Balkans Investments Framework (WBIF).

ATLAS, or the Centralized Information System, stores all the geographical data of electronic communications networks components for the entire territory of the Republic of Albania. The change of technologies, rapid network development and ever more demanding international standards impose a rapid and precise development of the ATLAS system.

Throughout 2023, in the framework of reviewing the findings from the pre-feasibility study carried out within the WBIF program, technical and financial assistance has been requested for the implementation of a new ATLAS closely cooperating with (ITU) International Telecommunications Union experts, to assess successfully implemented models in different European countries, in order to conclude on a suitable version for Albania’s case.



*A meeting with ITU representative Mr. Elind Sulmina regarding the cooperation for the ATLAS development
(Source: AKEP)*

Based on the cooperation with ITU experts it has been reached to the conception of a possible version

of the future ATLAS, which shall address all the current problems. It is also expected that this version will provide more functionalities, which shall enable ATLAS to turn into a complete accurate geo-data system, capable of generating useful reports and statistics in real-time.

The objectives:

1. Simpler system management;
2. Automated generation of reports for the network updates status;
3. Creating a new data design, which accurately guarantees the validity of the data;
4. Enabling the provision of data from the Backbone to the subscribers lines within the flats;
5. Providing data for the leased networks;
6. Providing data for the service quality;
7. Providing data for the coverage areas.

The new ATLAS project is currently in the drafting phase. The final draft will be subject to comprehensive consultations with the stakeholders, local government units and electronic communications undertakings.



II. CYBERSECURITY SUSTAINABILITY CHALLENGES

1. Strengthening cybersecurity in the institution infrastructures

1.1. Implementation of the platform for (SIEM) cybersecurity management

Since 2021, AKEP has treated cybersecurity as an absolute priority, which has been reflected in the increased investments and expenses for budgeted maintenance during the last three years. The sustainability of the institutional infrastructures and systems during the regional cyber crisis of 2022 justified even more the attention that had to be paid to this strategic component of proper functioning and digital public services continuation. Within this framework, the implementation of the platform for the management of cybersecurity incidents, (*Security Information and Event Management -SIEM*) was part of 2023 budget planning. Last year the platform was successfully implemented, with an efficient architecture and a guaranteed performance.

The architecture and performance of the platform offers a virtual environment which guarantees an efficient log management and real-time analysis of problematic events. Events are identified, generated as reports, analyzed, stored and monitored in real-time. Through a chain of automated actions, a complete record of network activities is constituted with comprehensive, integrable and personalized data. The minimum event rate is 1500 per second. The processes coordination is provided by a unified central interface which performs several control, management and decision-making actions for addressing problematic events and it consists of 4 components: Security Manager, Logistics Manager, Endpoints and Servers Data Collector, Applications Reporter and Monitor.

The system is capable of providing an analytical performance within 10 seconds, as an average response time to generate a monthly report consisting of all the events which occurred during a period of 30 days with up to 300,000 events per second. SIEM main purpose is to ensure device security and is capable of categorizing any security incident based on risks, even creating real-time alarms for the solution of the emerging problem.

The system is able to design the inbound event data into logical groups, such as domains, networks, applications, target devices importance, etc. This data design assists in logical filtering and distinctions between events. To provide solutions for complex and real-time situations,

minimizing the investigation time and correcting the incidents, SIEM activates the Advanced Event Management module to automate the actions for addressing the security problems.

In addition, as a very important element of cybersecurity protection technologies, SIEM is able to perform advanced forensic analysis, from the same Security Manager GUI (Graphic User Interface), with no need to install an agent or to export data outside the interface.

Main SIEM characteristics

- It delivers performance, actionable intelligence and an integration of solutions at the speed and scale necessary for security.
- Centralized dashboards, reports, reviews, rules and signals.
- Content packs - sets of alerts, reports, variables, rules/correlations and watchlists which address common security cases.
- Correlation of suspicious information to historical events or real-time data.
- The ability to collect data from third parties security devices, Trellix products as well as threat intelligent feeds.
- A simple access to security events data storage.

It is important to note the Endpoint Protection Antivirus - EPA as an asset of the overall system architecture. Through its “antivirus agent”, EPA is extended in capillary forms across all institution endpoints, including workstations of every AKEP employee, aiming to protect them from corrupted or corruptible elements. The antivirus ensures protection from malicious elements and unsafe surfing on internet. In addition, AKEP’s constant contact with NECCA, but even with other cybersecurity actors in the country, enables the collection of the latest IOCs (Indicator of Compromise), IPs and domains that generate insecure traffic, HASH application values which can damage information technology infrastructures and systems. The constant blocking of all these elements may be performed in the administration Panel of the Cloud antivirus platform. Similar agents have also been installed in virtual machines/servers to further strengthen the cybersecurity state in AKEP infrastructure. The management of the antivirus system is carried out through Cloud, providing fast and uninterrupted access for the system’s administrator. Loss of Antivirus management control is not risked at any time from any servers physical damage incidents or data loss, as it is stored in the Cloud.

1.2. *The Establishment of a Monitoring Center for critical infrastructures and traffic(SIEM)*

During 2023, AKEP Technical Directorate enabled the establishment of a center which guarantees real-time monitoring of the SIEM platform as well as all the traffic in the institution's infrastructures. To have a more comprehensive overview of the infrastructures security, the Technical Directorate monitors the traffic, both in the internal and external network, to verify whether there are anomalies in the communication between specific equipment or servers, which indicate possible cybersecurity incidents.

The Technical Directorate performs the control of the internal network even on the firewall monitoring as well as the Cloudflare generated records, through the Open Source Platforms, for the traffic to the domain akep.al. Monitoring traffic from outside is necessary to avoid the so-called DDoS (Distributed Denial of Service) attacks, which are highly widespread recently, aiming to immediately isolate the services, in order not to cause further infrastructure damages.

1.3. *The improvement of the Physical Infrastructure of the (DNS) Domain Management System*

DNS (Domain Name Server), also known as ccTLD, stores all the sites data for all the electronic communications networks components in the territory of the Republic of Albania. The sophistication of technologies and international standards have increased the requirements related to the adaption and modernization of this critical infrastructure. An improvement of the DNS has also started during 2023, both in terms of hardware and software, considering that this is one the most important infrastructures for guaranteeing a functional digital space in the Republic of Albania.

The DNS development strategy aims to establish a new infrastructural environment for the DR site (Disaster Recovery Site) optimizing the performance. The key lies in establishing an "Infrastructure-as-a-Service" sheltering/hosting and operating environment, based on convergent solutions and a Software Defined virtualization, according to all the points of failure and the possibility to protect the data in the form of VM (Virtual Machine) Objects.

The technological solution for improving the ccTD.al physical infrastructure, is physically performed by implementing the latest generation servers with a large space storage and a high speed of writing and reading data. This has led to a very high operating performance and a very low probability for loss of service.

2. Management of cyber attacks on electronic communications networks and services.

2.1 Technical cooperation with NECCA during 2023.

According to the legislation in force, AKEP has a specific role in guaranteeing cybersecurity at a national level, due to the systematic supervision it exercises over the implementation and observance of security standards by electronic communication service undertakings. In this framework, even during 2023, the cooperation between AKEP and the National Electronic Certification and Cybersecurity Authority (NECCA) has continued both in terms of prevention and mitigation of cyber incidents. In many cases, this cooperation has also been extended to the electronic and postal communications undertakings. There has been a daily communication between the two authorities, based on information exchange, but also on mutual technical assistance. In many cases, in the spirit of institutional cooperation, AKEP assistance has been extended even beyond the scope of the institution's responsibility, positively responding to the requests for assistance from other vital institutions or services for citizens. Institutions such as Municipality of Tirana, Durrës Port Authority, National Agency of Information Society, the Parliament, the Guard of the Republic of Albania, "Posta Shqiptare" sh.a., etc.

AKEP has supported NECCA related to the blocking of Domains and IPs with harmful content as well as blocking of IOC by electronic communications undertakings. The communication has even consisted in the coordinated signaling of the necessary security measures updates and cases of possible cyber attacks. When such threats are identified, AKEP shall make available the Technical Directorate specialists to provide immediate assistance. It should be emphasized that in most cases, AKEP has been decisive in mitigating cyber attacks on both public and private infrastructures that guarantee public services to the citizens. It is worth mentioning that NECCA has supported AKEP during the attack occurred in the infrastructure of the "One Albania" sh.a. undertaking, in December 2023. The support consisted of both the human resources, and instruments to enable the case investigation and the initial assessment of the situation. During 2023, the attacks mitigated by AKEP and NECCA cooperation were mainly of DDoS, Phishing, Exfiltration & Wipe types, etc. In addition, within the framework of this cooperation, AKEP has also assisted the banking and energy sector.

2.2 Mitigation of cyber attacks on electronic communications operators networks

On 25.12.2023, at 01:30, the (NOC) Network Operational Center team of the “One Albania” sh.a. undertaking, found the impossibility of communication with some company servers. Therefore, the relevant IT Group teams of “One Albania” sh.a. were notified to take immediate measures and initiate an internal investigation related to the issue. The first feedback from the (VM) virtual data center led to the observation of a suspicious dysfunction of passive servers and an activity by unidentified third users that deleted stored data. Despite all the efforts of “One Albania” sh.a. team, which was operating with reduced effectiveness, the activity could not be mitigated until the early morning hours.

At 07:20, “One Albania” sh.a. notified AKEP and required technical assistance related to the situation. By order of the Chairperson, AKEP immediately got involved and sent a team of the Technical Directorate in the company premises to provide the necessary support and to supervise the situation. In the framework of institutional cooperation, AKEP rapidly informed the National Electronic Certification and Cybersecurity Authority (NECCA) which was immediately ready to provide additional technical assistance. AKEP and NECCA coordinated the work throughout the day in order to provide effective assistance to the company under attack thanks to the international cooperation with reliable partners, which carried out root cause analysis of the successful attack and enabled the recovery of the lost data from servers through backups or complete rebuilds, as well as the storage systems recovery.

Based on the overall technical assessment of the situation it was found that a part of the information stored in several servers was deleted and the access to a number of internal IT systems was compromised. The compromised access to systems negatively affected the accessibility and normal operation of several customer touchpoints, such as stores, MyONE app and other online servicepoints.

Based on AKEP instructions, the technical teams in charge of returning the situation to normal, were focused on providing and guaranteeing telephony and internet essential services supply. A very slight and time-restricted degradation of voice services occurred due to these services network rerouting as well as increased traffic on a festive day. Any interruption, even partial, of these services has been completely avoided thanks to the commitment of AKEP and “One Albania” sh.a. teams. Basic services in (data, voice and SMS) mobile and fixed network including audiovisual services continued to be available to all the subscribers.

The incident was classified as a malicious cyber attack. The “Homeland Justice” group took responsibility through the public statements in social networks.

“One Albania” sh.a., under AKEP supervision, made it possible to restore the system and recover most of the data, returning them into full operation, since December 25, 2023.

2.3 Recommendations on strengthening critical infrastructures stability

- Establishing a State Fund for investments and maintenance of all critical infrastructures at a national level;
- Capacity building for specialized human resource and employee training in cooperation with the university and academic facilities nationally, regionally and beyond;
- Encouraging a communication culture and systematic exchange of information at a technical and decision-making level between institutions managing critical infrastructures;
- Continuous update of security management policies, business continuity plans and privileged access management policies;
- Isolation and protection from certain equipment harmful effects, such as EOL/EOSL in all the entities they are installed and cannot be replaced;
- Implementing, wherever possible, the new generation antivirus systems, building traffic monitoring platforms, establishing local SOK cells;
- Implementing, wherever possible, (SIEM) cybersecurity event management and SOAR (Security Orchestration, Automation and Response) systems that ensure an efficient improvement of the critical infrastructures physical and digital security operations;
- Building a Cold (offline) Backup/DRS that ensures the inviolable storage and recovery of data compromised by online cyber attacks;
- Systematically undertaking tests on the effective protection against malicious attacks intrusions in the (Pentest) critical infrastructures.

III. - OVERVIEW OF POSTAL MARKET DEVELOPMENTS

1. Overview of Sector Regulatory Aspects

The postal sector plays an important role for the economy, on one hand providing services and ensuring goods supply to the citizens and businesses, and on the other hand hiring people and slightly reducing unemployment.

In recent years, a postal market transformation is noticed regarding the evolution of the products offered and service provision operation methods.

Actually, the digitalization of the sector has a double affect:

On one hand, the correspondence (letters) volumes are decreasing due to replacing communication with electronic methods (such as e-billing, e-mail or various social networks) - and this is a global trend;

On the other hand, thanks to the growth of electronic (online) market, emergence of digital platforms providing delivery service, or selling commercial products related to the delivery service, there was an increase of parcel/package deliveries.

This is a rising trend, therefore, it is conceivable that the process of the correspondence (letters) volumes reduction will continue even in the upcoming years.

1.1 Legal framework review

Electronic and Postal Communications Authority (AKEP), in the postal sector, operates pursuant to Law No. 46/2015 “*On Postal Services in the Republic of Albania*”, as well as other acts issued according to this law.

In recent years, the postal service has developed a lot in terms of online purchases, (e-commerce), bringing a parallel decrease of standard postal services, such as delivery of letters, telegrams, etc., adapting both buyers and traders, as well as postal service providers with new business models, and arising the need for a new regulatory approach. Therefore, this law requires some amendments, including the provisions on the operation manners of all the e-commerce links.

Even the European Regulators Group for Postal Services

- ERGP, in the argumentative document on the European Commission report on applying the last April's Postal Service Directives, emphasized the need to adapt to the current regulatory framework, dating 25 years back.

The fact that during recent years there is an increased orientation mainly to online purchases, from official websites, or even advertised pages on various traders social networks, as well as considering the current legal gaps or vacuums, a phenomenon where the responsible employees for delivering postal objects operate not just as couriers, but even as monetary agents is noticed.

Therefore, this law requires some amendments, including the provisions on the operation manners of all the e-commerce links.

In the meantime, during inspections it is noticed that the entities enter into cooperation/partnership agreements with each other to provide mostly cross-border postal services, but not only, mainly pursuant to the Civil Code of the Republic of Albania. Even regarding this clause, we think that an amendment of the current law and a clearer reflection of Law No. 46/2015 regarding "preserving confidentiality" is required.

Specific recommendations may also be suggested in the terminology used by the current legislation. Specifically, when we use the word "Transport" we need to be careful as the term causes confusion:

*Postal Services do not provide and shall not provide Transport Services
- This service belongs to another field, which operates pursuant to a completely different law and regulation compared to the "Postal & Courier" Services.*

We assess that a type of (monetary warranty) criterion shall be imposed in the legislation in order to be equipped with a general authorization for providing postal services, or even a limitation of service provision, not related to numbers, but territory. To enable the permission to provide service after a specific period of time, based on meeting several criteria, in the entire territory of the Republic of Albania.

1.2. Statistical Indicators of Postal Market

Postal services market

The postal services sector is regulated according to Law No. 46/2015 "On Postal Services in the Republic of Albania", as well as sub-legal and regulatory acts pursuant thereto, as well as taking into consideration UPU regulatory acts, orders and objectives defined in the documents of postal policies drafted and

approved by the Government.

Even during 2023, the postal services market performance in Albania, has demonstrated signs similar to the performance of regional and EU countries markets. Throughout this period AKEP has paid special attention to the improvement of local legislation and alignment with the best international practices. Specifically, pursuant to the acts approved for the cross-border parcel delivery services and fee transparency, AKEP, on January 2023, approved the changes to the statistical data forms which enable the collection of information even for cross-border postal parcel services.

Through these changes, AKEP enabled an alignment of the legislation with the European Commission regulation (EU Regulation No. 2018/644) related to the cross-border postal parcel delivery services, a regulation aiming to support the promotion of e-commerce services through increased transparency on applying cross-border postal parcel fees, as well as their assessment in order to promote competition and efficiency in postal markets.

AKEP is the only regulator in the region to have compiled and published the fees for providing cross-border postal parcel services¹¹, as well as to have prepared a report for the Ministry of Infrastructure and Energy on the assessment of whether these fees are similar to the ones applied by providers of similar services by the postal operators in regional countries.

Throughout 2023, the market for providing postal services has marked important changes in terms of the number of these services providers. Specifically, the number of operators at the end of this year amounted to 24 entities equipped with a “General Authorization”, of which “Posta Shqiptare” sh.a., is the only Postal Universal Service provider, out of 36 postal service providers at the end of 2022.

The total number of postal objects accepted in 2023 by “Posta Shqiptare” sh.a. and the other postal services providers was about 23 million, a decline of 15% compared to 2021. The postal objects that are part of the “*Universal Postal Service*” item from “Posta Shqiptare sh.a.” as the only Universal Postal Service provider, had a significant drop, where the decrease in the number of invoices distributed on behalf of OSHEE is the main factor influencing this drop.

The other postal services providers during 2023 have reported providing postal services (express and non-universal postal service) in the amount of 3.3 million postal objects, marking an increase of about 6% compared to 2022, where this figure presented about 3.1 million objects. Despite the increase in the total objects volume for this group of operators in terms of providing the non-universal postal service

¹¹ <https://akep.al/wp-content/uploads/2023/02/TARIFAT-E-SHERBIMEVE-POSTARE-PER-PUBLIKIM-Shkurt-2023.pdf>

, a decline of about 58% is noticed compared to 2022, which is continuous from previous years.

1.3. The Universal Service Status

The postal sector constitutes an important economy sector playing an important role in providing postal communication services for citizens and businesses, and especially in providing basic or universal postal service.

Law No. 46/2015 “*On Postal Services in the Republic of Albania*” has a special focus on the provision of Universal Postal Services across the territory of the RoA, pursuant to the specific requirements provided by the law and sub-legal acts.

AKEP, in its quality as the regulatory body regarding postal services, among other things, has the obligation to determine the Universal Postal Service provider pursuant to Law No. 46/2015, as well as sub-legal acts and rules for providing postal and universal postal service. According to these provisions, based on Steering Board Decision No. 13, dated 30.6.2020, AKEP approved granting an individual authorization to the company “*Posta Shqiptare*” sh.a. for providing Universal Postal Service in the entire territory of the Republic of Albania for a 5 years period, starting from July 7, 2020.

Law No. 46/2015 “*On Postal Services in the Republic of Albania*” has a special focus on the provision of Universal Postal Services across the territory of the RoA, pursuant to the specific requirements provided by the law, sub-legal acts and rules for providing postal and universal postal services. According to the provisions of these legal and sub-legal acts, “*Posta Shqiptare*” sh.a., in the quality of the universal postal services provider is charged with a number of obligations to ensure universal postal services availability across the RoA territory at affordable prices.

For the purposes of ensuring territory and population coverage with universal service as provided under Order No. 6174, dated 16.12.2019, of the Minister of Energy and Infrastructure, in 2023 “*Posta Shqiptare*” sh.a. has reported the following indicators on the number of postal services access points:

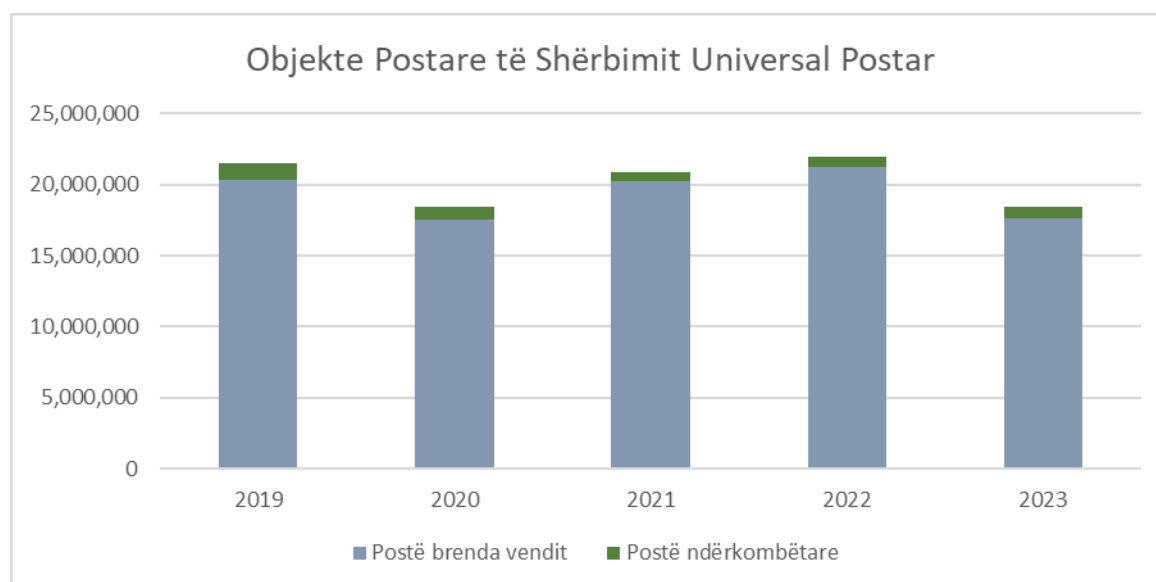
- *535 permanent post offices open to the public;*
- *704 windows, of which 525 automated/computerized windows;*
- *579 post boxes for accepting post objects;*
- *667 post boxes for delivering post objects;*

Regarding the infrastructure of transport vehicles, “*Posta Shqiptare*” sh.a. has reported that in 2023 there were 153 vehicles in use (vans, cars, motorcycles and bicycles) which constitutes a significant reduction from 244

reported vehicles for 2022.

The total number of universal service postal objects in 2023 was 18.4 million, which is a significant decrease of 16% compared to 2022. In 2023, Universal Service Postal objects comprised 95% of the total postal service objects of “Posta Shqiptare” sh.a. and 80% of the total postal objects in Albania.

The significant decline in the number of Universal Service postal objects is mainly caused due to the decrease of 17% in the number of postal objects within the country, which constitute 96% of the total universal services. International postal objects had an increase of 2% in 2023, where inbound international postal objects were increased by 4%, while the number of outbound international postal objects was decreased by 6%.

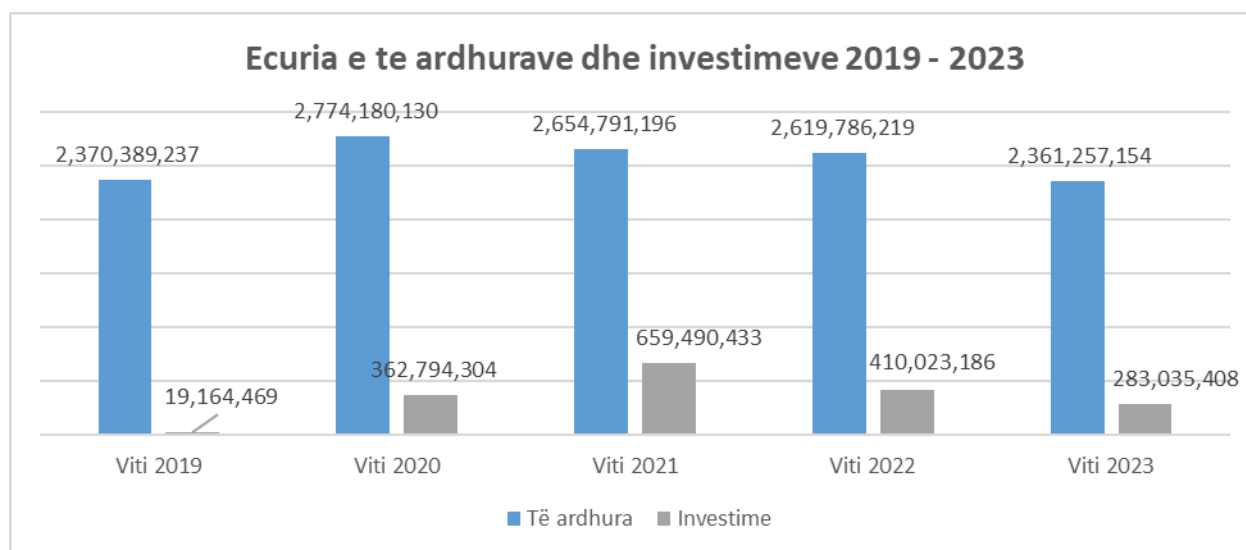


Regarding the quality standards related to the universal service postal objects distribution time, the above table presents data for the time frames of postal objects distribution within the country according the provisions of Regulation No. 35/2015 of AKEP “On Universal Services and their Implementation by ‘Posta Shqiptare’ sh.a.” for 2023.

During 2023, the indicators of the postal objects distribution time in the country is implemented by “Posta Shqiptare” sh.a. within the timeframes set by AKEP Regulation on Universal Services, where 97% of postal objects in urban areas are distributed to D+1 (one day after approval) compared to the objectives 95% and 85% for the delivery inside and within the cities respectively. Regarding postal objects with rural area destinations, 85% of postal objects have been distributed to D+2, compared to the 60% obligation.

Revenue and investment in the postal market

Based on the reports carried out by postal services providers that have performed activities throughout 2023, it is found that these undertakings have generated 2.3 billions of Albanian Lek, which constitutes a decline of about 10% compared to the previous period.



There has been a decline even for “Posta Shqiptare” sh.a., which is the undertaking with the largest share of income in the field of providing postal services. In addition, the decrease in the number of postal service providers, a number reduced to 24 from 36 in 2022, has had an impact on the decrease in the reported revenue.

During 2023, the postal service undertakings have invested about 280 million Albanian Lek for the improvement of postal services provision infrastructure, an investment amount that is significantly lower by about 30% compared to 2022. More than half of the reported investments are made by United Transport undertaking with about 56% of the total.

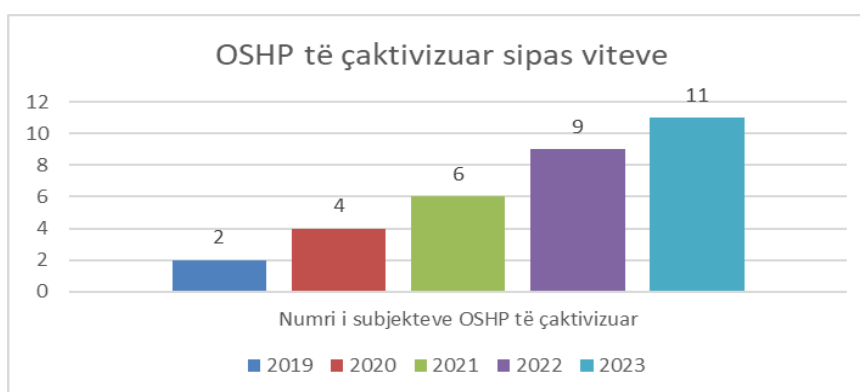
2. Progress of Regulatory Monitoring in the Postal Sector

Postal sector has been subject to occasional changes, trying to adapt to market demands. There was an increase in the number of entities, particularly after pandemic, which obtained a general license for the provision of postal services. From 2020 to 2022, there was a 50% increase in the number of entities providing postal services, therefore increasing their numbers from 18 in 2020 to 36 in 2022.

By the end of 2023 the number of entities operating in the market was 24, different from 2022 when the number of postal services reached its peak with 36 providers. This shows formalization of this sector.

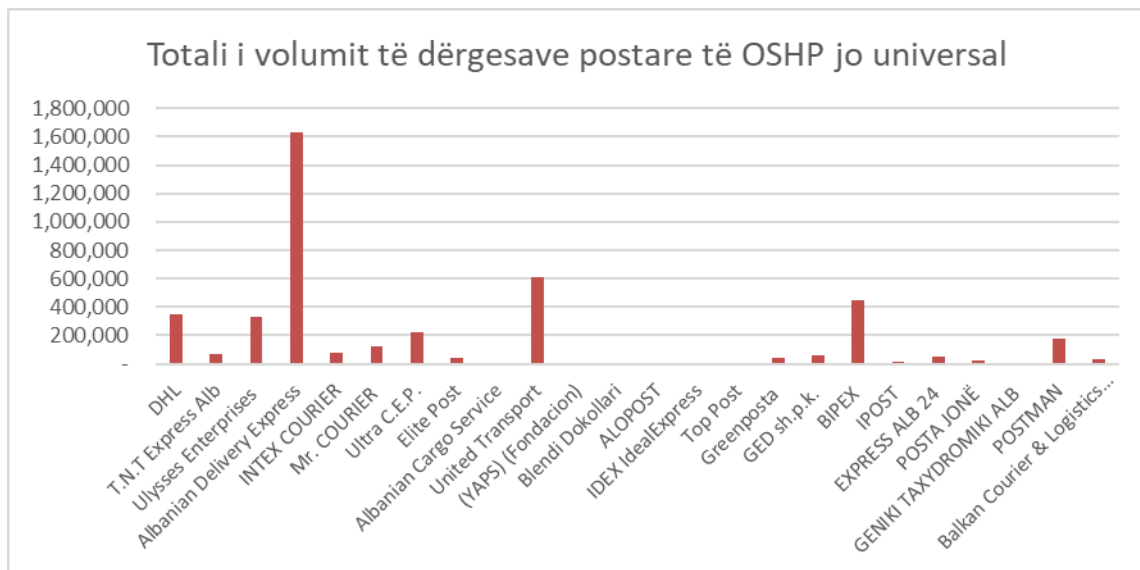
Fluctuation occurred even in the number of entities that have exit the market of postal service providers, who have required deregistration. At the end of the inspections, it was concluded that they did not fulfill the conditions for the provision of postal services according to the law and regulations in force. The main reason for these cases was the fact that they were unable to enter the market properly, by not attracting enough costumers, therefore they had financial issues. A phenomena noticed over the last 2 years was the fact that some postal entities merged as a single entity.

This is illustrated in the following chart, where we notice a significant increase in the number of deregistered entities.



**Chart display of the number of deregistered entities providing postal services over the last 5 years*

On the meantime, excluding from the study “Posta Shqiptare” as the universal provider of postal services and as the dominant in the market regarding postal deliveries and distributions, it is noted that the entity “Albanian Delivery Express” sh.p.k. provides the largest market share, followed by “United Transport” sh.p.k. (Unitrans), regarding postal delivery volume during 2023.



*Chart display of postal delivery volume by non-universal postal services providers for 2023.

2.1 2023 Inspection Plan Implementation

Based on the regulation No. 45, dated 27.10.2016, "*Methodology of Inspection of Postal Service Providers*", the objective of AKEP is that each postal service provider registered in the database is inspected at least once a year.

In the annual inspection plan of entities providing postal services for 2023, 34 (thirty four) planned inspections were planned to take place to postal services providers, which were conducted 100% by AKEP inspectors.

The subject of these planned inspections has been the fulfillment of the obligations defined in Law No. 46/2015, dated 7.5.2015, "*On Postal Services in the Republic of Albania*", as well as the fulfillment of other acts for its implementation, of the conditions and terms defined in the General Authorization and Individual Authorization for the provision of postal services.

Upon completing the inspection procedures, the number of entities providing postal services has dropped.

Out of 34 providers, 25 still operate in the market. While,

- 11 postal service providers, or 32%, have been deregistered from the General Authorization Register during 2023;

The issues encountered during inspections are related to the partial implementation of the General Authorization.

Namely, complementary penalties have been imposed against 8 (eight) operators providing postal services that have partially complied with the General Authorization conditions. They have been imposed in the form of recommendations with relevant deadlines for their complementation, pursuant to Law No. 46/2015 *“On Postal Services in the Republic of Albania”*.

Every year, based on the Regulation No. 45, dated 27.10.2016, *“Methodology of Inspection of Postal Service Providers”*, the inspection of the Universal Postal Service provider, *“Posta Shqiptare”* sh.a. was conducted focusing on the implementation of the individual authorization conditions, as well as on the implementation of the recommendations given in the previous inspection.

Upon completion of the inspection procedure, will and concrete steps implemented by universal provider of postal services *“Posta Shqiptare”* sh.a. have been evaluated in implementing recommendations of previous inspections and the resolute of the Parliament of the Republic of Albania. However, it has been noted that in order to fulfill the requirements of article 31, law No. 46/2015 *“On Postal Services in the Republic of Albania”*, and regulation No. 41, dated 3.3.2016 *“On account separation and universal postal services cost estimation”*, ongoing commitment, increased investments in technological field are required by this entity until the fulfillment of this recommendation.

Regarding the measures for account separation and cost estimation of universal service *“Posta Shqiptare”* sh.a., the process is ongoing, aiming to be fulfilled as soon as possible within a period of time; it was ¹² reported to AKEP regarding the steps followed by *“Posta Shqiptare”* sh.a. to progress. According to this reporting and even clarifications done during the inspection procedure, in ETERNA program:

- ✓ All items of universal postal service have been identified and registered;
- ✓ The income from universal postal service have been successfully recorded in a specific accounting account through monthly reports generated by this program;
- ✓ They are working for the opportunity to implement the cost system according to the methodology defined in Regulation No. 41, dated 3.3.2016;
- ✓ The salaries of the employees in the General Directorate and the amount of the regional subsidiaries has been calculated. Currently, they are working on its implementation for the employees of Tirana and Shkodra subsidiaries;

12 Letter with Protocol No. 697, dated 4.4.2024 of *“Posta Shqiptare”* with subject line *“Submission of information”*

-
- ✓ The development firm was requested to identify the income of all universal postal service items regarding the corresponding account, according to the list provided in the instruction;
 - ✓ The process of invoices fiscalization at various services counter has begun, so that the incomes can be calculated in the system, which serves for the cost of universal postal services.

Another important topic, reflected in the resolute of the Albanian Parliament, is even the delivery in the address provided of the postal packages/parcels, for which “Posta Shqiptare” prepares quarterly reports in AKEP. Referring to these reports, by the end of 2023:

The percentage of packages and parcels delivered in the address for 2023 is 57.5%, 3% higher compared to 9-months period in 2023 (55.8%), while the delivery in the address is 42%, or 3.2% higher than 9-months period.

Despite the increase of the indicators, incomplete addresses (only with one element) make the delivery in the address impossible, especially in Tirana which has a massive flow of packages and parcels coming from abroad, thus having a negative impact in the result of the whole company.

AKEP and “Posta Shqiptare” sh.a. maintain ongoing contacts by organizing institutional level meetings, but even periodical reporting regarding steps followed for the implementation of the recommendations.

During 2023, 3 (three) casual inspections were conducted, based on indications and written complaints by state authorities, natural or legal persons. At the end of the casual inspections, violations of the procedures of acceptance, registration and delivery of parcels were noticed, and "Fines" were taken as administrative measures against 3 (three) entities of this inspection.

In addition to the premeditated or casual field inspections, and pursuant to Regulation No. 45, dated 27.10.2016, “*Methodology of Inspection of Postal Service Providers*”, the relevant AKEP inspection structure conducted two remote inspections, verifying in cooperation with other AKEP structures all companies operating in the market. Upon completion of the inspection procedure, only 1 (one) entity did not fulfill the regulatory obligations, so the procedures for deregistration from the register of postal service providers followed.

2.2 The Focus on the Fight Against Informality

In its quality as the regulatory body for the provision of postal services, AKEP has the obligation

to protect the rights of every user and provider of postal services. Regarding the inspection structures, several campaigns were carried out to identify entities that provided unauthorized postal services using social networks. They were referred to the competent law enforcement authorities. These campaigns will continue to be conducted periodically or sporadically, whenever there is a signal from each actor part of the postal sector.

Throughout planned inspections, special attention was paid to verification of the implementation of the general authorization conditions, ensuring there are no deviations at the services provision area or services provision type. Concurrently, factual verifications have been conducted against declared values in the periodical reports to ensure their accuracy.

The focus of AKEP activities will be strengthening the fight against informality in cooperation with other law enforcement institutions to improve business climate and to raise entities awareness regarding the fulfilment of defined rules and legal standards.

Supervision has been in focus of the authority activities, which has a dual objective: on one hand, resolving critical issues, and, on the other hand, engaging in expended awareness-raising activities, which aim to draw full attention of the operators regarding user protection.

2.3 Sector Expectations for a Sustainable Market

AKEP has been and will continue to be proactive for a sustainable market in postal sector focusing in certain areas such as:

- Periodic or casual inspection of entities, ensuring compliance with laws and regulators in force;
- Prevention and avoidance of informality;
- Observation of the market and increase of the competition;
- Protection from the barriers for new undertakings aiming to enter the market.
- Organization of meetings with entities representative to give impressions, to resolve issues or to resolve complaints.
- Organization of public surveys about the quality of the services and users satisfaction with postal services.

We evaluate that the postal services market will move towards normalization and formalization, particularly due to *online* postal services and the work done so far, which will continue to be done herein to identify entities that are not authorized by AKEP for advertising postal services and to refer each case to law enforcement authorities.

During 2021-2022, the postal market, especially *online* services, took off and flourished after being affected by the pandemic situation.

This was also reflected in the increase of providers licensed for the provision of postal services, leading to 36 (thirty-six) entities in AKEP General Register in 2022.

However, the expectation is that this market, which has recently increased attention regarding the manner and frequency of use, can be sustainable by monitoring existing entities, ensuring a free market for new entities entering into the sector by removing barriers, and focusing on the fight against informality. This is the only way to promote free and effective competition in the provision of postal services, to protect the rights of the postal sector's users and to increase customer satisfaction and to meet the changing needs of users.

The trends show an increase in the competitive structure even among the entities. This way, they can focus more on improving the quality of the provision of postal services, increasing investments in technology, creating different applications, or updating the systems they use to deliver service and to create new opportunities for the provision of services, such as the *pick-up* service.

Also, a complementary element is the interaction with European and Worldwide Institutions regarding practices, instructions and coherent regulatory changes.

In conclusion, the supervisory activity is mainly focused on issues regarding the quality of the services, to fulfill legal obligations and identify dispute resolution mechanisms, in order to ensure competition and effective protection of users.

IV. FREQUENCY SPECTRUM USAGE MONITORING

1. Frequency Usage Plan Review in Line with *Acquis Communautaire* and Other Harmonization with International Standards

Preparation of Frequency Usage Plan and administration of frequency bands for civil purpose

AKEP has made its maximum contribution with the participation in interinstitutional groups established to manage frequency spectrum.

Upon Steering Council Decision No. 07, dated 6.9.2023, AKEP has approved Frequency Usage Plan.

This plan complies with National Frequency Plan (NFP), adopted by DCM No. 1187, dated 24.12.2020 and National Plan on European Integration (NPEI) 2023-2025 for Chapter 10 "Information Society and Media".

The plan has been prepared based on the provisions of Law No. 9918, dated 19.5.2008, «On Electronic Communications in the Republic of Albania», as amended, the Convention and Radio Regulations (RR) of the International Telecommunication Union (ITU), Recommendations of the ITU, and the Recommendations and Decisions of the European Conference of Postal and Telecommunications Administrations - CEPT, the directives of the European Commission, as well as according to the standards of the European Telecommunications Standards Institute (ETSI), regarding the use of radio frequencies until now.

Due to NPEI request for the transposition of 7 *acquis* for the frequency spectrum in the document of Frequency Usage Plan (herein FUP), the need to make changes to the FUP arouse.

FUP was drawn up pursuant to subparagraph "ë)", article 8, paragraph 2 of article 62, article 64 of Law No. 9918, dated 19.5.2008, «On Electronic Communications in the Republic of Albania», as amended (Law No. 9918), National Frequency Plan, approved by DCM No. 1187, dated 24.12.2020, "On the Approval of the National Frequency Plan", Frequency Usage Plan, adopted by SCD No. 06, dated 31.3.2022, "On the approval of the Frequency Usage Plan" (FUP) and National Plan on European

Integration (NPEI) 2023-2025.

The National Plan on European Integration (NPEI) is a document of the Albanian Government, drafted in the framework of the Albanian integration process in the European Union. Legal acts expected to be approved by the Albanian institutions for a period of 3 years are written in that document. These acts are in line with EU directives and regulations, as well as the best European and international standards. The legal acts envisaged for the approximation are divided into 33 chapters of the *acquis*, where each chapter deals with a specific area of EU policy.

2. Data Collection and Processing Capacity Building

a) Exchange of experiences and trainings from International Telecommunication Union (ITU) and National Telecommunications Agency (CTU)

AKEP Monitoring Sector, within the framework of a training with International Telecommunication Union (ITU), National Telecommunication Agency (CTU) has gained valuable experience, by having a close cooperation and sharing profound knowledge between organizations and professionals in the telecommunications field.

In the framework of the training, experts and representatives of CTU and AKEP have exchanged experiences and best practices in the telecommunications field. This was achieved due to intensive discussions, seminars and practical trainings, which covered topics such as the latest technological developments, frequency spectrum monitoring according to international standards and legal aspects of the field.

An important aspect was the share of knowledge on frequency spectrum monitoring and its efficient usage. International perspective of ITU experiences, regional context of CTU knowledge, and AKEP practices at the national level, have contributed to the full and deep understanding of this field challenges and opportunities.

By sharing knowledges, cooperation and coordination of efforts between organizations and countries of the region have been stimulated in frequency spectrum monitoring and interaction between CTU and AKEP representatives, making space for future collaborations, including the possibility of joint monitoring projects and improving the monitoring infrastructure.

b) The development of the national frequency monitoring system with a compact monitoring system and an information system for collecting and processing monitoring data

In 2023, within the framework of the development of the National Frequency Monitoring System, AKEP has undertaken an important step towards improving the monitoring system of the frequency spectrum, by successfully implementing an informational monitoring system to ensure the effective utilization of the frequency monitoring data from 20 MHz to 8500 MHz and their processing.

Through this investment, an advanced platform that offers a wide range of possibilities for storage, analysis and visualization of the measurement data has been build. Also, this system enables AKEP to develop strategies and policies by a complete national picture of spectrum usage. This step is an example of a clear and responsible strategy for improving frequency spectrum monitoring, by defining a clear path towards a more efficient use of frequency resources in Albania.

This system is an important part of the AKEP infrastructure by integrating advanced technologies for the efficient management and monitoring of the frequency spectrum, to ensure a stable and suitable communication in today's environment of communication networks.

The integration of the system at the national level brings the Electronic and Postal Communications Authority (AKEP) many advantages in monitoring and managing the frequency spectrum, including:

Analysis, reports and expended visualizations to identify trends, the highest and the lowest points in the occupancy of the frequency bands. This enables structured reporting and data visualization based on geographic region, time and frequency.

Instructing faster and automatic procedure of monitoring stations, by allowing the concurrent measure of all monitoring stations. This ensures a coordinated monitoring process, increasing the efficiency of operations.

Centralization and storage of results for long periods. This enables a sustainable and accessible database of the measurement record per month/year, by improving the transparency and availability of data.

Efficiency in spectrum usage: it enables optimal use of spectrum resources by reducing interference and disputes.

Infrastructure security: Integration at the national level increases security by identifying and preventing intrusions by unauthorized operators into the frequency spectrum.

Analysis of trends and eventual interventions: After specifying the area, trends in 20-8500 MHz frequency band are being analyzed, and the highest and the lowest points are being identified, thus helping to detect spectrum usage and potential interference.

Efficient monitoring: It enables spectrum monitoring throughout all regions in a coordinated and joint manner. It provides a complete overview of the spectrum usage at the national level, allowing the identification of potential interferences and disputes.



National Center of Frequency Monitoring

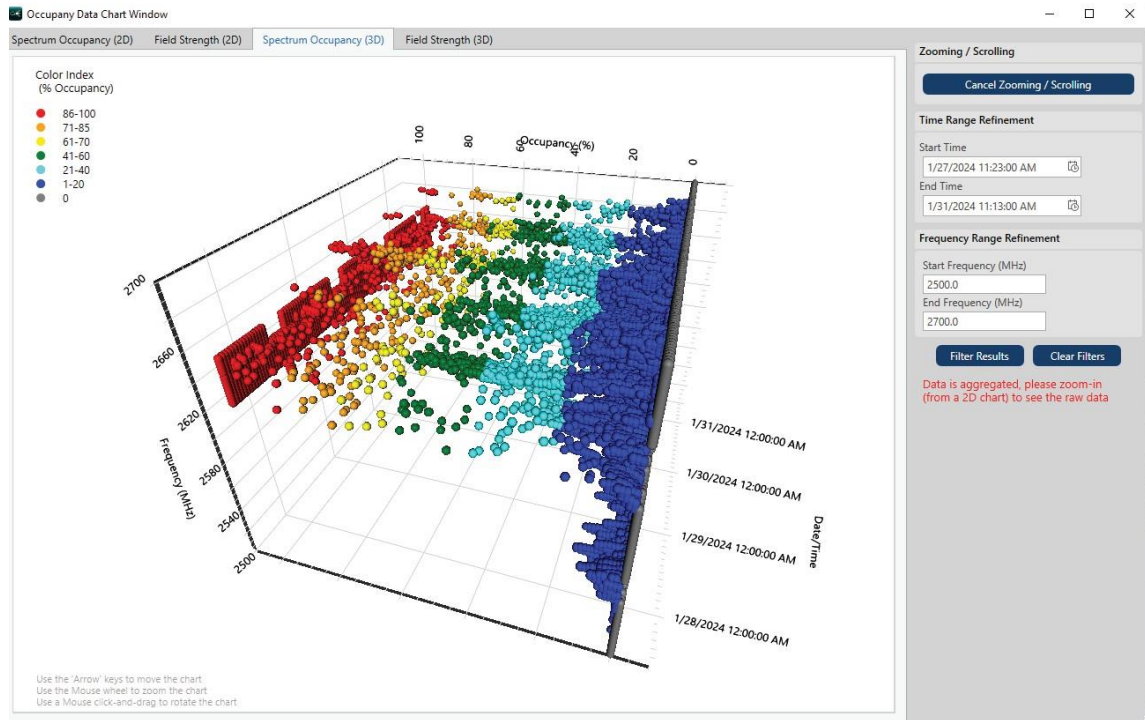


Chart visualization showing the usage of the frequency spectrum over time

3. Monitoring Activity during 2023

Monitoring Activity during 2023 is conceived in the following components;

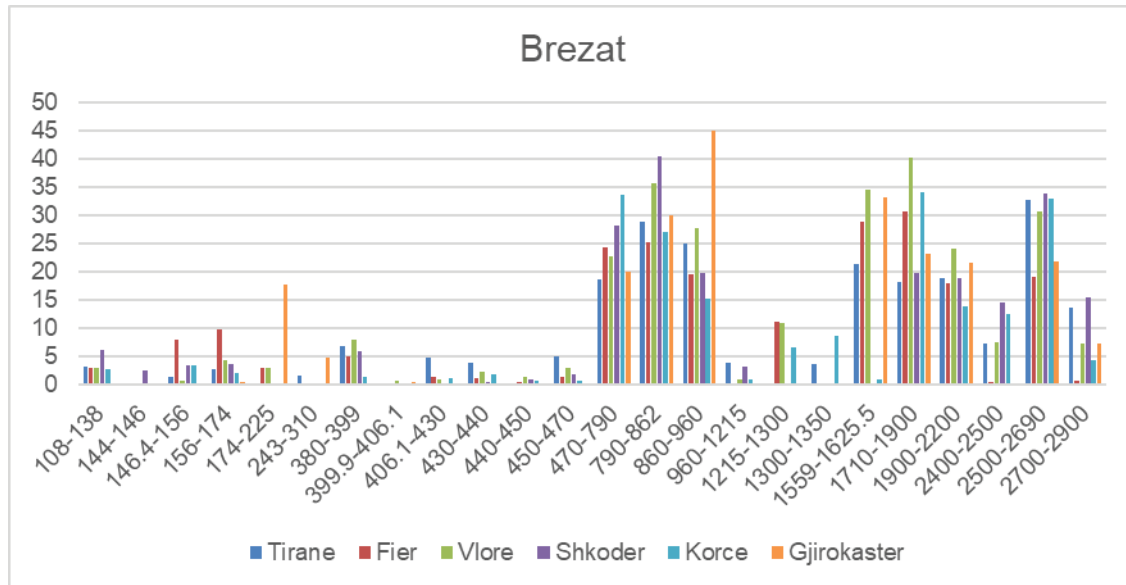
- *Monitoring the frequency spectrum through fixed RFMS and SRFMS stations;*
- *Monitoring the frequency spectrum of the fixed radio links;*
- *Addressing complaints about harmful interferences;*
- *Monitoring the frequencies during the hold of high importance events (Berlin Process Leaders' Summit 2023);*
- *Monitoring the Quality of Service (QoS) for mobile telephony.*

i. Monitoring the frequency spectrum through fixed RFMS and SRFMS stations

The frequency spectrum monitoring is conducted through monitoring stations RFMS - Kruja and RFMS - Pinet in the frequency band 20 MHz to 3000 MHz; through monitoring stations SRFMS - Shkodra, Vlora, Korça, Gjirokastra and Fieri in the frequency band 20 - 8500 MHz.

The control of monitoring system is conducted through the Main Control Center (MCC), which is located in Tirana offices and in the regional offices of Vlora, Korça and Shkodra. These offices enable the remote inspection of all Remote Fixed Monitoring Stations (RFMS) and Simplified Remote Fixed Monitoring Stations (SRFMS).

From the analysis of the Frequency Band Occupancy for the region of Tirana and the main cities, where AKEP has installed fixed monitoring stations, bands with Low (0-5%), Medium (5-15%) and High (15-30%) Occupancy are shown below:



Bands Occupancy, Regional.

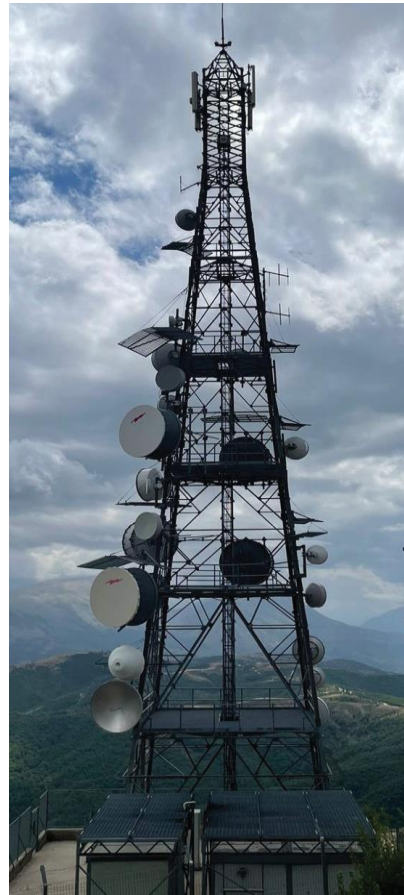
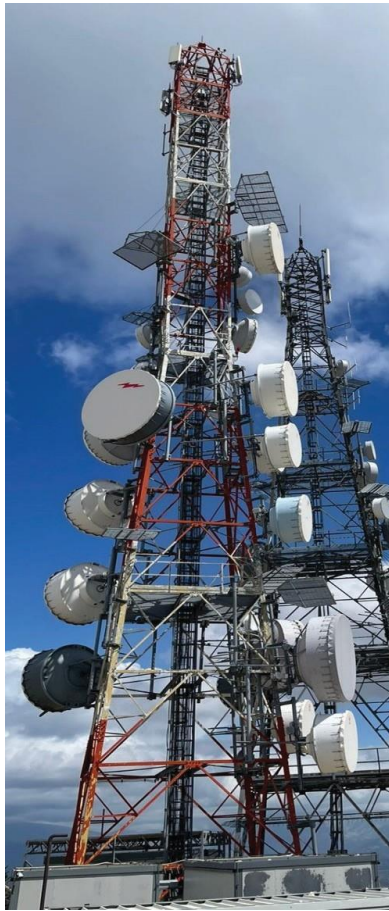
ii. Monitoring the frequency spectrum of the fixed radio links

Monitoring of the frequency spectrum, which was conducted based on the Chairperson Order No. 15, dated 10.1.2023, "On Periodic Monitoring of the Frequency Spectrum", is carried out through mobile monitoring stations: Mobile Monitoring Station - MMS.

The monitoring stations are equipped with the same equipment as RFMS and a full set of mobile equipment to take all types of special measurements, such as those in fixed radio links (radio relays or links), or meters of electromagnetic field intensity. MMS have been used for monitoring operations across the country.

The main purposes for using this type of equipment in 2023 were to verify legal and administrative compliance by undertakings operating under the AKEP Individual Authorization regime, so that the use of frequencies authorized complies with the applicable legal and regulatory framework, the authorization conditions, mainly regarding the usage of frequencies allocated for fixed radio links usage according to the National Frequency Plan and the AKEP Frequency Usage Plan.

Monitoring conducted by the Administration sector of the National Center and SFR Regional Monitoring Offices within the framework of the annual frequency spectrum monitoring activity for fixed radio links monitoring, was carried out at least once a year, in the main locations where they are installed transmission equipment of the undertakings.



Transmission towers of mobile phone operators

The monitoring group, which includes members from the administration sector of the National Center and SFR Regional Monitoring Offices, monitors each transmission point. After collecting data from field measurements of each monitored transmission station, they were then written in monitoring reports with details of the transmission technical parameters.

In order to verify the fulfillment of the obligation of the undertakings operating under the Individual Authorization regime, verifications were carried out to see if the identified frequencies were used according to the Individual Authorizations.

In 2023, during and after the final verifications, the monitoring implementation was carried out in 24 transmission points. No operators were found emitting transmissions in radio frequency without first being equipped with an Individual Authorization or in compliance with it.

iii. Addressing complaints of harmful interference

The frequency spectrum monitoring to address interference complaints is conducted mainly based on operator complaints.

Cases handled during 2023, based on claims for interferences, will be displayed in the table below:

No.	Operator	Number of complaints	Complaints addressed	Identified sources
1	“One Albania” sh.a.	7	7	3
2	“Vodafone Albania” sh.a.	6	6	3
3	Other operators	2	2	0

Table. Cases of interference addressed in 2023

An analysis about reported interference cases show that the majority of them are related to frequencies used for GSM, UMTS and LTE *broadband* transmissions, on the frequencies used by mobile network operators.

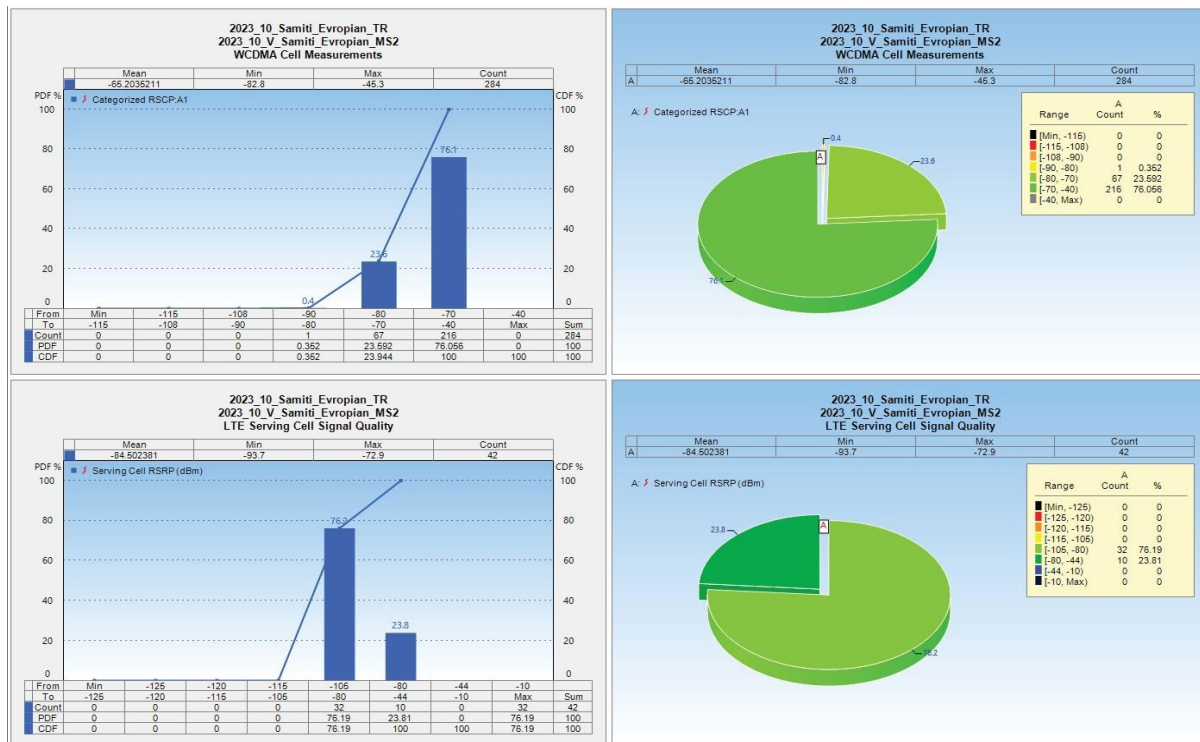
Fixed monitoring stations are not always adequate for these types of interferences, since the issue identification in these cases requires the identification of the interfering signal source (direction), which in general operates at a lower strength and within a more narrow action area. The most traditional and typical interference monitoring method is the combination of fixed stations with mobile monitoring stations to improve interference investigation efficiency.

Monitoring frequencies during the hold of Berlin Process Leaders' Summit 2023

In 2023, AKEP has carried out the monitoring of the frequency spectrum during the development of Berlin Process Leaders' Summit 2023, which took place in Tirana on October 15-16, 2023.

For the progress of the Summit, before and during the date when it took place, the monitoring of the frequency band was carried out, and even the monitoring of the indicators of the quality of service for mobile telephony. This monitoring was carried out as part of actions to improve the quality of communication and reduce possible interference, which may affect the *live* broadcasts of television and journalists present at this event.

AKEP commitment and the measures taken by the mobile operators have directly contributed to the maximum service offered during **Berlin Process Leaders' Summit 2023**.



Histogram of the UMTS, LTE signal for voice services of "VODAFONE Albania" s.a., for the Berlin Process Summit in Tirana

iv. Monitoring the Quality of Service (QoS) for mobile telephony

a) Monitoring the Quality of Service for 100 villages

During 2023, AKEP has finished monitoring QoS indicators for:

- 100 villages stipulated in the Decision of the Council of Ministers No. 21, dated 12.1.2018, "For some amendments to the Decision No. 709, dated 29.10.2014 On Approval of the Intersectoral Strategy for the Rural and Agricultural Development 2014-2022";
- new segments on the national roads Kardhiq - Delvina, Vlora By Pass, Vlora - Laskos Bridge - Qeparo, Kuç Gusmar - Tepela, Arbri Road, Orikum - Dukat, Palas
- Dhërmi, tourist areas Vermosh, Theth, Valbona, Dardha, Voskopoja;
- the main beaches of the country considered as tourist areas; and
- the improvement of the mobile phone service stipulated in the previous years' monitoring.



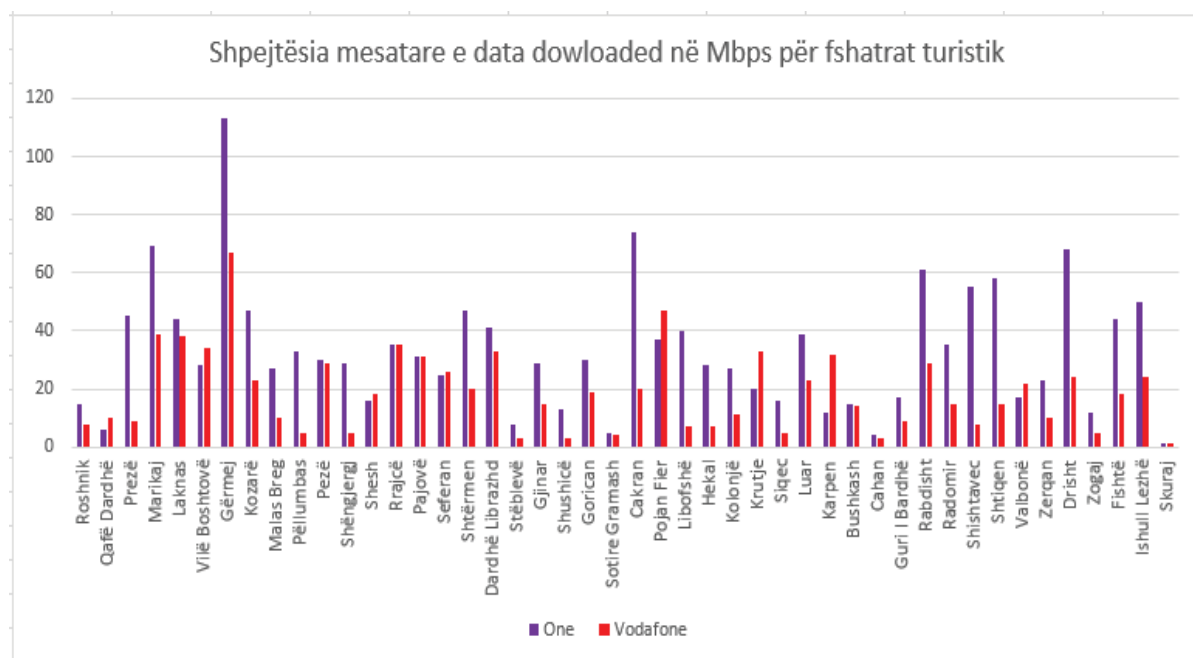
*Image of an on-site monitoring, 2023
(Source: AKEP)*



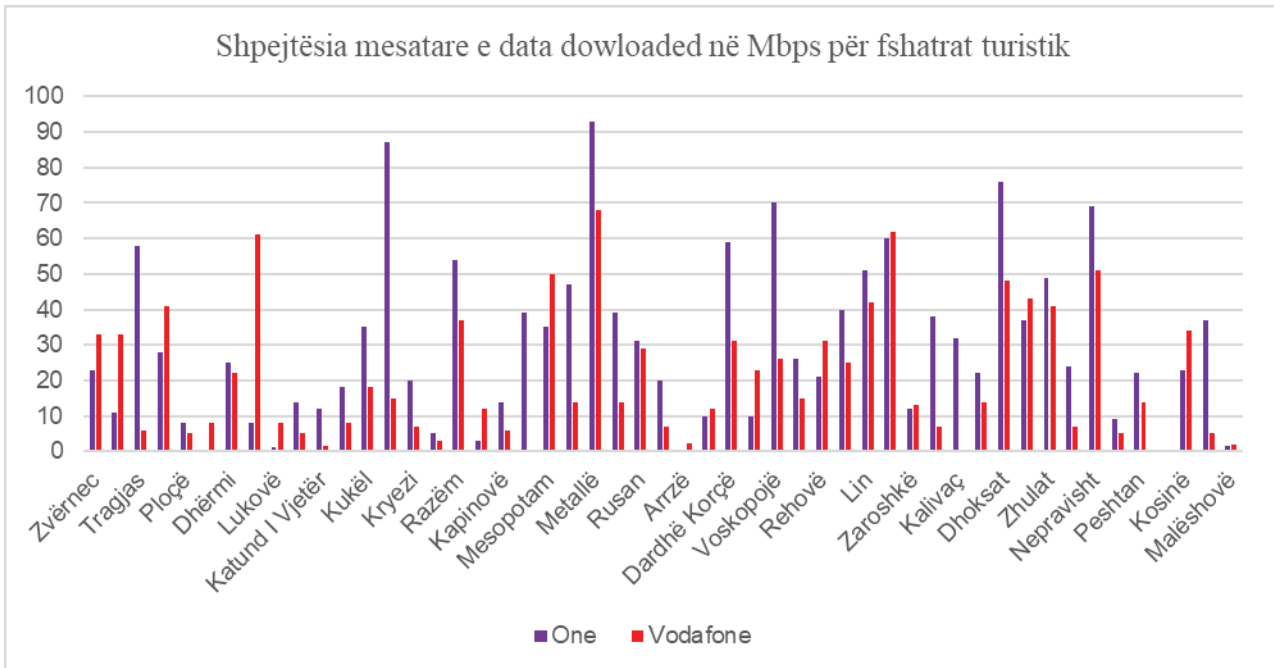
*Equipment used when monitoring the frequency spectrum
(Source: AKEP)*

Based on the results of the QoS monitoring of the aforementioned villages, it turns out that in Sotir village, Dropull municipality, no services for mobile phone are offered by any of the mobile operators, and in Lëpush village, Malësi e Madhe municipality, no services are offered by the operator “Vodafone Albania” sh.a.. Although it is the obligation of mobile phone operators to cover 95% of the territory of the Albanian Republic with service, which according to their information this obligation is fulfilled, AKEP has requested the provision of services for these villages, but also the improvement of services for the above list within KPI parameters (Key Performance Indicators).

In order to present a clearer situation of Data service provision for the above villages, we are also presenting charts of average speeds expressed in Mbps for the speed of downloaded data.



Charts of average speed of Data Downloaded in Mbps for automatic selection of technologies 2G/3G/4G



Charts of average speed of Data Downloaded in Mbps for automatic selection of technologies 2G/3G/4G

b) Monitoring the Quality of Service (QoS) for new national road segments

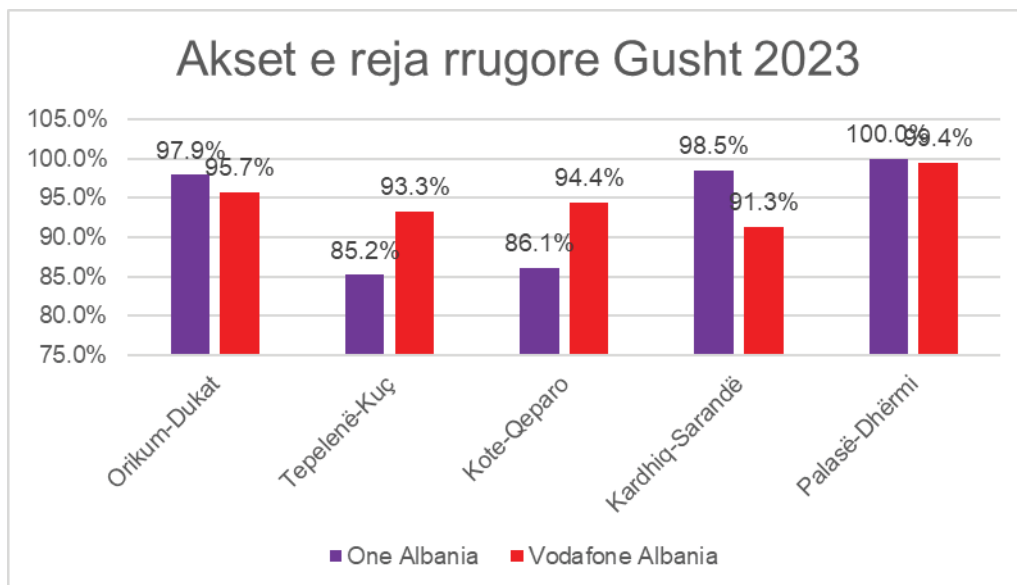
Based on the importance of new road segments inaugurated during 2023, AKEP has carried out the monitoring of the Quality of Service (QoS) for Orikum

- Dukat, Palas - Dhërmi segments, which are covered with optimal service by the operators "One Albania" sh.a. and "Vodafone Albania" sh.a..

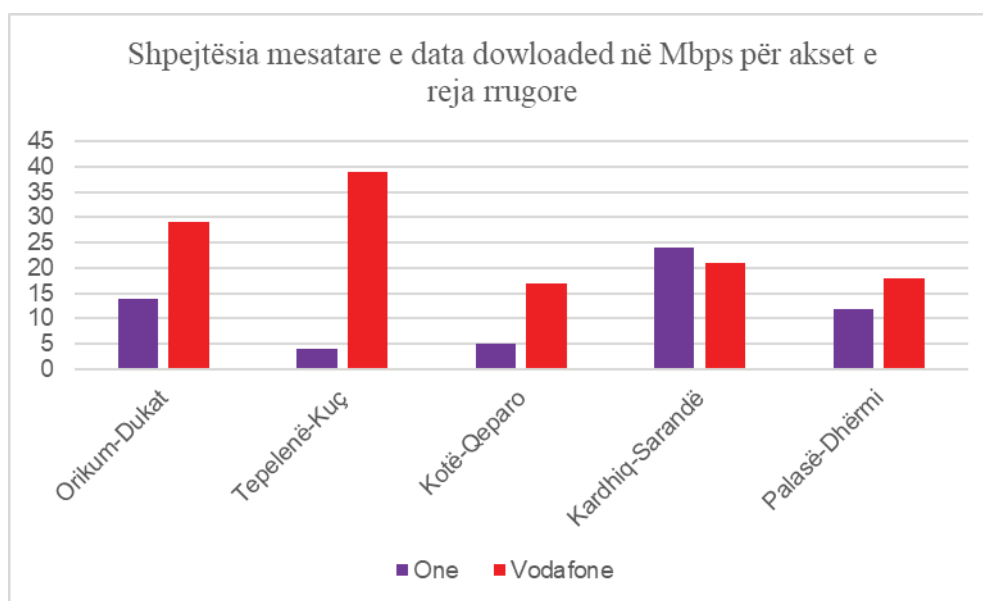
Upon the request of AKEP, operators have taken provisional and quick measures to improve the current network in new national road segments Kardhiq - Delvina, Vlora By Pass, Vlora - Laskos Bridge

- Qeparo, Kuç - Gusmar - Tepelena, Arbri Road.

These segments require investments for the construction of new stations, which are planned by the operators. However, the procedure for the construction permits is prolonged and requires a lot of documentation.



Charts of Data Downloaded for automatic selection of technologies 2G/3G/4G on new road segments, in %



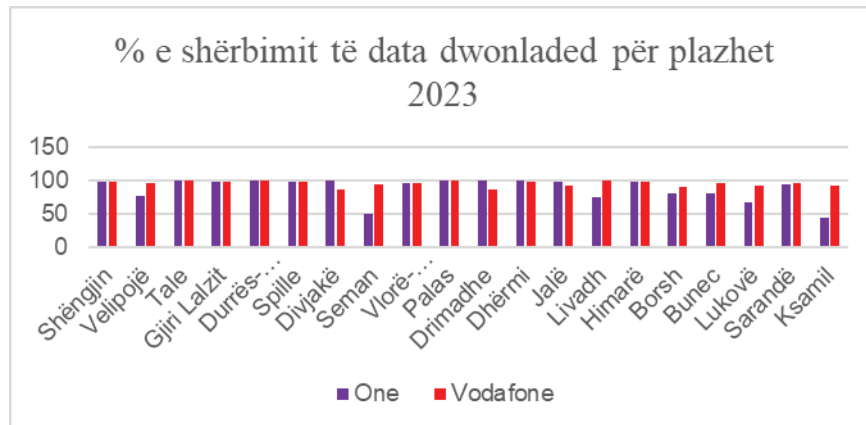
Charts of average speed of Data Downloaded in Mbps for automatic selection of technologies 2G/3G/4G on new road segments

c) *Monitoring the Quality of Service (QoS) for country's beaches during summer time*

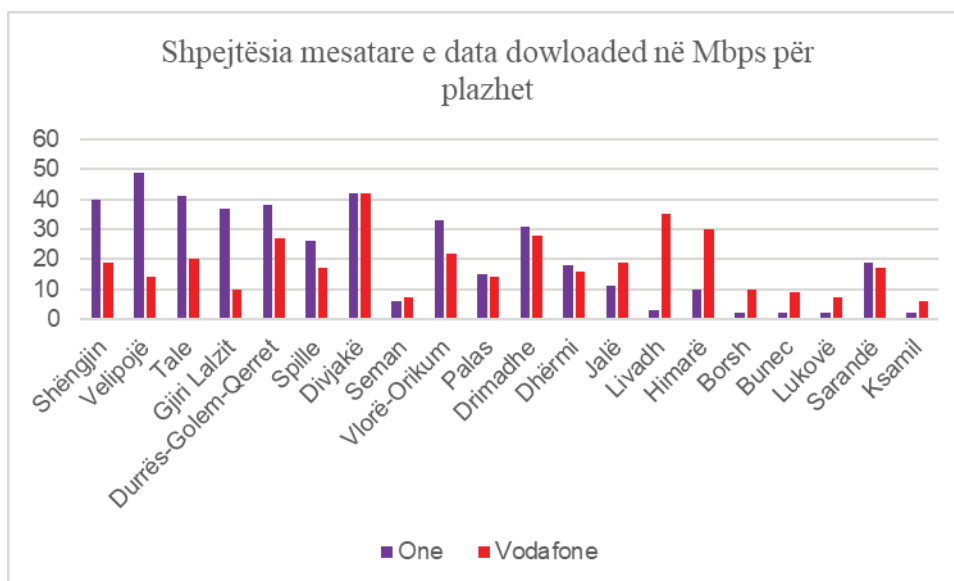
During 2023, due to the expected increase in the tourism flows, AKEP has requested mobile phone operators to take measures to provide mobile phone services within the KPI parameters on the country's beaches during the tourist season. Even after the AKEP request, it was noted that these measures were not enough for all beaches.

The operators of mobile phone service, especially “One Albania” sh.a. operator, have not preceded the increase of tourists during 2023, by not fully fulfilling the obligations for providing the service according to the KPI parameters.

The chart below explains clearly the provision of mobile phone service on the country's beaches.



Charts in % of Data Downloaded for automatic selection of technologies 2G/3G/4G on beaches during summer time 2023



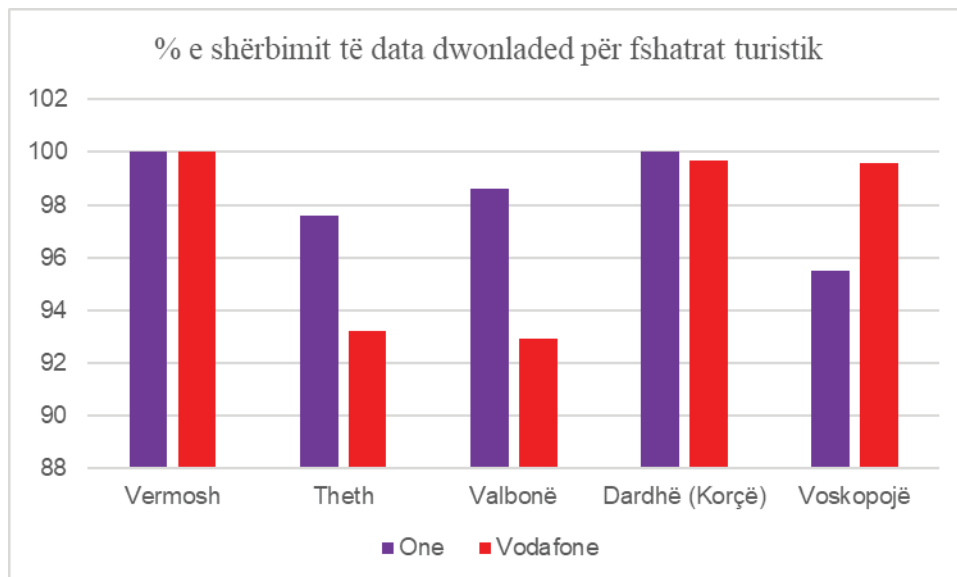
Charts of average speed of Data Downloaded in Mbps for automatic selection of technologies 2G/3G/4G on beaches during summer time 2023

d) Monitoring the Quality of Service (QoS) for touristic areas.

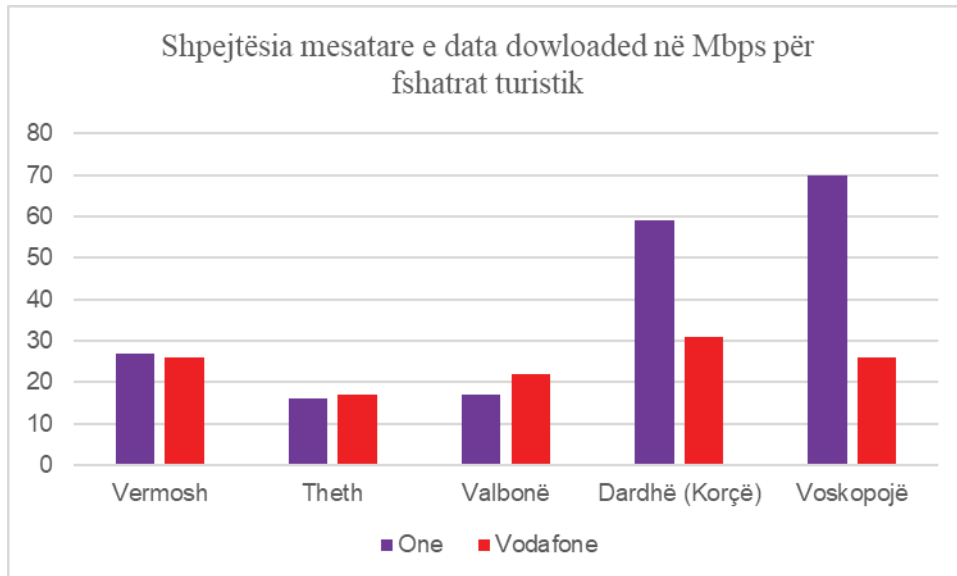
As in the previous years, AKEP has paid particular attention to touristic areas, namely: Vermoshi, Thethi, Valbona, Dardha, Voskopoja. In these areas, the provision of mobile phone service has significantly improved regarding KPI parameters.

While monitoring the indicators of quality of service for mobile phone in the touristic area of Theth, it is noted that there was temporary disconnection in this service by operators. That's why AKEP has taken measures pursuant to legal provisions.

In the touristic area of Theth, and even in other areas, a concerning issue for mobile phone operators was power outage from OSHEE, which has led to the supply of these stations with other alternative resources. However, due to geographical position and atmospheric conditions, these resources do not run for a long time, leading to non-provision of telephone services for subscribers. The provision of mobile phone service in the main tourist area is illustrated in the following charts.



Charts in % of Data Downloaded for automatic selection of technologies 2G/3G/4G in tourist areas



Charts of average speed of Data Downloaded in Mbps for automatic selection of technologies 2G/3G/4G in tourist areas



Image of the monitoring process of QoS indicators in tourist areas

V. AKEP'S INSTITUTIONAL COOPERATION

1. Institutional cooperation at the national level

1.1. Cooperation with AMA in preventing piracy and disruption of competition in electronic communication services

During 2023, casual Inspections were conducted, which were based on indications or written complaints by state authorities, operators, natural or legal persons or individuals. Most of them were carried out in fruitful cooperation with AMA.

Throughout 2023, pursuant to the Memorandum of Cooperation signed in 2021, a joint TASK FORCE operated in place through AKEP and AMA structures, aiming to fight against illegality in electronic communications networks and to be conducted only by entities/undertakings licensed and authorized by regulatory authorities.

As a result of these Task Force actions, administrative measures (3 fines) were imposed on undertakings who had failed to meet the obligation to abide by restriction cases regarding illegal or harmful content or other regulatory obligations.

Regarding the phenomenon of audiovisual piracy via the Internet, we emphasize that after administering requests from law enforcement authorities with the aim of blocking illegal content websites, AKEP, in accordance with the legal framework in force, announces by official letter or by e-mail the undertakings of electronic communications to close their access to electronic sites.

AKEP in collaboration with AMA carry on addressing the issues caused by piracy in the electronic communications market. Pursuant to this cooperation, a joint meeting of these two institutions was held, with the presence of the largest ISPs in the country ("Vodafone Albania" sh.a.; "One Albania" sh.a.; "Abissnet" sh.a.; "ASC" sh.a.; "Digi Com" sh.p.k.), in which the issues and possibilities of closing various Internet links that commit television piracy were discussed, with the aim of promoting free and fair competition in the electronic communications market. To conclude, we emphasize that AKEP will continue to cooperate with AMA and all undertakings in order to fulfill the objectives related to the supervision of the electronic communications market.

1.2 Cooperation with the Competition Authority

Throughout 2023, the AKEP attention has been attracted by the evolution of the three main parameters under its supervision:

- retail prices;
- the quality of service indicators;
- the level of operators' investments

AKEP is ready to intervene through the legal and regulatory means at its disposal and to refer to the Competition Authority the cases that may raise suspicions for prohibited agreements or abuses of power. In the context of the cooperation between the two institutions, AKEP has provided the Competition Authority with detailed information on mobile service fee plans, as well as the changes thereto with the relevant reasoning. An important part of the cooperation between these two institutions has been the preparation of the report on the harmonization status of the national legislation with the EU legislation. The process is known as 'screening'. In this framework, AKEP structures have cooperated with the Competition Authority, an institution which has directed and coordinated the discussions on Chapter 8 "Competition Policy".

Also, AKEP structures have participated in the events and meetings organized by the Competition Authority during 2023 regarding the promotion and encouragement of competition about electronic communications and postal services.



The member of the AKEP Steering Council, Mr. Armer Juka, in a panel about the topic "Independence and Authority role in the regulatory reform" in the framework of the international conference organized by the Competition Authority to celebrate the 20th anniversary of law "On Competition Protection"

(Source: Competition Authority)



1.3. Cooperation with undertakings and stakeholders in the framework of implementing users rights regulation.

During 2023, AKEP had communicated with the two main operators, “One Albania” sh.a. and “Vodafone Albania” sh.a., regarding some changes and clarifications in general terms and conditions of the subscription contracts for services provided by mobile and fixed networks, as well as for the improvement of information published for consumers/subscribers on the undertakings websites.

The communications with “One Albania” have been in the framework of the assessment by AKEP for the general terms and conditions of the subscription contracts compiled up by the undertakings after the merger of One Telecommunications and Albetelecom operators. Through these communications, AKEP has asked the undertakings to make relevant changes in the general terms and conditions of subscription contracts, in order to fully comply with the provisions of Law 9918/2008, as well as Regulation 49/2021 "On the Protection of Public Electronic Communications Services Consumers and Subscribers".

Regarding the information for subscribers published on the websites of the two undertakings, AKEP has requested, among other things, that:

- the information for subscribers regarding the general terms and conditions of subscription contracts, the means of receiving subscriber complaints, etc., which are located in different sections of the undertakings' website, should be put in a section easily accessible to consumers/ subscribers, such as "Support" or "Customer Care";
- the document of the general terms and conditions of the subscription contracts

, which can be found on the website of the undertakings should contain the effective date, as well as contact details, to make this document available to persons with disabilities in a 'large print' or 'braille' version.

Pursuant to communications and discussions with the two undertakings regarding their notification at the end of the fixed-term contract, and the contract transition to an indefinite-term contract, or the termination of the service, AKEP has assessed that the continuity of the provision of the service is important for the subscriber, and the application of silent approval (in case the subscriber does not express in writing the closing/termination of the contract after receiving the relevant notice) for the transfer of the fixed-term contract can be applied in the conditions when the subscriber has the right to terminate it (indefinite-term contract) at any time and without additional penalty/cost, through a 30-day notice to the undertakings, except for the cost of the services benefited during the undertakings' maximum 30-day notice period to the undertakings for the resolution/closing of the contract with an indefinite term.

An important aspect of Regulation 49/2021 was the determination of the measures that must be taken by undertakings of public electronic communications networks to guarantee equal access for persons with disabilities (PWD).

From the information delivered by the two main undertakings of mobile and fixed networks, "Vodafone Albania" sh.a. and "One Albania" sh.a., regarding the implementation of the measures and facilities provided in Regulation 49/2021, as well as their usage by PWD during 2023, it turns out that both undertakings:

- have established and implemented the procedures for identifying and registering subscribers as persons with disabilities in their internal customer relationship management systems;
- have published on their websites detailed sections with detailed information for PWD, according to the type of disability, such as vision, hearing/articulation, mobility impairments, etc., while also providing special discounted plans for this category of users and instructions about the facilities provided and the special communication modalities with the operator customer service for these subscribers;
- have developed and published general contract terms and conditions (for mobile and fixed services) in audio format for users with vision disabilities;
- have taken measures for the priority treatment of all requests, complaints and technical support of subscribers registered as PWD;
- have given subscribers the mindset that with their free will they can choose to provide data on the type of disability, whether they have or wish to have a legal guardian/authorized person to manage the bills and the

relationship with the undertakings, the preferred way to be contacted by the operator and if they wish to receive the contract or invoice in Large Print/Braille/Audio format, as well as the benefit from the offer/discounts in special tariff packages;

By the end of 2023, the number of subscribers registered as PWD in the systems of the two undertakings were 197 (182 “Vodafone Albania” and 15 “One Albania”):

- 12 PWD subscribers of “One Albania” have benefited from a reduction of up to 50% of the monthly fee for the access service packages on the internet with fiber optic/IPTV on a fixed network, while
- 180 PWD subscribers of “Vodafone” have the opportunity to benefit from a 50% discount on monthly prepaid mobile packages according to the subscriber’s individual choice for the package.

In addition, the undertakings “Vodafone Albania” has informed AKEP that during 2023 they cooperated with ANAD association (Albanian National Association of the Deaf) to identify PWDs (180 subscribers). Also, through the foundation of “Vodafone Albania”, they donated:

- 50 mobile devices and 50 SIM cards with internet connection to support women with and without disabilities;
- 20 electronic devices, 7 SIM cards with prepaid package;
- 40 *roaming* packages for the Special Olympic Team to participate in the Special Olympics World Games 2023 (worldwide sportive event for people with disabilities).

Moreover, AKEP, in the framework of implementing the National Action Plan for Persons with Disabilities 2021-2025, adopted with DCM No. 276, dated 12.5.2021, has communicated with MoHSP by sending information regarding the inclusion and social integration of Persons with Disabilities in public electronic communications networks and services for the period 2021-2023.

Cooperation with Consumer Protection Commission (CPC)

During 2023, AKEP has continued its cooperation with Consumer Protection Commission (CPC) in the Ministry of Finance and Economy, to handle citizens' complaints, as well as to offer contributions and reports in the process of analytical review of the *acquis* (*screening*) for Chapter 28 "Consumer and Health Protection", in the framework of the negotiations process with the European Union.

At the EU-Albania bilateral meeting, held on February 16-17, 2023 for Chapter 28, AKEP presented, among other things, the legal basis and its main powers for consumer protection regarding electronic and postal communications, procedures for (alternative) resolution of disputes (ADR) between users/consumers and providers of electronic and postal communications services, as well as the progress and the handling process of complaints and ADR procedures during the last three years (2020-2022).

Commission representatives pointed out that Albania is on the right track for ADR and handling consumer complaints. Also, the increase in the number of handled cases indicates the increase in the awareness of citizens and the work done to handle them.

Cooperation with the National Civil Protection Agency (NCPA)

During 2023, AKEP has cooperated with the National Civil Protection Agency (NCPA) in the framework of the implementation of Joint Order No. 125, dated 28.2.2023, of the Minister of Defense and the Minister of the Interior, through which the Interinstitutional Working Group was established for drafting the draft-decision «On the Creation and Functioning of the Unified 112 Emergency Call Number».

In the framework of the obligations of Regulation 49/2021 for the access to emergency services and persons with disabilities, AKEP, in the comments and suggestions provided for the draft of the DCM prepared by IWG, "On the Creation and Functioning of the Unified 112 Emergency Call Number System", has requested, among other things, to include definitions for the technical possibilities of the 112 system for receiving Caller Location Information and SMS/text, so that the system responsible for handling emergency calls/communications of 112 number will allow:

- *receiving information about the caller's location, including location information through AML solution (Advanced Mobile Location) generated by smart mobile devices with Android and iOS systems;*
- *SMS communication, or other means of text communication, including video when it is technically possible, suitable for people with different/restricted communication skills (hearing and/or speaking).*

AKEP has also provided suggestions to IWG regarding the inclusion of definitions related to emergency services, in compliance with the relevant definitions of the new draft law on electronic communications, which aims to transpose EECC as well as EC reports on the effectiveness and the best experiences in the EU countries for implementing the unique emergency number 112.

Subscribers Complaints

In 2023, 2123 complaints from subscribers of public electronic communications services were filed in AKEP. This has increased significantly compared to 415 complaints submitted in 2022.

- 1371 complaints or 65% of the total were related to the issues encountered when rejecting the requests for holding the mobile number by the transfer operator; while,
- 752 complaints were about other issues, such as: invoicing, barriers/delays for closing the contract or switching from postpaid to prepaid tariff plans, the quality of service, penalties for premature termination of the contract by the subscriber in case of change of address of the subscriber, etc.

In 2023, about 90% of the volume of complaints filed in AKEP were for the undertakings “One Albania” sh.a., mainly for number porting and issues related to the invoicing and various aspects of the quality of service offered to subscribers.

Pursuant to a series of issues identified by AKEP and the considerable number of complaints, AKEP has carried out several inspections at the undertakings “One Albania” in 2023, requesting, among other things, the treatment of the issues identified by subscribers' complaints, as well as imposing administrative fines through SCD No. 14, dated 24.10.2023.

Thanks to AKEP, subscribers can submit written or electronic complaints by *e-mail*, including a form for subscribers that requests dispute resolution with operators. These are published on AKEP website.

During 2023, in order to further facilitate the process of filing complaints, AKEP created even an *online* module (<https://akep.al/e-ankesa/>) available on the main page (*homepage*) of AKEP website.

In 2023, AKEP Commission for Alternative Dispute Resolution (ADR) conducted:

- 10 dispute resolution procedures between subscribers and providers of electronic communications

services.

8 out of 10 disputes were solved with an amicable solution between the parties in hearings/conciliation session or through ADR recommendations. However, 2 disputes, despite ADR recommendation for a solution in favor of the subscriber, and the operator's acceptance of the recommendation, the subscribers have requested indemnification for moral damage (referring to the Civil Code), which fall outside the scope of ADR and the complainants have the right to seek the solution through judicial proceedings.

In 2022, after a significant decrease in mobile number porting complaints/delays, number porting complaints increased again in 2023 by reaching the highest levels, compared to 2020 and 2021. The reported issues are related to the rejections of number porting requests by the transferring operator, due to the mismatch between the user ID in the pre-payment systems of the granting/transferring operator and the ID in the porting request sent by the recipient/beneficiary operator, and the contractual obligations of the subscriber who has not paid the transferring operator.

During 2024, based on the issues identified in this cooperation process for number porting, and in addition to the monitoring/inspection of the implementation processes of the obligations and recommendations previously inspected by operators, AKEP intends to make some changes in the portability regulation. These changes aim the improvement of the porting process by setting obligations and responsibilities for the transmitting operator to inform the subscriber about the reasons for the rejection of the porting request.

2. Institutional cooperation at the regional level

2.1. *Signing of cross-border agreements between region's countries on the MFCN system coordination of 800Mhz, 900Mhz, 1800Mhz, 2100Mhz and 2600Mhz bands.*

Recently, AKEP has expended all efforts to enable the signing process of the technical agreements aiming cross-border coordination. Mainly, they have been engaged in reaching coordination agreements in the MFCN systems of 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2600 MHz and 3400-3800 MHz bands, to avoid at all costs interference in the border areas.

During 2023, AKEP has signed technical agreements for the harmonization of cross-border frequencies with:

- Agency for Electronic Communications and Postal Services of Montenegro (EKIP);
- Regulatory Authority of Electronic and Postal Communications of the Republic of Kosovo (RAEPC).

The technical agreements between Agency for Electronic Communications and Postal Services of Montenegro (EKIP) and Electronic and Postal Communications Authority (AKEP) of the Republic of Albania, signed on 19.4.2023 in Podgorica, aiming to define the necessary principles, technical provisions and administrative procedure, in order to regulate the joint deployment systems of MFCN in 800/900/1800/2100/2600 MHz frequency bands in border areas.



*Signing of the Memorandum of Understanding between AKEP and EKIP, Podgorica, Montenegro, April 2023
(Source: EKIP)*





*Signing of the Memorandum of Understanding between AKEP and EKIP, Podgorica, Montenegro, April 2023
(Source: EKIP)*

The technical agreements between Regulatory Authority of Electronic and Postal Communications (RAEPC) and Electronic and Postal Communications Authority (AKEP), signed on 07.11.2023, aiming to define the necessary principles, technical provisions and administrative procedure, in order to regulate the joint deployment systems of MFCN in 800/900/1800/2100/2600 MHz and 3400-3800 MHz frequency bands in border areas.

Moreover, on 02.10.2023, regional technical agreements for border coordination in the 3400-3800 MHz frequency band were signed between the authorities of Albania, Bosnia and Herzegovina, Croatia, Montenegro, North Macedonia and Serbia. Within the framework of Article 6 of the ITU Radio Regulations, Electronic and Postal Communications Authority (AKEP) (Administration of the Republic of Albania), Communications Regulatory Agency (CRA) (Administration of Bosnia and Herzegovina), Croatian Regulatory Authority for Network Industries (HAKOM) (Administration of the Republic of Croatia), Agency for Electronic Communications and Postal Services (EKIP) (Administration of Montenegro), Agency for Electronic Communications (AEC) (Administration of the Republic of North Macedonia) and Regulatory Agency for Electronic Communications and Postal Services (RATEL) (Administration of the Republic of Serbia) (hereinafter: signatory authorities) have reached this Technical Agreement for the border coordination of mobile/fixed communication networks (MFCN) in the frequency band 3400-3800 MHz.



Signing of cross-border agreements between region's countries on the MFCN system coordination of 800Mhz, 900Mhz, 1800Mhz, 2100Mhz and 2600Mhz bands, through AKEP, RAECP, EKIP and AEK, signed in Pristina, November 2023

(Source: AKEP)

The purpose of this Technical Agreement is to define the necessary principles, technical provisions and administrative procedure, in order to regulate the joint deployment systems of MFCN in 3400-3800 MHz frequency band in border areas.

3400-3800 MHz frequency band is assigned to MFCN systems according to ECC Decision ECC/DEC/(11)06 (attached is the version of this Technical Agreement at the time it was signed, as a reference). This Technical Agreement is applicable to MFCN TDD systems with non-AAS and AAS, operating within the harmonized frequency regulation and technical conditions defined in the aforementioned ECC Decision.



Signing of cross-border agreements between region's countries on the MFCN system coordination of 800Mhz, 900Mhz, 1800Mhz, 2100Mhz and 2600Mhz bands, through AKEP, RAECP, EKIP and AEK, signed in Pristina, November 2023

(Source: AKEP)

Meanwhile, AKEP continues to cooperate with the border regulatory authorities and operators to manage the technical parameters of the stations defined in the relevant agreements, and their regulation to the accepted norms.

2.2 Signing of the Cooperation Agreement with Kosovo Counterpart Authority

On 7.9.2023, Electronic and Postal Communications Authority of the Republic of Albania and Regulatory Authority of Electronic and Postal Communications of the Republic of Kosovo have signed a Memorandum of Understanding regarding cooperation between the parties when developing policies and programs, to address today and in the future the regulatory challenges in both countries, as well as in the region, based on EU good practices and international commitments.



Signing of the Memorandum of Understanding between AKEP and RAEPC, November 2023

(Source: AKEP)

Part of the signing process was even the agreement signed with Border Coordination of the Fixed and Mobile Networks, in 3400 – 3800, 1920-1980 MHz and 2110-2170 MHz, 880-915 MHz and 925-960 MHz, 2500-2690 MHz, 1710-1785 MHz, 1805-1880 MHz and 790-862 MHz frequency band

Through the Memorandum of Understanding:

- The cooperation and coordination will increase regarding the implementation of the fifth generation (5G) mobile technologies for electronic communication networks, especially cross-border frequencies harmonization.
- The cooperation will increase regarding cross-border frequencies harmonization, in the preparation of technical agreements, and their adaptation to the frequency usage plans, and harmonization of the 5G frequency spectrum;
- The cooperation will continue in order to implement RLAH agreement to dismiss the roaming fees between Western Balkans countries;
- The cooperation will continue in order to decrease and adapt *roaming* fees between Western Balkans countries and European Union.

Signing cross-border agreements with the Republic of Montenegro and the Republic of Kosovo aims to define administrative rules and technical procedures for frequency planning and coordination, to achieve the optimal usage of the radio-spectrum and prevent mutual interference in the fixed radio service networks and terrestrial telephony services.

3 Institutional cooperation at the international level

3.1. *Review of Work Agreements between BEREC and Regulatory Authorities of Western Balkans*

AKEP has marked a key moment in its cooperation with BEREC by signing a Working Agreement at the beginning of 2019. In 2023, due to continuous interaction and development of relations between AKEP and BEREC, they have signed a new Work Agreement. This agreement marked a new phase and significant improvements, bringing some fundamental changes to the cooperation.

Among other major changes of this agreement, a significant aspect was the request for approval from the European Commission for its signature. This request for approval indicated the importance and impact of this cooperation in a wider European context. On June 2, 2023, after the assessment process by the European Commission, the approval for signing the agreement was granted.

On June 9, 2023, during the BEREC Plenary Meeting in Budva, Montenegro, this new way of cooperation was followed by the discussions and approval phase, culminating in a decisive moment.

The approval of this agreement marks a joint success for AKEP and BEREC, thus setting a regulated and advanced framework for their cooperation in the telecommunications field. The regulatory authorities of the Western Balkans also went through this process. The achieved result is important for all Western Balkans countries, as it emphasizes the continuity of the joint engagement in the development and harmonization of the telecommunications sector in region and Europe. The concluded agreement is already published on the official website of BEREC, thus making it possible to be accessed and verified by the public.

3.2. *Planning of Technical Cooperation with the International Telecommunication Union (ITU)*



The chairman of AKEP and Mr. Zavazava, Director of the ITU Telecommunication Development Bureau, during a bilateral meeting in Budva, September 2023 (Source: AKEP)

On September 28, 2023, during the Regional Regulatory Forum held in Budva, organized by EKIP (Agency for Electronic and Postal Communications of Montenegro), ITU (International Telecommunication Union), and AKEP delegation, headed by the Chairman Mr. Tomi Frashëri, held a bilateral meeting with the presence of ITU high representatives on matters of common interest, in the spirit of cooperation and exchange of experiences.

In this meeting, ITU was represented by Mr. Cosmas Zavazava, Director of the Telecommunication Development, and Mr. Jaroslaw Ponder, Head of the Office for Europe at ITU.

During this meeting, AKEP requested ITU support to further several important projects, such as:

- *Establishment of the new ATLAS.*

The support pertained to the drafting of the terms of reference but also to the ITU option to fund the project and provide support in sharing best experiences for the establishment of the *broadband ATLAS*.

- *Expansion, development and updating of the national monitoring system*

The national monitoring system was implemented 12 years ago with the help of the ITU. AKEP aims to expand and update the system, in order to analyze bands for next generation services and networks, by including new techniques to monitor frequencies in bordering countries, frequencies used for military purposes, satellite earth stations, etc.



AKEP representatives during a bilateral meeting with senior ITU officials Mr. Zavazava, Director of the ITU Telecommunication Development Bureau, and Mr. Jaroslaw Ponder, Head of the Office for Europe At ITU, Budva, September 2023(Source: AKEP)

- *AKEP organization based on the Electronic Communications Code and revenue issues.*

Support was requested regarding the study conduction about AKEP organizational structure, in the context of the missions and tasks assigned by the new draft-law on electronic communications, to clearly define the competencies, job descriptions, skills, for a more efficient structure.

Moreover, assistance was requested regarding the AKEP financial issues, the increase in income as a result of the increase in costs, the administrative expenses for investment and maintenance of critical infrastructures, the recruitment and retention of high-quality human resources, etc.

3.3 Cooperation with American Regulatory Authorities FCC and NTIA

A delegation of AKEP, held high-level meetings with counterparts and partners of the institution, in Washington D.C.

The meeting with NTIA, *the National Telecommunications and Information Agency,*

part of the Department of Commerce, focused on the preparation, drafting, consultation and adoption of the spectrum policy. Scott Blake Harris, Senior Spectrum Advisor/ Director of the National Spectrum Strategy, shared his agency's experience in this delicate and necessary process.

In the quality of the organization charged with the administration of the frequency spectrum used by federal authorities, NTIA stressed the importance of allocating a specific portion of the spectrum in different bands for non-commercial use, including defense and security, civil aviation, scientific research, etc.

Notwithstanding the foreseeable and unforeseeable challenges, NTIA embraces the idea that the increasingly more use of the spectrum by new technologies unavoidably implies different forms of frequency band co-use.

On the other hand, rapid technological developments necessitate the forecasting of a displacement fund, with revenue from frequency rights sales, which aims compensating existing operators in frequency bands destined for new and advanced technologies.



*AKEP representatives during the official meeting with the National Telecommunications and Information Agency (NTIA), part of the Department of Commerce, Washington DC, July 2023
(Source AKEP)*

The meeting with the *Federal Communications Commission (FCC)*, was of particular relevance because it addressed two of the main AKEP institutional issues, which are the allocation of new bands for 5G deployment, and network security.

AKEP representatives during the official meeting with the Federal Communications Commission FCC,



Washington DC, July 2023

(Source: AKEP)

Assistant Chief of the Auctions Division, Martha Stancill presented the philosophy and policy objectives applied in the US for frequencies assignment. The early involvement of stakeholders was identified as a key factor for developing the optimal format to achieve process success from the perspective of maximizing the spectrum financial value, promoting competition, and offering a wide range of innovative technologies.

When considering network security, the Chief of the FCC International Affairs Office, Ethan Lucarelli, and Deputy Chief Jared Carlson appreciated and commended the steps taken by the Republic of Albania and AKEP in this regard.

The FCC colleagues presented the approach of the American Government in this sensitive matter and detailed the modalities, requirements and consequences of including an electronic communications networks supplier in the "covert list". It was noted that in addition to the equipment security, FCC is legally charged to refuse or revoke licenses for operators that are deemed as a threat to national security.

AKEP informed the FCC colleagues about the legal developments in our country in the framework of transposing the European Electronic Communications Code (EECC) and the Network and Information Security (NIS 2) Directive, as two key elements for the operationalization and institutional coordination related to network security matters, which is a priority for our country.



*AKEP representatives during the official meeting with the Federal Communications Commission FCC, Washington DC, July 2023
(Source: AKEP)*

4. AKEP Involvement in the Work and Activities of Multilateral Regulatory Forums

4.1. AKEP role in Regional Roaming Data Collection at BEREC

During 2022, Electronic and Postal Communications Authority (AKEP) has taken a fundamental role as "Drafting Leader" in the BEREC Working Group to draft the "WB Benchmark Data Roaming" report.

This report is prepared by BEREC, and it summarizes all the data sent by the Regulatory Authorities of six Western Balkans countries.

Unlike the previous practice of reporting data on a 6-monthly basis, this new report summarizes and provides data for a period of 4 quarters, thus making it an annual document. This is an improvement in the reporting methodology, which will carry on in the future.

Regarding the essential role in preparing this report as the Drafting Leader, AKEP has made a positive impact on improving the work of the Working Group responsible for *Roaming* in BEREC.

Based on the intensive work and professionalism shown by AKEP when processing data for previous and current reports, the Working Group has accepted the proposals of the "Drafting Leader" to correct some data and improve the way they are reported by the Regulatory Authorities of the Western Balkans countries. These changes and improvements are demonstrated in the BEREC reports, thus showing a constructive interaction.

Currently, intensive work is being done on compiling the next report, which, as mentioned above, will be annual. To guarantee the accuracy and quality of these data, AKEP is engaging in a difficult processing, including corrections and improvements of the reporting procedures and methods.

As a result of the efforts and intensive work done during this period, it is a pleasure to state that BEREC and the Working Group of the *Roaming* Report have already used the revised version of the "Drafting Leader" report, part of AKEP. This new revised model contains the entire reporting period since 2019, when the *Roaming Like at Home Plus* (RLAH+) tariff was first imposed, until nowadays.

The revised report contains a large database, and the processing for 6 countries of the Western Balkans has been quite a challenging task. However, we are very pleased to note that this revised version is already being used by BEREC experts.

4.2. Participation on the General Radiocommunication Assembly (ITU)

World Radiocommunication Conferences (WRC) are held every three to four years to review and, if necessary, amend Radio Regulations, the International Treaty governing the use of the radio-frequency spectrum and geostationary satellite and non-geostationary satellites orbits. Revisions are made on the basis of an agenda set by the ITU Council, taking into account world radiocommunication conferences previous recommendations. The general scope of world radiocommunication conferences agenda is determined four up to six years in advance. The final agenda is set by the ITU Council two years before the conference, with the consent of the majority of Member States.

ITU World Radiocommunication Conference 2023 (WRC-23) was held from November 20 to December 15, 2023. WRC '23 was organized by the United Arab Emirates, represented by the Telecommunications and Digital Government Regulatory Authority (TDRA), which took place at the World Trade Centre, Dubai, United Arab Emirates.

During the conference, AKEP representatives attended ITU plenary sessions regarding the regulations that affect Albanian area. Moreover, CEPT work was actively followed by participating in the meetings regarding proposals for amendments that affect the European Union.



ITU World Radiocommunication Conference 2023 (WRC-23), held in Dubai, United Arab Emirates, December 2023

(Source: AKEP)

4.3 Participation in Other Activities

Engagement and participation in Working Groups for postal legislation approximation in CEFTA countries

During 2023, following the continuous work on the approximation of the national legislation with the European legislation, a special attention was paid to market developments and progresses for postal services provision.

During 2023, AKEP has actively participated in the activities and work meetings organized by CEFTA, in order to harmonize the CEFTA countries legislation with the EU legislation regarding cross-border postal parcel service, in order to promote regional cooperation to encourage e-commerce by removing the barriers for the provision of cross-border postal services, as well as by increasing transparency on the fees applied by cross-border postal service providers.

Between 2021 - 2023, AKEP work has been verified and positively assessed during these meetings. In accordance with the provisions, MoIE Instruction No. 5, dated 25.6.2021, "On the adoption of rules on cross-border postal parcel delivery services", has identified the postal undertakings that offer cross-border parcel services and has published in a special section of the website the rates that these operators offer for the delivery of these parcels.

Through the implementation of this part of the legislation, Albanian users of postal services, or others, can access this adequate information and make comparison and optimal choice of cross-border postal service providers.

On December 6-7, 2023, within the framework of "CEFTA Week 2023" in Podgorica, Montenegro, meetings were held with CEFTA countries representatives. During a special session, in which postal service providers had a crucial role, the commitments and developments undertaken by the region countries for e-commerce promotion were discussed.

CEFTA WEEK 2023 – Podgorica, December 2023

AKEP representative was even part of the Panel, in which he gave an in-depth presentation to the attendees about the concrete steps taken by the Albanian institutions MoIE and AKEP regarding the transposition of EU legislation in this area, as well as the concrete implementation by the Albanian regulatory authority, which focused on the measures taken for the assessment and publication of cross-border postal package rates in line with the provisions of EU regulation 644/2018.

Engagement and participation in working groups for the implementation of roaming agreements in WB and EU countries

The reduction of tariffs for the provision of mobile communication services for Albanian citizens, traveling to the region countries and beyond in the EU, has been the focus of the Albanian government during these years.

From July 1, 2021, in the framework of this process, Albanian citizens, traveling in Western Balkans countries, can pay the same tariffs as when communicating inside the country.

During 2023, in collaboration with the countries of the region, European Commission structures under the coordination of the Regional Cooperation Council (RCC) have carried on reducing and therefore eliminating *roaming* services tariffs between Western Balkans and European Union. This process was defined with the signing of the joint declaration of some EU and WB operators.

In accordance with provisions of this declarations, starting from October 1, 2023, the subscribers of these networks will pay lower tariffs when using *roaming* internet service from these mobile networks.

AKEP and MoIE role in successfully implementing this initiative is defined by the participation in the Working Groups, which are coordinated by RCC, focusing on the provision of good conditions in order to stimulate competition and efficiency in the provision area of the *broadband* services in the region and beyond.

The Regional Regulatory Forum for Europe

In September 2023, in Budva, Montenegro, International Telecommunication Union

(ITU) in cooperation with the Agency for Electronic Communications and Postal Services of Montenegro (EKIP) held “Regional Regulatory Forum for Europe 2023”.



Image of the signing process of technical agreements for border coordination in the 3400-3800 MHz frequency band between the authorities of Albania, Bosnia and Herzegovina, Croatia, Montenegro, North Macedonia and Serbia, during the Regional Regulatory Forum for Europe 2023 ITU-EKIP, held in Budva, September 2023

(Source: AKEP)

This year’s forum had in focus “Universal Connectivity in Europe: The Current State and the Future Prospects”. The Forum was established based on the best and most practical results and instructions of “Global Symposium for Regulators 2023”.



*Image of AKEP Chairman during his speech in Regional Regulatory Forum for Europe 2023 ITU-EKIP, Budva, September 2023
(Source: AKEP)*

The event was held in the framework of ITU Regional Initiative for Europe on Digital Infrastructure Development, aiming to facilitate the achievement of Gigabit connectivity through the development of a resilient and synergistic infrastructure and an enabling environment that ensures a widespread coverage.

It provided a unique opportunity for high-level dialogues between stakeholders on strategies and policies following broadband development in the region, while discussing the challenges and opportunities offered by resilient high-speed networks, accompanied by flexible and cooperative regulatory actions.

The member of the Steering Council of AKEP, Mr. Armer Juka, gave a presentation, which captured people attention, on the topic "The challenges of regulation in a two-players market: Promoting competition and market entry in a post-merger situation" (The challenges of regulation in a two-players market: Promoting competition and market entry in a post-merger situation).



*Image of the speech of AKEP Chairman in Regional Regulatory Forum for Europe 2023 ITU-EKIP, Budva, September 2023
(Source: AKEP)*

Global Symposium for Regulators 2023 "Regulation for a sustainable digital future"

In June 5-8, 2023, Global Symposium for Regulators 2023 (*Global Symposium for Regulators 2023*) was held in Sharm EL-Sheikh, Egypt, under the theme "Regulation for a sustainable digital future", featured thematic sessions bringing together regulators, policy makers and other digital actors from around the world and providing a global platform for knowledge exchange.



*Global Symposium for Regulators 2023 “Regulation for a sustainable digital future”, Sharm El-Sheikh, Egypt, June 2023
(Source: AKEP)*

During Symposium days, various topics were discussed regarding:

- Key regulatory challenges and opportunities of this decade, affecting the way the industry operates in relation to the spectrum, cross-border data, or new regulatory instruments.
- Policy and regulatory innovations review, focusing on new governance structures, policy and regulatory frameworks and financing mechanisms, to stimulate the digital transformation process, the investment and adoption of digital services for an inclusive digital society.
- The impact of rapid technology development, changing consumer behaviors and new market realities regarding the spectrum needs and management options, the development of *wireless* technologies (terrestrial, satellite and HAPS/HIBS) and traditional services: how to balance spectrum needs, innovation and competition, efficient use of spectrum in industry and services, the role of the regulator and the cooperation with public and private sectors.
- Digital accessibility policies and regulatory measures, which in line with the appropriate technical strategies and approaches are required to ensure that all users, regardless of age, gender, technology literacy, can access and use digital information, products and services.

- The new UN target to ensure that, within the next 5 years, every person in the world is protected by an early warning system, which will be distributed through digital networks, including mobile networks, to deliver alert messages to those that are at risk, and to mitigate impacts and save lives.

5G Security and Supplier Diversity Seminar

Throughout June 2023, CLDP in collaboration with the Bureau of Cyberspace and Digital Policy, and with the US Embassy in Warsaw, brought together government and private sector stakeholders from 17 countries to discuss issues related to ecosystems security of information and communication technology (ICT). The workshop focused primarily on 5G security issues, Open RAN and vendor diversity issues, and aimed to encourage the adoption and implementation of the legislation that assesses vendor security risk in deploying next-generation networks.

During this workshop, information regarding the US regulator approaches to 5G security and the weaknesses of using only point-to-point communication networks were shared. Moreover, the updates that FCC has been undertaking since 2022 regarding 5G security were highlighted.

The discussion focused on the full range of 5G auction/allocation modes, including pre-auction and post-auction issues. Key considerations were legal challenges for the exclusion of certain suppliers, the laws of supply chain security and the publication of lists of reliable or unreliable suppliers.

Country representatives were invited to share their experiences in implementing and/or implementation challenges of the EU 5G Security Toolbox. This discussion provided lessons learned and progression regarding the implementation of the EU 5G Security Toolbox.

The workshop addressed even the security and cost implications of the wide range usage of unreliable suppliers. Moreover, they discussed about the increase of unreliable suppliers: how to verify security, how to look at existing precedent for security considerations in 5G coverage, and national security implications of using unreliable suppliers. Affected are even the benefits of Open RAN implementation.



Image of the Member of AKEP Steering Council during his speech at the International Regulatory Conference in Ohrid, May 2023(Source: AEK)

5 Meeting with European Commission Bodies in the Framework of the ‘Screening’ Process

During 2023, Albania successfully completed an important process regarding aspirations for the integration into the European Union, where the central government structures had the honor and the opportunity to present the full overview of the steps, within the framework of *screening*, through bilateral meetings undertaken by the Albanian state for the harmonization of the national legislation with *Acquis communautaire*, as well as the measures undertaken for its practical implementation. In the framework of this process, AKEP has offered its cooperation and contributed to some chapters regarding the activity in the electronic communications and postal services field.

Namely, AKEP teams have prepared and presented to European Commission structures information on chapters as follows:

- I. Under the direction of the Ministry of Finance and Economy, in the bilateral meeting held on January 17-18, 2023, the members of Chapter 3: “The right of establishment and freedom to provide services” presented to European Commission structures the report on the harmonization of Albanian national legislation with EU legislation, as well as its implementation level. In the framework of this Chapter reporting, AKEP and MoIE (as the responsible institutions for Postal Services), have coordinated in the preparation of the answers for the questions received from EC. Moreover, in accordance with the provisions of the meeting agenda, joint presentations have been prepared on two topics regarding the sector of postal services provision, namely:
 - Approximation of the legal and regulatory basis in the postal services market with the EU *acquis*;
 - Provision of cross-border parcel delivery services.

The reporting on the harmonization of the legislation for postal services provision focused on two levels: *firstly*, on the transposition of the legislation by the policymaker, and, *secondly*, on the implementation of this legislation, in order to fulfill the objectives for the supervision and regulation of the postal services market.

Regarding the approximation of postal services legislation, it was emphasized that the law on postal services 46/2015 is aligned with the EU Directives on Postal Services, namely: 97/67/EC Directive, 2002/39/EC Directive, and 2008/6/EC Directive. Moreover, during 2021,

the EU regulation 644/2018 for cross-border postal parcel services was approximated.

In this meeting, AKEP presented the steps taken to breakdown the regulatory base in order to promote competition, increase the quality of postal services and the continuous supervision of this market.

The representatives of the EC delegation paid special attention to the presentation regarding the legislation transposition for the provision of cross-border postal package delivery services. They even congratulated the Albanian side on the concrete steps it had taken to transpose the EU regulation (*Regulation (EU) 2018/644*), in order to deliver cross-border postal packages, thus being among the first countries in the region regarding this aspect.

In the final report of the European Commission prepared for Albania "*Albanian 2023 Report*", dated 08.11.2023, it is reflected that the national legislation is fully approximated with the EU *acquis* regarding postal services provision. Albania has been fully aligned with the European Directive for Postal Services since 2017, a period when the reserved area was removed and the market was fully opened to competition. Moreover, another important step is the transposition of the EU regulation in 2021 regarding distribution of cross-border postal parcels.

II. The Bilateral Meeting for Chapter 8 «Competition Policy» was held in Brussels, on March 6 - 8, 2023. The leader of this chapter is the Competition Authority. The purpose of this meeting was to report on the harmonization of the Albanian national legislation with the EU legislation, as well as its implementation level in promoting competitiveness in the market.

AKEP and MoIE team (institutions responsible for the supervision of the markets of electronic communications and postal services), have coordinated their work in accordance with the provisions of the meeting agenda and have prepared joint presentations on two topics regarding the sector of postal services provision and electronic communications in Albania, namely:

- Approximation of the legal and regulatory basis of the competition aspects in the postal services market with the EU *acquis*;
- Approximation of the legal and regulatory basis of the competition aspects in the electronic communications services market with the EU *acquis*.

During these presentations, it was emphasized that not only the approximation and the improvement of the legislation was important, but even the implementation and the creation of adequate structures and budgets necessary for the implementation of this legislation had a great importance.

AKEP team presented the steps taken to harmonize the regulatory legal basis for each of the electronic

and postal communications sectors, as well as the measures taken by Albanian institutions to implement this legislation with the best practices applied in the EU countries.

Regarding the approximation of postal services legislation, it was emphasized that the law on postal services 46/2015 is aligned with the EU Directives on Postal Services, namely: 97/67/EC Directive, 2002/39 /EC Directive, and 2008/6/EC Directive. Moreover, during 2021-2022, the EU regulation 644/2018 for cross-border postal parcel services was approximated.

Regarding the legislation in the field of electronic communications, Albania, with the latest changes made in 2018, has approximated the legislation with the Directives of the year 2002 and 2009, and with the changes made by the EU for the methodology defining the relevant markets in the electronic communications sector. Later on, it was mentioned that Albania is in the final process of transposing the European Electronic Communications Code into local legislation, which is expected to come into effect in 2023.

For both sectors: electronic communications and postal services, it was emphasized that the markets are fully open to competition in accordance with the practices followed by the EU countries.

III. A crucial meeting was the bilateral meeting for Chapter 10 "Information Society and Media", which took place on March 27-28, 2023, in Brussels. The preparatory work for Chapter 10 was coordinated and co-directed by the Ministry for Infrastructure and Energy, and the National Agency for Information Society. This Chapter had in focus the new *acquis* divided into three main pillars:

- *The policy and the regulatory framework for electronic communications*, in which the measures on the approximation with the *acquis* were presented, especially the European Electronic Communications Code, *roaming* services, spectrum policies, gigabit society, 5G and cyber security, Artificial Intelligence, the Digital Decade policy programme 2030, etc.;
- *Digital Transformation*, in which Albania's developments and achievements in providing *online* services, plans for improving digital skills, Internet Governance, European *Cloud* initiative, data security and data privacy protection, etc., were presented.
- *Audiovisual Media Policy*, in which the regulation of audio-visual services, service providers, media independence, etc., were presented;

AKEP and MoIE have coordinated their work in accordance with the predictions of the meeting agenda and have prepared joint presentations on topics related to the electronic communications sector in Albania.



Image of discussions on the *screening* process, Chapter 10, March 2023

AKEP team presented a broad overview of the steps taken by AKEP to create the necessary conditions for the successful implementation of the *roaming* policy in the Western Balkans, in accordance with the practice followed in EU countries, RLAH (*Roam Like At Home*), thanks to which the citizens of the Western Balkans, from July 1, 2021, communicate like they are at home during their trip to these regions. Moreover, the attention was given to the presentation of the measures taken to advance this process with the EU countries, a process which has been giving the first results since October 1, 2023, where all the subscribers of the signatory operators of the joint statement for *EU - WB roaming*, have reduced tariffs during their travel and stay on the network of each of these mobile operators.

The topics of particular importance addressed by the members of Chapter 10 for electronic policies focused even on the policies for the management and good administration of the radio spectrum, the governance through the Internet, the developments for the 5G technologies implementation, as well as measures to increase cyber security.

VI. INTERNAL PERFORMANCE AND GOOD FINANCIAL MANAGEMENT

1. Annual Revenue Amount Collection

1.1. Performance in Revenue Collection from Electronic Communications Undertakings and Postal Services Operators

During 2023, the income from the payments made by the undertakings exercising their activity in the field of electronic communications and postal services are received as:

- Payments on allocation and use of frequencies;
- Payments on numbering;
- Payments on market surveillance;
- Payments on cost of porting service;
- Payments on domain;
- Commission received as tax agent.

Pursuant to DCM No. 750, dated 01.12.2022, AKEP was engaged in invoicing and timely collection of revenues, and their use according to the criteria defined for this purpose.

During 2023, AKEP, as a tax agent, has earned the payments and commission presented as follows:

- about 370.10 million ALL were invoiced, or about 97.00% of the budget;
- about 365.42 million ALL were received, or about 98.75% of the invoice.

About 2% less funds were invoiced and received compared to one year before. This is due to technological changes of the operators, which are related to the decreasing demand for equipment with fixed connection frequencies, as well as radio communication equipment. In 2023, they were reduced by 40% compared to 2022.

Payments to AKEP



- **Payments on market surveillance**

Concerning the process of making this payment, invoicing and collections there are:

- ✓ ALL 169 million invoiced for the surveillance of the electronic communications market and ALL 163.03 million collected.
- ✓ ALL 9.5 million from the payment of the supervision of the postal market and ALL 9.44 million.

During 2023, based on the financial statement declarations of the electronic communications undertakings, the electronic communications market has experienced an increase of 104% in capacity compared to 2022.

- **Payments for using the frequency spectrum**

During 2023 there have been invoiced:

- ✓ about ALL 111.7 million from the assignment and use of frequencies and about ALL 111.6 million were collected;

As mentioned above, about 89% of frequency payments have been invoiced and from these bills about 99.9% have been collected.

This item of payments due to technological changes as well as new departmental circumstances that occurred during 2023 has suffered a significant decrease, which will be reflected in the following years.

- **Payments on numbering**

- ✓ About ALL 26.3 million were invoiced from the assignment and use of numbering and about ALL 26.3 million were collected.

About 100% of the numbering payments have been collected.

- **Payments on cost of porting service**

- ✓ During 2023 about ALL 19.4 million were billed from payments for the cost of the portability service and about ALL 19.4 million were collected, 100% of the programmed value.

- **Payments on Domain and others**

Of the payments for Domain, about ALL 10.1 million were invoiced and 9.96 million ALL or 98.6% were collected.

- **Committee as tax agent**

In the 2023 program, this item was predicted to be around ALL 24.5 million.

Based on the request of undertakings for different frequency bands and the bands they have in use, about ALL 479.72 million have been invoiced from tariffs for the use of the frequency spectrum.

From these invoices, the Tirana Regional Tax Administration has received approximately ALL 455.74 million.

As a result of invoicing, collection and payment to the State Budget of these fees, about ALL 23.98 million, or about 97.87% of the program, were collected in AKEP by the commission as an agent.

1.2. Problems of arrears of income and related court proceedings

During 2023, AKEP has calculated and sent fiscal invoices for the collection of payment obligations for AKEP for electronic and postal communications undertakings, and throughout the year it has followed the settlement of obligations under continuous monitoring by the relevant structures of AKEP. Thus, at the end of 2023, out of 1275 invoices in the amount of ALL 370.10 million, the liabilities of 5 undertaking entities were unsettled in the amount of 1.6% of the total invoices as follows:

Pursuant to Law No. 9918, dated 19.5.2008 "On electronic communications in the Republic of Albania", amended, the AKEP activity is strongly directed towards the implementation of legal provisions, regarding the obligation of third parties to make payments on time despite the use of frequencies, *domains*, numerical series in use by them, etc., while continuously initiating court proceedings, and engaging enforcement procedures for the collection of debts.

Through the relevant documentation regarding the debtors who have not fulfilled the above, AKEP has initiated court proceedings within the legal statute of limitations.

During 2023, the Electronic and Postal Communications Authority was invested as a litigation party in:

- the capacity of the defendant, in 3 court proceedings;
- The capacity of the plaintiff, in 5 judicial proceedings;
- the capacity of the plaintiff, in 2 court proceedings;

Also, 4 lawsuits were accepted, 5 lawsuits are in the trial process, 4 lawsuits were rejected, while 1 lawsuit was dismissed.

2. Implementation of the budget in new departmental and cross-departmental circumstances

AKEP, in implementation of DCM no. 750, dated 1.12.2022, "On the approval of the budget for the Electronic and Postal Communications Authority for the year 2023", administered and managed the public funds for the year 2023, in an expenditure fund of ALL 381.5 million.

The implementation of the budget during the year was influenced by several important objective developments in the electronic communications market that consisted in the impact of technological developments in the Telecommunications sector, as well as by the implementation of legal acts and by-laws that determined the extent and criteria of the adjustments that were made in the system of wages, bonuses and allowances for employees of the state administration. We will list the new circumstances that impacted the implementation of the budget below.

2.1. Declining revenues due to technological developments in the Telecommunications sector

Pursuant to the legal procedures and after authorization by the Competition Authority, at the end of 2022, the absorption merger between "One Telecommunication" sh.a. and Albtelecom sh.a. was completed, starting from January 2023, in the mobile services market 2 operators remain: "Vodafone Albania" sh.a. and "One Albania" sh.a

The legal merger by absorption also brought about the physical merger of the networks of these undertakings. The newly established company already had a fixed fiber optic network in all the country's municipalities and some of the main national roads, but also a mobile network bringing duplication of radio frequency devices, especially in fixed point-to-point connections, in many areas, of which serve to send signal and services from one point to another, of the mobile network, at different distances.

The undertakings "One Albania" sh.a. and "Vodafone Albania" sh.a. have been provided by AKEP with Individual Authorizations for the use of frequencies in several bands 800 MHz, 900 MHz, 1800 MHz, 2100 MHz and 2600 MHz, which are used for construction of mobile networks for providing high-speed services, such as 2G, 3G, 4G. In order to provide these speeds from the technological side, it is necessary for the mobile antennas to be connected with optical fibers to the central technical system of the mobile operator. The undertaking, "One Albania" sh.a., after the merger, took advantage of the fixed fiber optic network of the former "Albtelecom" sh.a.

The undertaking, "One Albania" sh.a., in order to fulfill the technological necessity for the supply of mobile antennas with fiber optic network, but also to avoid

duplication of frequencies, has revoked (cancelled) in AKEP during the year 2023 the individual authorizations of frequencies for 343 connections fixed, until the end of 2023.

Likewise, the undertaking, "Vodafone Albania" sh.a. has expanded its fixed fiber optic network during 2023. Some of these fibers are already being used to replace some of the fixed connections with radio frequencies. At the end of 2023, "Vodafone Albania" sh.a. revoked (cancelled) 39 fixed connections.

The revocation of fixed connections has had a financial impact (lack) in the 2023 AKEP budget of ALL 6.30 million.

The revocation of point-to-point fixed connection frequencies is a process that is expected to continue during 2024 and beyond, as a result of the developments and expansions of the operators' fiber optic networks, which replace a part of the mobile operators' frequencies in fixed point-to-point connections.

2.2. Budgetary revisions during the year as a result of the increase and additions to the change of bylaws for civil service employees

With the entry into force of the specified legal changes:

- Law no 34/2023, "For a change in law no. 9584, dated 17.7.2006, «On salaries, rewards and structures of independent constitutional institutions and other independent institutions, created by law», amended;
- Decision of the Council of Ministers No. 325, dated 31.5.2023, «On the approval of the salary structure, salary levels and other salary allowances of the deputy minister, cabinet officials, prefect, sub-prefect, civil servants and employees in some public administration institutions»;
- Decision of the Council of Ministers No. 326, dated 31.5.2023, «On the salaries of support employees and other employees of various specialties in some public administration institutions»,

The Electronic and Postal Communications Authority, as an institution in the scope of this legislation, took the necessary measures to adapt the new salary structure from category to class, the new seniority calculation formula, etc., for all working positions in implementation of the organizational structure approved by the Decision of the Assembly of Albania no. 56/2018, "On the approval of the structure, organization and categorization of the work positions of the Electronic and Postal Communications Authority (AKEP)".

Also part of these changes was the approval by Decision of the Governing Council of the salary increments for the positions that follow and administer

the IT systems in AKEP based on DCM no. 325, dated 31.5.2023

Pursuant to Decision of the Council of Ministers, No. 326, dated 31.5.2023, "On the salaries of support employees and other employees of various specialties in some public administration institutions", the necessary with the competent bodies for the evaluation and approval of salary increases for the support positions that work in difficult and harmful conditions for health, exceeding the permissible limits of mandatory hygienic-sanitary norms.

The implementation of the above legal acts for all employees of the AKEP organization brought a financial effect in increasing the item for wages in the amount of ALL 17.2 million , or 11% over the approved expenditure fund.

This new financial situation necessarily required the reflection of the changes and a redistribution of the items of the expenditure fund, so that the financial effects brought by these changes in the salary item and social and health insurance did not affect the financial performance of AKEP's activity for the period of remainder of 2023.

For this purpose, by-laws were drawn up and approved for the amendment of DCM no. 750, dated 1.12.2022, "On the approval of the budget for the Electronic and Postal Communications Authority, for the year 2023"

The financial effects in the wage fund item were calculated starting from April 1, 2023, in accordance with the provisions of point 7, chapter IV, of the DCM no. 325, dated 31.5.2023.

From all these changes, the item of the revised salary expenditure fund is presented as follows:

No.	Salary fund items	Salary fund for 2023			
		2023 Program	Modification to the 2023 Program	Change in absolute value	Difference in %
1	Expenses per salary	103,100,000	117,930,373	14,830,373	-12.6%
2	Remuneration from committee as a tax agent	14,700,000	14,700,000	-	0.0%
3	Expenses for social and health insurance	15,600,000	18,011,758	2,411,758	-13.4%
	Total	133,400,000	150,642,131	17,242,131	-11%

2.3 Realization of the expenditure fund for the year 2023

AKEP, in implementation of DCM no. 750, dated 1.12.2022, "On the approval of the budget for the Electronic and Postal Communications Authority, for the year 2023", administered and managed the public funds for the year 2023, in an expenditure fund of **ALL 381.5 million** according to the following items:

• Salaries and other additions	ALL 117.800.000
• Social and health insurance contributions	ALL 15,600,000
• Materials	ALL 6,550,000
• Services	ALL 163,406,000
• Investments	ALL 78,144,000

The financial effects of the salary change started from 1 April 2023. AKEP was impacted with an increase of 12.6% on the fund of expenses for salaries and other allowances, so the necessity of approving the budget changes implemented through DCM no. 804, dated 28.12.2023, "For a change in DCM no. 750, dated 1.12.2022, "On the approval of the budget for the Electronic and Postal Communications Authority, for the year 2023", in an expenditure fund of 381.5 million ALL according to the following revised items:

Expenditure fund revised

• Salaries and other additions	ALL 132.630.000
• Social and health insurance contributions	18.12.00 ALL
• Materials	ALL 6.550.000
• Services	ALL 148.404.000
• Investments	ALL 75.904.000

The redistribution of budget items brought about the smooth running of AKEP's financial activity, ensuring that the payments of administrative expenses were made on time.

During the year 2023, a total of about 97% of AKEP's administrative expenses fund, or about ALL 369.2 million, were realized. The realization of the expenditure fund for the year 2023 has undergone an increase of ALL 9.2 million (10%) compared to the year 2022 where the expenditure fund was realized at ALL 360 million.

The following table shows the realization of income and expenditure in 2023 against the revised program in absolute value and in percentage.

NO	Name	YEAR 2023		Estimated/ actual difference	% of implement ation
		Laboratory	Actual		
I	Income from total payments:	381.5	370.0	11.5.	97%
II	Total expenses:	381.5	369.1	12.4.	97%
	Expenses for salaries and extra payments	132.6	125.2	7.4	94%
	Expenses for social and health insurance	18.1	17.2	0.9	95%
	Expenses for materials	6.6	6.5	0.1	99%
	Expenses for services	148.4	144.3	4.1	97%
	Expenses for investments	75.9	75.9	0.0	100%
III	Radiocommunication service fee				
1	Collected radio communication fees		479.7		
2	Transfer of radiocommunication fees to the state budget		455.7		
3	Income as a tax agent from the collection and payment of the radiocommunication service fee	24.5	24.0		98%

i. Salaries

During the year 2023, the expenses for salaries and allowances were realized to the extent of 94% of the program. At this level, vacancies have influenced the structure approved in the program, staff movements, as well as the implementation of the Decisions of the Council of Ministers on the limitation of expenses for performance rewards for the administration.

From all these changes, the item of the salary expenditure fund has changed and was realized as follows:

No	Salary fund items	Salary fund for 2023					
		2023 Program	Modification to the 2023 Program	Change in absolute value	Difference in %	2023 Implementation	Difference in %
1	Salary expenses	103,100,000	117,930,373	14,830,373	-12.6%	110,542,270	93.7%
2	Remuneration from the committee as a tax agent	14,700,000	14,700,000	-	0.0%	14,700,000	100.0%
3	Expenses on social and health insurance	15,600,000	18,011,758	2,411,758	-13.4%	17,202,700	95.5%
	Total	133,400,000	150,642,131	17,242,131	-11.4%	142,444,970	94.6%

ii. Social insurance

For the same reasons, the level of social insurance has a realization of 95.5% of the program and results in a difference of non-realization in the amount of ALL 0.9 million.

iii. Materials

During the year 2022, the expenses for materials were realized 6.49 million ALL, or to the extent of 99.2% of the program.

iv. Services

The expenditure item for services was realized in the amount of 144.3 million ALL, or 97% of the program. Of the services, about 4 million ALL could not be used, this was a consequence of the calculated value and the offers presented during the procurement procedures, as well as the reduction of social and cultural expenses.

v. Investments

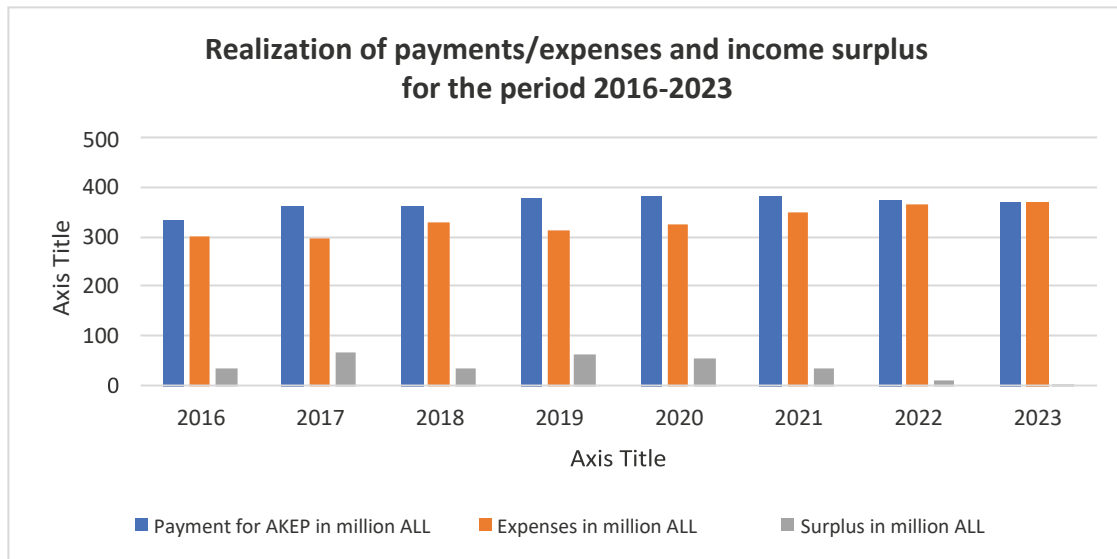
Based on the approved fund to be invested, the investment item was realized with about 100%. As a public procurement procedure, the initial investment spending program was 100% completed. So about ALL 75.9 million were used, out of the planned ALL 78.1 million.

The differences created by the change in the limit fund with the winning bids were used for fund reallocations to cover the effect of the wage increase.

With regards to the investment item, we hereby clarify that:

- All investments programmed for 2023 have been completed.
- The procurement procedures have been successfully concluded, by signing contracts with the successful economic operators.
- Funds are well-managed and transparent, thus redistributing them within the legal time frames.

During 2023, the information technology infrastructure continued to develop as well as improvements to existing applications. AKEP has employed the most innovative methods in developing information systems, based also on the duties assigned in the Parliament of the Republic of Albania Resolution and relevant sub-legal acts.

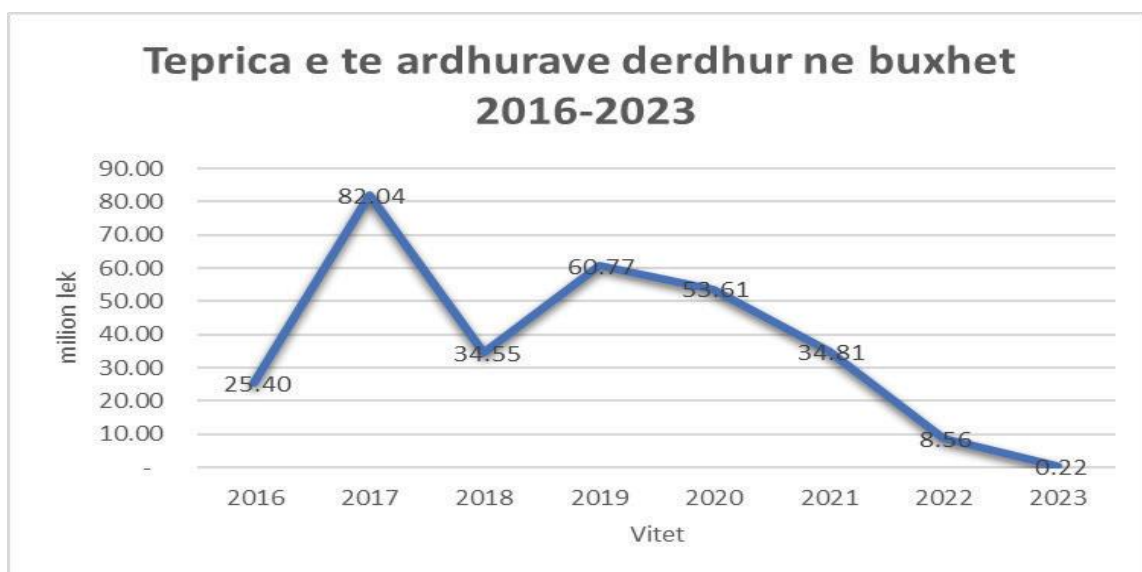


Surplus of revenues

The surplus of income and expenses realized at the end of 2023 results in the amount of ALL 223,912, as a result of the differences from undertakings' payments and the non-realization/saving of some approved items in the AKEP expense fund.

Compared to a year ago, this value has decreased by about 96%, thus evidencing a positive indicator in the effective management of funds, despite the challenges that appeared during this period.

The surplus of revenues transferred to the budget for the years 2016-2023 is presented in the following graph:



3. The need for a long-term reflection on increasing income and budget balance

Given some long-term trends, the expectation is that the level of AKEP's annual expenditures will remain high, and possibly even increase, in the medium term. There are three main factors that exert an upward pressure on the regulator's expenses: Investments and maintenance of critical infrastructures, recruitment and retention of quality human resources, and lease of premises.

Identifying and securing financial resources for investment and maintenance of critical infrastructure

AKEP is a sectoral regulator similar to other independent authorities such as the regulator of energy (ERE), of audiovisual media (AMA), of water (ERRU), of financial supervision (AMA), but it is also characterized by a systemic feature which consists, on the one hand, in the administration and operation of critical infrastructures and, on the other hand, in the ever more challenging tasks of control and monitoring from a security point of view, of electronic communications networks operated by private undertakings.

As for the first point, it should be noted that, through DCM no. 553, dated 15.7.2020, "On the approval of the list of critical information infrastructures and the list of important information infrastructures", as amended, AKEP is considered the operator of the following critical infrastructures:

- i. Cctld.AI Management System;
- ii. Centralized Number Probability Database System (Crdb);
- iii. Online Applications and Reports management system (RevZone);
- iv. Frequency management/monitoring system); dhe
- v. Electronic Register of Public Electronic Communications Networks (Atlas).

The operation of these infrastructures at the required level of cyber security implies support in hardware devices, in technological systems, in licenses and advanced software, as well as having at the disposal of a staff of qualified, experienced and constantly trained experts.

Regarding the second point, it should be underlined that currently electronic communications networks are not considered critical infrastructure. But necessarily, with the currently ongoing transposition of the NIS 2 directive, these networks will be defined as critical infrastructure in the near future. The definition of the role and responsibilities of

AKEP, according to the new legal framework, is still undecided. However, regardless of the formal designation or not as CIRT (Cyber incident response unit) sector, in the new "normality" of permanent cyber threats, the expectations on AKEP will always increase.

Both of these activities mean a significant financial bill, in terms of capital investments and current expenses. Due to developments in the global markets, the prices of technological equipment and software licenses have been continuously increasing for several years.

Recruitment, retention, and development of quality human resources

The immediate need for information technology professionals was briefly discussed above. It should be noted that AKEP also needs to rely on quality regulatory professionals: lawyers who know the markets and competition in detail, as well as economists who have expertise in data analysis and economic models. In both cases, their optimal performance requires familiarization and continuous training in the field of electronic communications, with special characteristics and rapid economic, technological and normative transformation.

It goes without saying that the recruitment, retention, and development of these quality human resources, among others, translates into a competitive financial treatment in relation to the local market, but also beyond.

The public sector wage increase last year was a step in the right direction. However, for specific positions, improving financial treatment will continue to be a necessity.

Rent of AKEP premises

Another important item in the annual expenses of AKEP is the rent of the central offices of the institution. As long as the state will not be able to find suitable facilities, not far from the Shallvare area (where other AKEP facilities are located, owned by it, dedicated to technical functions) to put in available to the institution, this expenditure will continue to remain significant for AKEP's finances.

Meanwhile, AKEP's income has been stagnant, mainly because it is dependent on the annual turnover of electronic communications undertakings.

In any case, the increase in AKEP's income is necessary, through budget support closely related to the financing of cyber missions, or through higher charging to the actors of this sector.

3.1. Market Monitoring Fee

In accordance with the provisions of Article 24 of Law 9918/2008, "On Electronic Communications in the Republic of Albania", as amended, undertakings that provide public communication networks and/or services are obliged to pay an annual fee for the supervision of electronic communications market from AKEP. This payment is made to cover the administrative costs of AKEP. In point 2 of article 24 it is determined that the annual payment, defined in point 1 of this article, should not be more than 0.5% of the annual income of the previous calendar year.

Based on the data collected and budgeted by AKEP during the last years, it results that the coefficient of the revenues collected from the supervision of the electronic and postal communications markets has fluctuated towards the maximum limits around 0.44 - 0.5% of the total revenues of the preceding year collected by the operators of these markets. Based on the revenues collected from the use of this coefficient, it can be observed that these revenues constitute about 47% of AKEP's budget financing.

Throughout 2023, the mobile service provision market has undergone significant structural changes as a result of the absorption merger of two mobile operators, "Albtelecom" and "One Telecommunications", as a result, starting from January 1, 2023, only two mobile undertakings operate in the market.

The reduction in the number of mobile operators and the very modest growth of the sector's annual income suggest that, at least in the medium term, no significant improvement of AKEP's revenues from the market surveillance fee is expected.

3.2. Frequency Usage Fees

Electronic communications undertakings, pursuant to Article 78 of Law 9918/2008, "On electronic communications in the Republic of Albania", as amended, are obliged to make annual payments for the use of frequencies.

AKEP's budget is provided to the extent of 33% from the billing for the assignment and use of frequencies, according to the data of undertakings, the management of the spectrum of frequencies these last two years is characterized by the high dynamics of changes and innovation of electronic communications technology.

The acts that determine the payments for radio frequencies, for the state budget and for AKEP, are:

- a. Instruction No. 28, dated 12.1.2015, amended, of the Ministry of Finance and AKEP, which determines the annual fee for the radio communication service, fee which goes to the state budget.
- b. DCM No. 599, dated 23.7.2010, amended, for the annual payments made to AKEP, for the assignment and use of frequencies, etc., payments which are collected in the budget of AKEP.

Both of these by-laws that determine the payments for radio frequencies were approved many years ago and the moment has come to change them, in order to promote a more favorable environment, with the aim of aligning the payments with the administrative cost for the administration of radio frequencies in order for AKEP to respond to the challenges of managing and monitoring frequencies in technological developments and creating a secure cyber environment.

The changes are related to:

First, from the Albanian Government in March 2024, the new Law on Electronic Communications, drawn up with the consultancy of the European Union, was sent to the Parliament of Albania. This law, among other things, provides for a new way of administering the spectrum of frequencies, where, in contrast to the current law, radio frequencies can also be leased by their owner. This brings the need to change the current AKEP regulations and a new approach to payments for frequencies, in the two current documents in force above.

Secondly, AKEP's costs for the administration and monitoring of frequencies, during the period 2021-2023, have increased by 30% over the estimated costs until 2020, this is due to the increase in the prices of hardware devices (monitoring devices), of software prices, administration licenses as well as service prices for their maintenance.

While the legal documents on which the income from payments for the assignment and use of frequencies are calculated, as well as the radio communication fee that is poured into the budget, have remained unchanged for more than 10 years, not reflecting the changes in administrative costs that correspond to this item.

Thirdly, the revocation of fixed connection frequencies is a process that is expected to continue during 2024 and beyond, as a result of the developments and expansions of the operators' fiber optic networks, which replace part of the mobile operators' frequencies. In point-to-point fixed connections, as well as the use of radio communication equipment are reduced to 40%.

3.3 Other Service Fees

AKEP's budget is provided to the extent of about 20% by other billings such as numbering, portability, domains with .al, etc.

For the totality of these payments, AKEP, together with other involved actors, state and private, aims to engage in a reflection process with the aim of drafting recommendations, measures, and actions aimed at a fair distribution of financing costs of the regulator and, at the same time, ensure the fulfillment of regulatory tasks and facing the challenges in the administration and operation of critical infrastructures.

VII. ANNEX

1. AKEP structure and organogram

The Electronic and Postal Communications Authority is organized and functions according to the organizational chart approved by Decision of the Republic of Albania No. 56/2018, "On adopting the organizational structure, composition and categorization of positions for the Electronic and Postal Communications Authority (AKEP)".

Employees recruited to the Institution are treated according to the provisions of the law "On Civil Servants", as amended, and the Labor Code.

The organizational and organic structure of AKEP consists of a total of 85 employees.

During the year 2023, based on the annual admission plan as well as vacancies created on a case-by-case basis, a total of 12 recruitment procedures in the civil service were carried out, specifically 3 positions in the lower management category and 9 procedures in the executive category, following the stages of recruitment with parallel movement, promotion or admission to the civil service. Also, 1 procedure was carried out in implementation of the provisions of the Labor Code.

At the end of 2023, there were 10 vacant positions to be filled, respectively 7 positions in the Civil Service, specifically 4 positions in the lower management category and 3 in the executive category, as well as 3 positions by the Labor Code.

During the year 2023, from the external or gender aspect, the ratio of women to men in the total number of active employees in AKEP was presented: 37 are women and 38 are men. While this ratio at management levels is 49% women and 51% men.

2. Inspecting Activity in Electronic Communications

2.1 2023 Inspection Plan

In the 2023 Annual Inspection Plan for electronic communications entities, 66 (sixty-six) electronic communications undertakings and 6 (six) domain registrars operating in the market were planned to be inspected.

In implementation of this annual plan and relying on the legal framework in force, the inspection structure of AKEP, during the year 2023, carried out the inspection of 66 (sixty six) planned undertakings, 6 (six) domain registrars and carried out 4 (four) random inspections and 1 (one) remote inspection.

At the end of these inspections, they found that 18 (eighteen) administrative "fine" measures were imposed.

It is worth noting that during 2023 special importance was given to the control of the merger process of two undertakings ("One Albania" and "Albtelecom"). In this aspect, guaranteeing the right of every undertaking for the development of electronic communications networks in compliance with the legal framework, the institution of AKEP followed with priority the development of the process on the transition of new IT support systems for mobile services and Cut-Off.

- *At the end of the scheduled inspections, 6 administrative "fines" measures were imposed.*

During 2023, Random Inspections were carried out, which were based on indications or written complaints directed by state authorities, operators, natural or legal persons. Mainly in these inspections, it is worth highlighting the fruitful cooperation with the AMA institution.

- *At the end of the random inspections, 3 (three) "fine" measures were imposed.*

The remote inspection screened all undertakings operating in the market, verifying in cooperation with AKEP directorates the fulfillment of regulatory obligations.

- *At the end of the remote inspection, 9 (nine) "fine" measures were imposed.*

2.2 Encountered Issues

- During the inspection procedures, the problems encountered are mainly related to the fulfillment of the regulatory obligations defined in the legislation in force by the undertakings of electronic communications.

Specifically, some of the problems encountered of this nature and the measures taken by the inspection structures are as follows:

- Completing the submission according to the formats defined by the legislation and on time of the statistical data (for periods of 3 months or annually).

At the end of the inspection procedures, 24% of administrative measures and recommendations were imposed for non-fulfillment of this regulatory obligation.

- Completing the obligation to publish on the website all the elements determined by the legal framework (Terms and Conditions, rates, speed test, subscription contracts...)

At the end of the inspection procedures, 65% of administrative measures and recommendations were imposed for non-fulfillment of this regulatory obligation.

- The guarantee and completion of technical mechanisms and equipment in order to realize the interception of electronic communications only by the authorities charged by law.
- Completion of legal obligations (Article 101, of Law 9918, dated 19.5.2008, "On Electronic Communications in the Republic of Albania") on the storage and administration for a period of 2 years, of files and subscriber data in a confidential manner .

At the end of the inspection procedures, 2% of administrative measures and recommendations were imposed for non-fulfillment of this legal obligation.

- Fulfillment of network security obligations. In this respect, the providers of public electronic communications networks, or of electronic communications services available to the public, are required to take the appropriate technical, organizational and proportional measures, to appropriately manage the risks that come to the security of the networks and services. Given the state of the art, these measures must ensure an appropriate level of security for the risk presented. In particular, measures, including encryption where appropriate, are taken to prevent and minimize the impact of security incidents on users and on other networks and services.

At the end of the inspection procedures, 13% of administrative measures and recommendations were imposed for non-fulfillment of this legal obligation.

- In addition to the security of the problematic networks, the construction of the networks according to the standards, in compliance with the legal framework and adapting to the new generation, has also been found problematic. Providers of public electronic communications networks are required to build or create public communications networks and additional facilities related to them, enabling their shared use.

At the end of the inspection procedures, 2% of administrative measures and recommendations were imposed for non-fulfillment of this legal obligation.

- AKEP administers requests from law enforcement bodies with the object of blocking websites with illegal content, pursuant to letter "e", of Article 15, of Law No. 9918, amended, "On electronic communications in the Republic of Albania", and based on letter "e", point 1, article 9, Annex E), of Regulation no. 47, dated 26.10.2017, "For the implementation of the general authorization regime", notifies electronic communications undertakings in an official letter, but also through e-mail, to perform the actions of closing access to electronic sites. Despite the announcements made on the blocking of sites with illegal or harmful content, to electronic communications undertakings, which did not meet the obligation to block any website with illegal or harmful content according to the instructions of law enforcement and decision-making institutions, the structures and AKEP have imposed administrative measures.

At the end of the inspection procedures, 12% of administrative measures and recommendations were imposed for non-fulfillment of this legal obligation.

- The inspection structures have continuously followed and addressed the problems arising from the portability process (transfer of the mobile number from one operator to another). In recent years, there has been an increase in the number of rejected requests, causing AKEP to prioritize complaints addressed by users, but also by the operators themselves. During the inspection procedures, abusive practices were found in the number porting process from competing companies in the market, for which administrative measures with "fines" were also taken.

Even during 2023, the focus of the inspection was the problem of portability. After the inspection of two large undertakings, one of them ("One Albania") was given the main penalty "Warning" after technical problems were found in

the architecture of the system modules as well as a lack of coordination between the portability teams, which have led to the violation of deadlines maximum allowed for number porting.

- Also, we received indications on the problems of unfair competition in the electronic communications market as well as informality. In this aspect, the inspection structure of AKEP (and not only, but also in cooperation with other law enforcement structures and institutions), have focused their energies on the fight against abusers of the law.

During 2023, a complaint was handled in the Korca area, which was related to unfair competition. At the end of handling this complaint, after ascertaining the problems, the inspection structures decided to block and stop the operation of the electronic communications equipment identified in this area.

While related to the problems in the formal aspect of exercising the activity (informality), we must emphasize that during 2023 complaints with this object were almost zero, which shows the struggle and efforts of AKEP in this direction during the last years with the aim of formalizing the communications market public and the development of fair competition.

- At the center and focus of inspections remains the solution of problems related to consumer rights (family or business) by guaranteeing them high quality, affordable Internet access, and above all security in communication services and applications that already support their social and economic needs.

This aspect also includes the process for granting usage rights, which should be as objective and transparent as possible for the benefit of consumers and the Albanian economy, the creation of a competitive market in Albania, as well as the effective use of the spectrum in fulfillment of regulatory objectives.

2.3 Inspection with regard to Secure Networks

The inspection is an important link of the rule of law for the improvement of the business climate and the awareness of the subjects in the implementation of the established legal rules and standards. The inspection itself aims to protect the public interest and the legal interests of natural and legal persons. This aim of the inspection activity is achieved through the assessment of compliance with legal requirements by the subject of the inspection as well as the documentation of good practices.

In order to ensure the safe operation of networks, the inspection structures during the

the inspection, which verifies the measures taken during the design, installation and operation of the undertakings operating under the General Authorization regime. network or equipment used, in order to guarantee their security, integrity and proper functioning.

Also, through the inspection, the continuous monitoring of the implementation of the obligations that undertakings have for service quality indicators, for access to the stable (fixed) network of public communications and telephone service available to the public, access to the mobile network of public communications is carried out , and access to the Internet.

The inspection ensures that the public electronic communications service provider undertakes adequate technical and organizational measures to protect the security of the services.

Data security is also a set of measures taken by the ISP to ensure that the system will be able to fulfill the intended goals, minimizing the negative consequences intended or unintended.

The inspection structures of AKEP (and not only), take appropriate measures to mitigate network security risks from suppliers and providers of network equipment, which are considered a risk for all suppliers and providers of 5G network equipment, or of the new generation.

To achieve this goal, a risk assessment is periodically made for 5G suppliers, and other providers of next-generation network equipment.

Also, in this aspect, importance is and will be given even more to cybersecurity protection and security, if suppliers and providers represent a risk to national security. To achieve this goal, the risk profile will be assessed at the national level for all suppliers, guaranteeing a safe and reliable network and interaction.

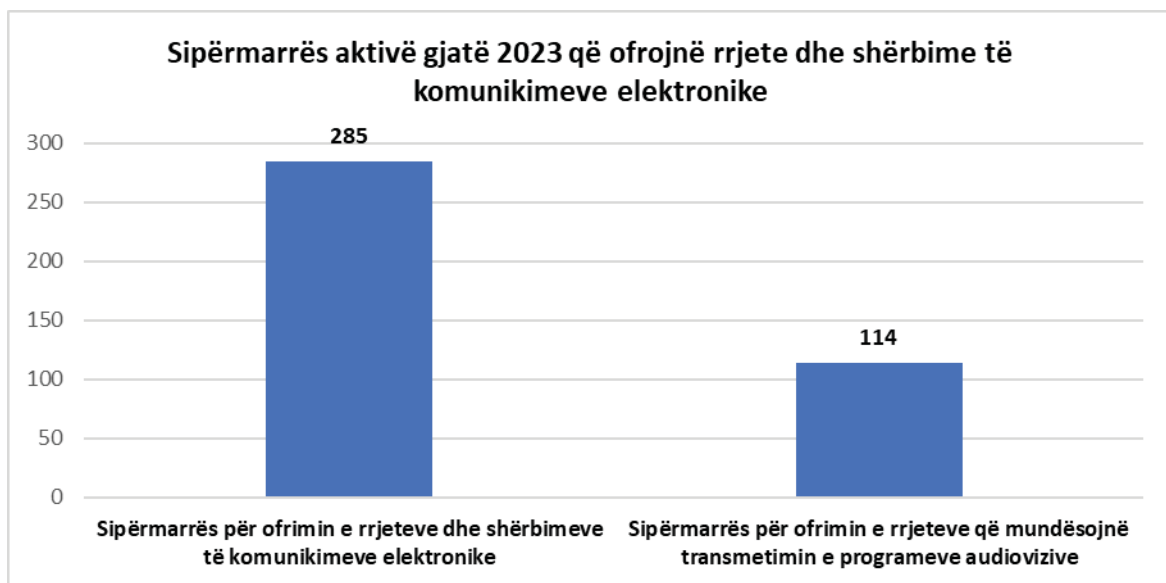
3. Statistical indicators on general authorizations, individual authorizations, and the .al domain

3.1 Statistical Indicators of the Authorizations Sector

Active undertakings during the year 2023:

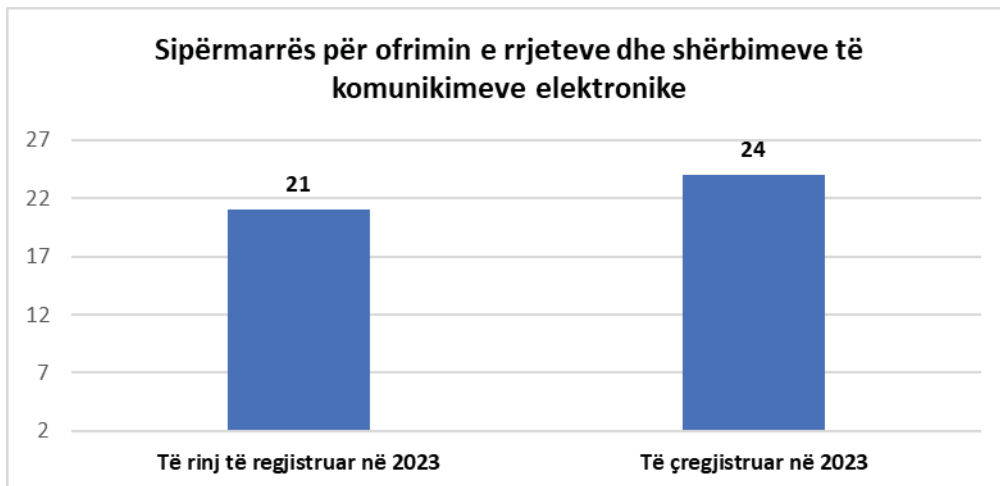
During 2023, the following have exercised their activity:

- 285 undertakings for the provision of electronic communications networks and services;
- 114 undertakings for the provision of networks enabling the transmission of Audiovisual programs.

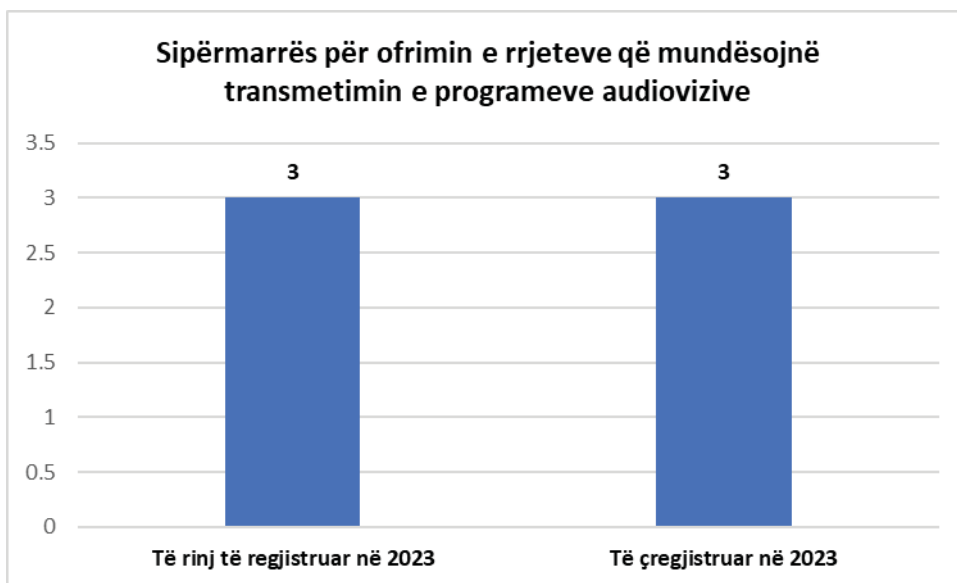


New undertakings and undertakings de-registered during 2023:

During 2023, 21 new providers for the provision of electronic communications networks and services were registered with AKEP while 24 of them were deregistered.

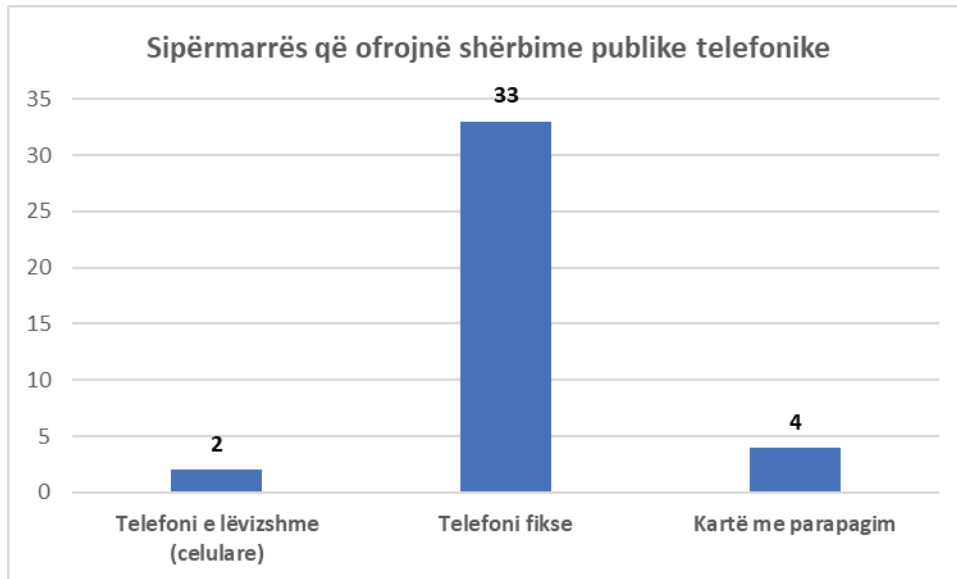


During 2023, 3 new providers were registered with AKEP for the provision of networks that enable the transmission of Audiovisual programs and 3 of them were deregistered.



Undertakings that provided telephony public services in 2023:

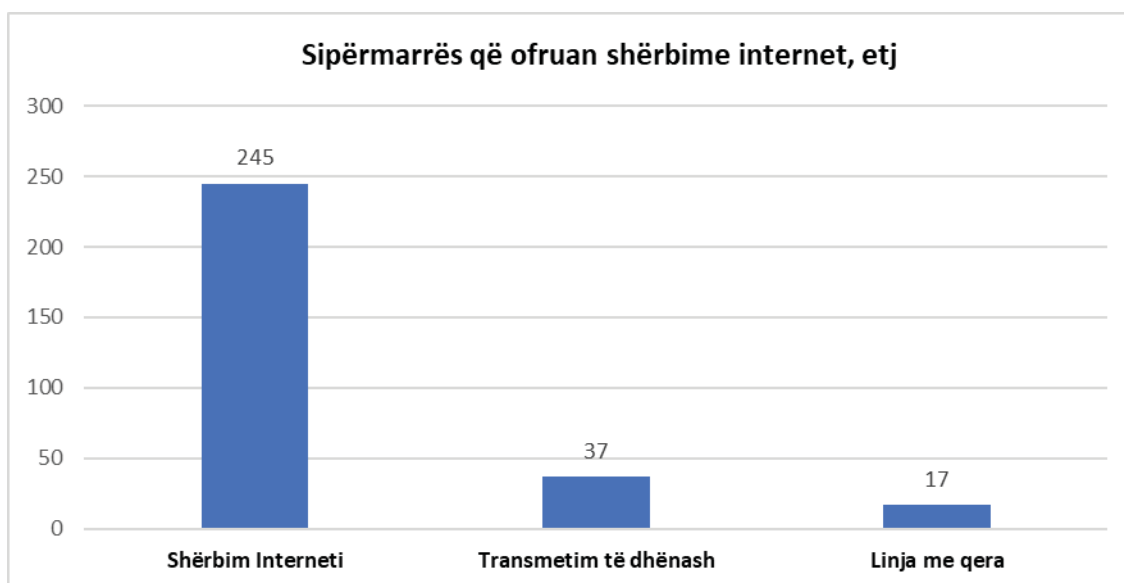
- 2 undertakings - mobile phone;
- 33 undertakings - mobile phone;
- 4 undertakings - landline.



Undertakings that provided internet, data transmission and rental line services during 2023:

During the year 2023, they have exercised undertakings activity offering other services:

- 245 Undertakings providing internet services;
- 37 Undertakings providing data transmission;
- 17 Undertakings providing rental line services.



3.2 Statistical Indicators for Frequency Usage Rights Granting

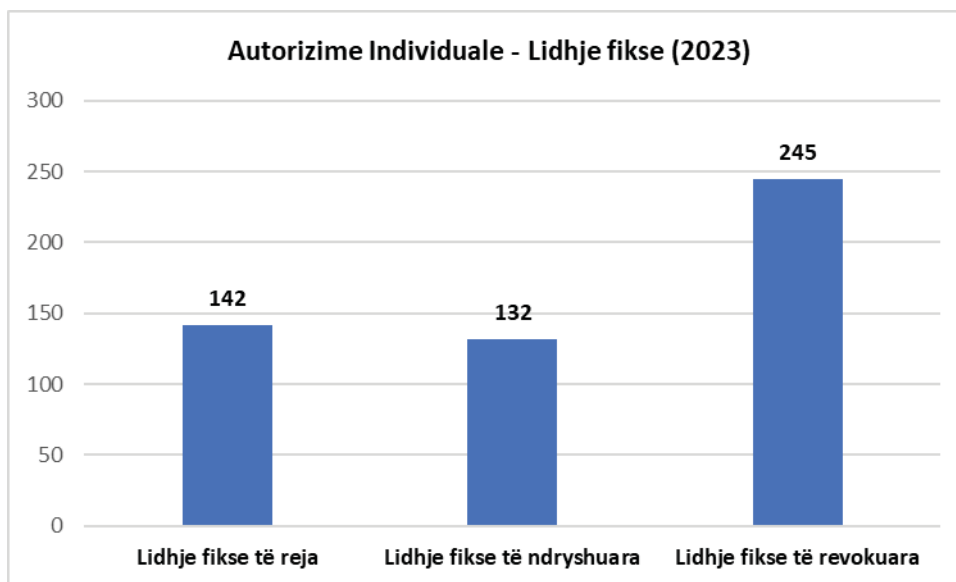
➤ Statistical indicator of individual authorizations

Individual authorizations for the use of frequencies of network operators and mobile (mobile) services:

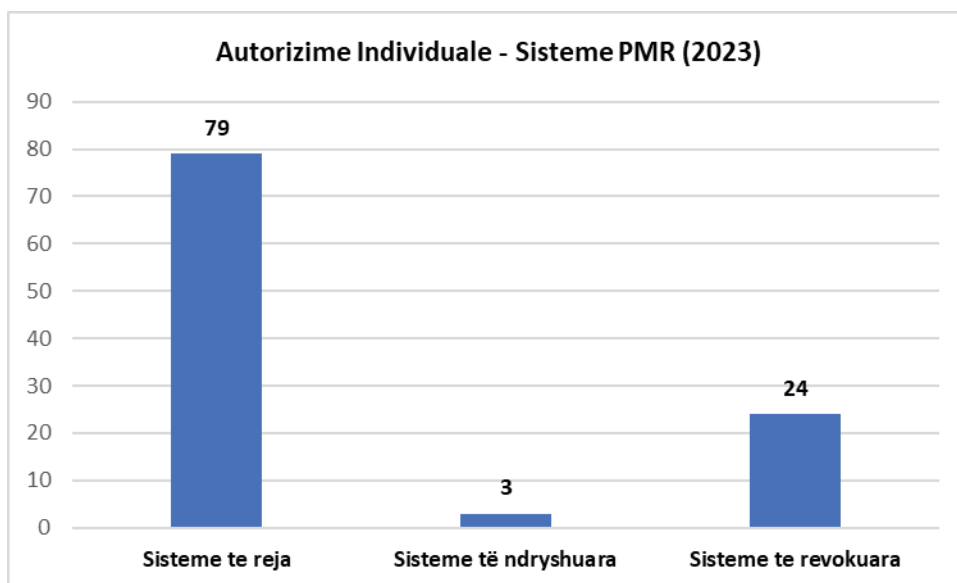
In 2023, 2 operators have provided mobile telephony and *broadband* services through mobile networks: “Vodafone Albania” sh.a., and “One Albania” sh.a., provided by AKEP with Individual Authorizations for use of frequencies in the GSM/UMTS/IMT/LTE bands (800/900/1800/2100/2600 MHz), known as 2G/3G/4G networks.

Individual authorizations for the use of frequencies, for fixed connections (point-to-point), PMR radio communication/radio alarm systems, etc.

In 2023, AKEP has issued 142 new fixed connection individual authorizations and 132 changed fixed connections individual authorizations (total of 172 fixed connections) to electronic communications operators to use frequencies. 245 fixed connection Individual Authorizations have been revoked.



In 2023, the operators using the frequencies for PMR systems (radio communication and radio alarm) have confirmed 106 applications, of which 79 applications were submitted for new systems, 3 application for changes to the existing authorization and 24 applications for the revocation of frequencies.

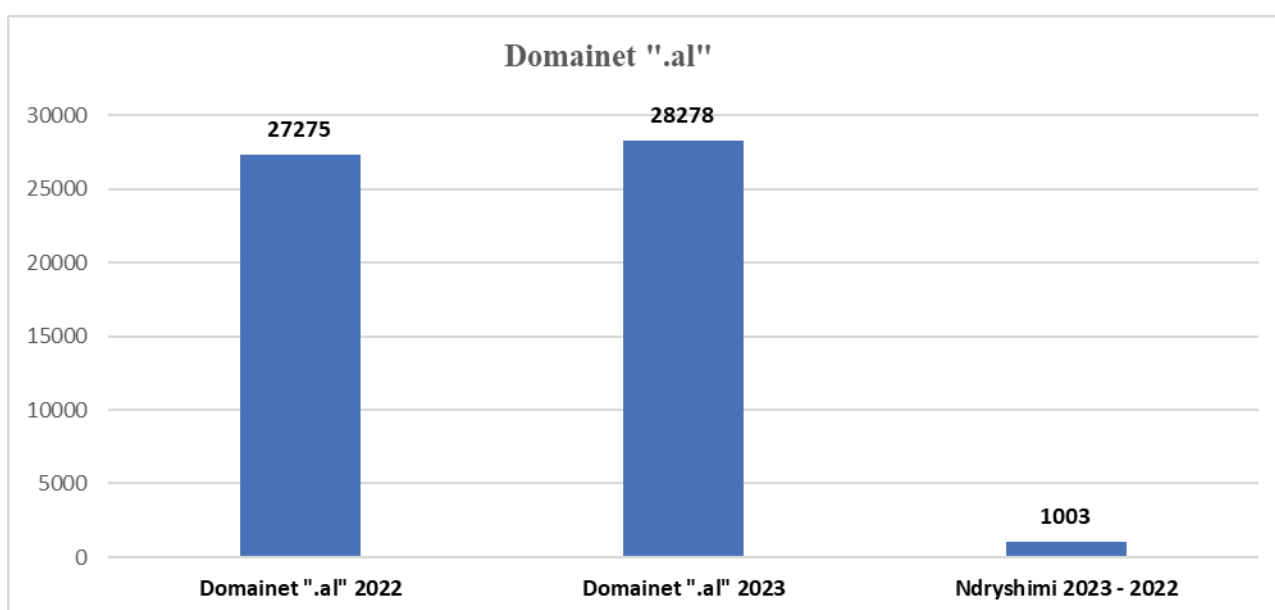


3.3 Usage Data on .al domain

AKEP administers the domain “.al”, based on letter k), article 8, law no. 9918, dated 19.5.2008, “On electronic communications in the Republic of Albania”, amended and Regulation no. 2, dated 21.2.2008, “On registration and administration of domain names under “.al””, amended.

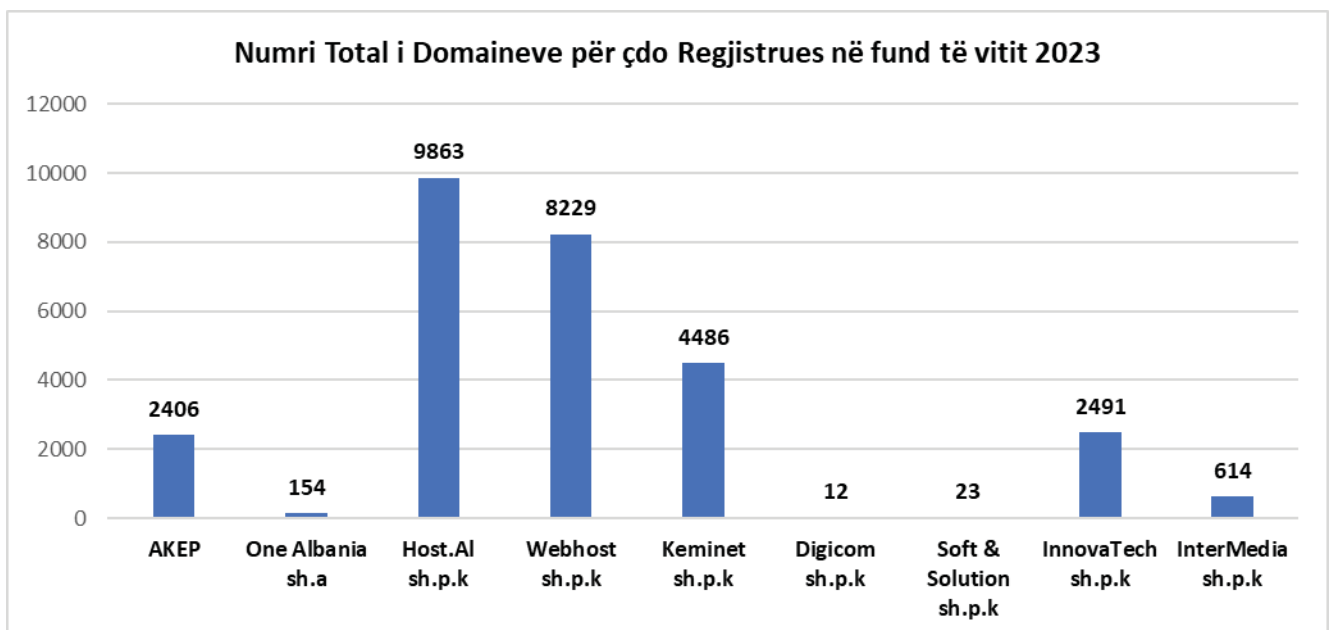
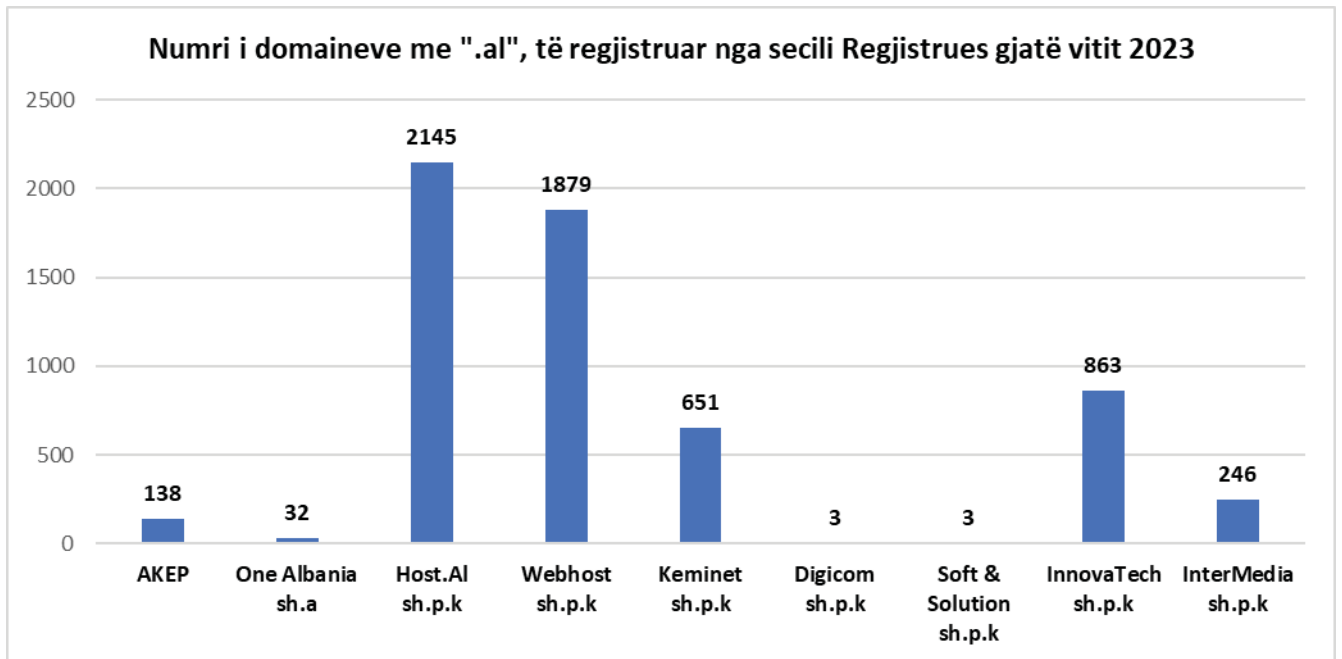
The number of domains with “.al” registered during 2023 was 5960 domains. The total number of domains with “.al” by the end of 2023 reached 28,278 domains.

In statistical terms, it is noted that during 2023 there was an increase in the total number of registered domains, with 1003 domains more than in 2022.



At the end of 2023, Registrar Host.AL shpk (authorized by AKEP) continues to lead the list of “.al” domain registrars, with the largest total number of domains registered through it.

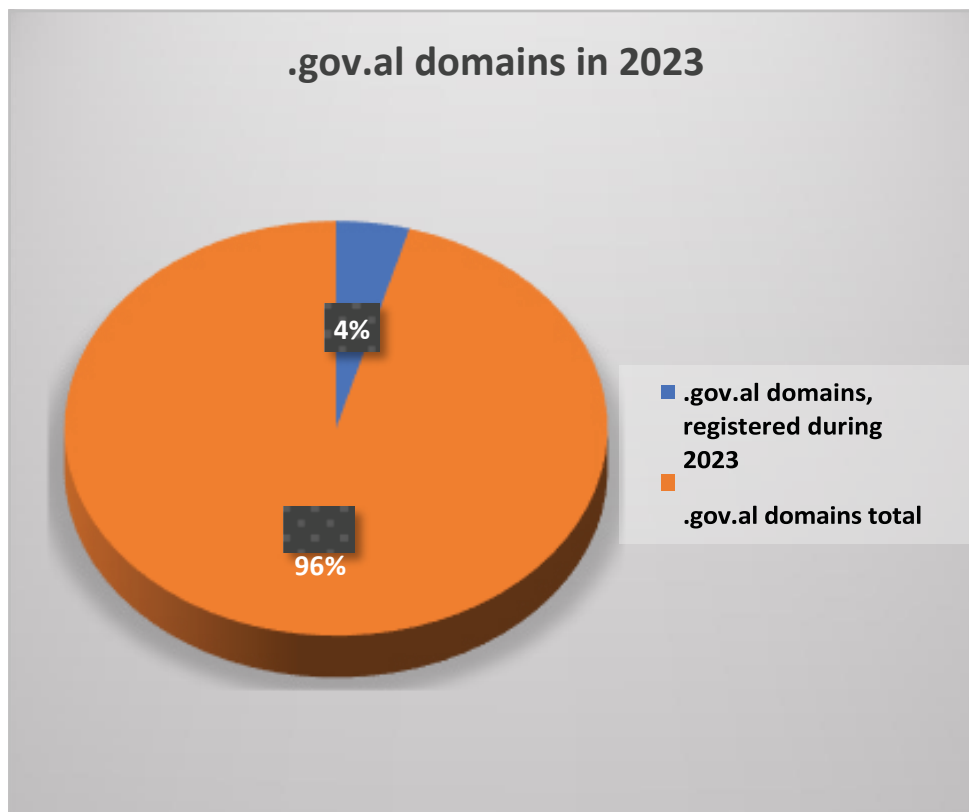
AKEP holds the fifth place as a Registrar, in terms of the number of domains registered through it.



Governmental domains “.gov.al”:

During the year 2023, 20 “.gov.al” domains were registered. By the end of 2023, the total number of .gov.al domains was 439. During the year 2023, 12 “.gov.al” domains were transferred to a free status from the “.al” domain administration system, as the relevant institutions changed them to other domain names.

AKEP has cooperated with the state institutions that have domains with “.gov.al”, on their renewals, in order to avoid closing the services they offer with these domains, such as websites, e-mails, etc.



4. AKEP Steering Board Decisions in 2023

Decision	Date	Title of Decision
No. 1	16.02.2023	The approval of the document "On some additions and changes to Regulation No. 40, dated 17.12.2015, "On Periodic Statistical and Financial Data on the Services Provided by Postal Service Providers"
No. 2	18.04.2023	On "Adopting the Report of Activities of the Electronic and Post Communications Authority (AKEP) for 2022"
No. 3	25.05.2023	For the "Device with Individual Authorizations of the "One Albania" sh.a., undertaking, for the use of the frequencies of the 900 MHz, 1800 MHz and 2100 MHz bands, due to redistribution in order to ensure the efficient use of these frequencies".
No. 4	25.05.2023	For the "Device with Individual Authorizations of the "Vodafone Albania" sh.a., undertaking, for the use of the frequencies of the 900 MHz, 1800 MHz and 2100 MHz bands, due to redistribution, in order to ensure the efficient use of these frequencies".
No. 5	15.06.2023	On the use of committee established like a tax agent from AKEP in the form of remuneration for work difficulties for 2023"
No. 6	19.07.2023	On "Approving the Public Consultation for: "Plan for frequency use"".
No. 7	06.09.2023	For "Frequency Approval". of the document: "Usag e Plan of
No. 8	06.09.2023	For "The application of the salary supplement for the positions that follow and administer IT systems in AKEP, based on DCM no. 325, dated 31.5.2023".
No. 9	06.09.2023	On "Correction of material errors in the document "Regulations for the protection of consumers and subscribers of public electronic communications services", approved by SCD no. 2, dated 11.3.2021.
No. 10	12.10.2023	For "A change in SCD no. 3, dated 25.5.2023, "For the equipment with individual authorizations of the entrepreneur One Albania sh.a., for the use of the frequencies of the 900 MHz, 1800 MHz and 2100 MHz bands, due to the redistribution, in order to ensure the efficient use of these frequencies"".

Decision	Date	Title of Decision
No. 11	12.10.2023	For "A change in SCD no. 4 dated 25.05.2023 "For the equipment with individual authorizations of the entrepreneur Vodafone Albania sh.a, for the use of the frequencies of the 900 MHz, 1800 MHz and 2100 MHz bands, due to redistribution, in order to ensure the efficient use of these frequencies"" .
No. 12	18.10.2023	The proposal to the Minister of Infrastructure and Energy for "An amendment to DCM no. 750, dated 1.12.2022 "On the approval of the budget of the Electronic and Postal Communications Authority for the year 2023""
No. 13	18.10.2023	On "Arrangements to use committee collected by AKEP in the quality of tax agent in 2024".
No. 14	18.10.2023	On "Review of the proposal of the inspection group, set up with inspection authorization no. 2005, dated 29.8.2023, for penalizing the inspected undertaking "One Albania" sh.a. with an administrative measure with a proposed fine.
No. 15	24.10.2023	On "Allocating to AKEP the administrative expenditure fund and the draft budget for 2024".
No. 16	16.11.2023	For "Approval for Public Consultation of the document "The analysis of voice termination wholesale markets in mobile telephone networks (cellular)"".
No. 17	04.12.2023	For the "Review of the administrative appeal of the undertaking "One Albania" sh.a., on the Final Inspection Decision no. 8, dated 25.10.2023 and Decision of the Governing Council of AKEP no. 14, dated 24.10.2023.
No. 18	19.12.2023	On the "Draft decision on some additions and changes to the normative administrative act "Regulations for the operation of the administration of AKEP", amended.

5. *Transposed Acquis into the Frequency Usage Plan during 2023*

1. Commission Decision 2004/545/EC: Decision of the Committee on July 8, 2004: For the harmonization of the 79 GHz radio spectrum band for use by short-range automotive radar equipment in the community;
2. Commission Decision 2011/485/EU: Implementation decision of the Committee on July 29, 2011: Amending Decision 2005/50/EU on the harmonization of the 24 GHz radio spectrum band for time-limited use by short-range automotive radar equipment in the community (2011/485/EU);
3. Decision (EU) 2016/339: Committee Implementing Decision (EU) 2016/339 of March 8, 2016: For the harmonization of the frequency band 2010-2025 mhz for portable or mobile wireless video connections and wireless cameras, used for the creation of programs and special events;
4. Decision (EU) 2016/2317: Committee Implementing Decision (EU) 2016/2317 on December 16, 2016: For the amendment of decision 2008/294/EC and implementing decision 2013/654/EU, in order to simplify the operation of mobile communications in aircraft (MCA services) in the Union;
5. Decision (EU) 2017/1483: Committee Implementing Decision (EU) 2017/1483 of August 8, 2017: Amending Decision 2006/771/EC on the harmonization of the radio spectrum for use by short-range equipment and repealing Decision 2006/804/EC;
6. Decision (EU) 2017/2077: Commission Implementing Decision (EU) 2017/2077 of 10 November 2017: amending Decision 2005/50/EC on the harmonization of the 24 GHz radio spectrum band for time-limited use by automotive short-range radar equipment in the Community;
7. (EU) 2019/1345: Committee Implementing Decision (EU) 2019/1345 of August 2, 2019: For the amendment of the decision 2006/771/CE updating harmonized technical conditions in the field of use of the radio spectrum for short-range devices.

These acquis are related to recommendations/decisions (EC Decisions) for the use of the frequency spectrum.

All decisions/recommendations transposed in the PPF are part of the PKF, therefore the change is reflected only in the PPF without the need to make changes in the PKF.

6. Report on the implementation and recommendations of the Parliament of Albania 2023 Resolution for AKEP

1. *Taking into account the new situation created with only two mobile phone operators, to pay more attention to this market and, in close and active cooperation with the Competition Authority, to avoid the creation of an oligopoly market in the country by making possible development of a fair competition between operators in the market.*

COMPLETED

For AKEP, this point of the Resolution, rightly ranked first, constitutes one of the most important priorities not only for this year, in the mid-term timespan. In order to address the challenge posed by the limitation of mobile operators from 3 to 2, AKEP has undertaken and established in its work plan a series of measures and activities.

Firstly, AKEP increased its focus on the progression of three key parameters monitored by the institution: retail prices, service quality indicators, and investment level. AKEP is ready to intervene through the legal and regulatory means at its disposal and to refer to the Competition Authority the cases that may raise suspicions for prohibited agreements or abuses of power as many times as necessary.

In the context of the cooperation between the two institutions, throughout the year, AKEP has provided the Competition Authority with detailed information on mobile service fee plans, as well as the changes thereto with the relevant reasoning, submitted to AKEP by electronic communications service undertakings.

Also, we would like to inform you that the AKEP Steering Board, Based on decision no.16, dated 16.11.2023, has approved the document “The analysis of voice termination wholesale markets in mobile telephone networks (cellular)” for Public Consultation This document was created in compliance with the Law No. 9918, dated 19.5.2008, “On electronic communications in the Republic of Albania”, as amended, as well as taking into consideration the guidelines and recommendations of the European Union, aiming to improve and promote effective competition in the mobile electronic communications market in the Republic of Albania, as well as to address market developments and AKEP expectations in the near to mid future together with the relevant regulatory measures proposed for undertakings declared with Sensitive Power of this market.

In the document approved for Public Consultation, among other things, AKEP addressed the role and importance of MVNO market entry, where their presence in the mobile

services market would constitute an important factor in promoting and increasing competitiveness in this market .

Secondly, in full accordance with the legislation and regulatory acts, AKEP will undertake a detailed study on the assessment of the opportunities and impact of the entry of MVNOs in the market of mobile communications services. Ensuring a favorable regulatory framework for the entry of MVNOs is one of the CA's recommendations for AKEP in the decision to allow the concentration between "ONE" and "Albtelecom" operators.

Thirdly, AKEP will continuously ensure that a mobile network operator (MNO), interested in entering the Albanian market, has adequate and sufficient access to different bands of the frequency spectrum to offer quality and competitive services. For further details on the measures taken and AKEP's plans regarding ensuring competition through spectrum administration, refer to AKEP's elaboration in point 8 of this Resolution.

- 2. Given the situation created after the Russian aggression in Ukraine, it is important to show increased attention and care regarding the integrity and inviolability of electronic communications networks and services (telephone, internet) to prevent, manage and eliminate any problems.***

COMPLETED

Regarding Recommendation no. 2 of the Assembly, following the Annual Report 2022 that was presented to you during the month of May 2023, AKEP informs you that the institution has paid increased attention in terms of guaranteeing the integrity and integrity of the networks of electronic communications undertakings.

In addition to the reports and measures pertaining to cybersecurity, which constitute legal or regulatory obligations for electronic communications undertakings, AKEP has regularly requested information, reporting or additional measures from electronic communications undertakings, in order to guarantee network integrity and inviolability.

The requested information and reports were mainly related to the analysis of traffic coming to the Albanian IP from foreign countries and, mainly, malicious attacks against Albania. Also, undertakings have been asked, in some cases even at the request of AKCESK, to block certain IPs or Domains.

AKEP in close cooperation with electronic communications undertakings, has played a key role in the majority of cases concerning cybersecurity incident resolution for both public institutions, as well as for businesses categorized

as national critical infrastructures.

AKEP has requested undertakings to increase the security level of their infrastructures to the maximum level, with several cases requiring new investments from undertakings. During this period, there have been no incidents in the networks of electronic communications undertakings, although there may have been attempts (which are daily), but they turned out to be unsuccessful. This is also due to the fact of increased investments and vigilance on the part of undertakings, but also due to the increased demands from AKEP against them.

In this context, it is worth emphasizing the incident that occurred on 25.12.2023 in the infrastructures of the undertakings "One Albania" sh.a. This incident was classified as a malicious cyber attack, and the responsibility was taken by the group "Homeland Justice", through public statements on social networks.

Based on the overall technical assessment of the situation it was found that a part of the information stored in several servers was deleted and the access to a number of internal IT systems was compromised. The compromised access to systems negatively affected the accessibility and normal operation of several customer touchpoints, such as shops, MyONE application and other *online* servicepoints. The undertaking's technical teams on the same day made it possible to restore the systems and recover most of the data, which are now fully operational.

Measures taken in the meantime, such as strengthening internal security measures and enabling 24/7 security control center monitoring, will help implement additional cyber security measures. It is worth mentioning the fact that, according to the investigation made by the undertaking "One Albania" sh.a., the personal data of the users were not impacted or taken.

With respect to the measures taken by AKEP in relation to the institution infrastructures and systems, it is worth mentioning 3 investments which were made in AKEP during 2023, which significantly increased the security level of the infrastructures and systems established, maintained and managed by AKEP.

- The first completed investment is the construction of the DRS in the city of Shkodra, which is an identical replication of the primary infrastructure of AKEP;
- The second investment has to do with buying the cybersecurity incidents management platform;
- The third investment concerns the replacement of the entire infrastructure of the ccTLD .al system, one of the most critical infrastructures in Albania.

It should be taken into account that AKEP administers 5 infrastructures which are classified as national critical infrastructures.

During the year 2023 there have not been any incidents happening in the infrastructure and

systems of AKEP. There have been attempts which have been few and unsuccessful, this is due to investments in cyber security protective infrastructures.

- 3. AKEP has taken the required measures to implement SAI recommendations related to cybersecurity and data protection by establishing a permanent working group to monitor the cybersecurity situation for electronic communications undertakings that are directly or indirectly related to national critical infrastructures, as well as update the relevant regulation to guarantee the security and integrity of communications networks.***

COMPLETED

Regarding the recommendation of the SSA for the establishment of a permanent working group, given that the cyber situation continues to be vulnerable, the working group, established by order of the President in February 2022, continues to be charged with tasks related to with the ongoing monitoring of the cyber security situation.

We bring to your attention that, on January 18, 2023, the draft audit report of SSA¹³ was submitted to AKEP, which contains the findings for the audit period, conclusions and recommendations.

In relation to cyber security and data protection, the audit report has pointed out the continuous intensification of AKEP's efforts to improve the cyber security provision, especially through the increased financial effort from 2019 to 2022 for the relevant investments .

- 4. To make a concrete contribution to the inter-institutional working group, set up by order of the Prime Minister, for the release of the digital dividend two generation (DD2). The release of this band for 5G mobile services has a direct impact on the economic, social and cultural development of the country, as well as the provision of high-speed Internet services.***

COMPLETED

Upon Prime Minister's Order No. 113, dated 20.7.2022, the Inter-Institutional Working Group (GNP) has been established for the release of Digital Dividend 2 (DD2) for the 700 MHz band. This group is chaired by the deputy Prime minister is composed of the Minister of Infrastructure and Energy, the Minister of Finance and Economy, the Minister of Justice and the Minister for Europe and Foreign Affairs. Chairman of AMA, Chairman of AKEP and Chairman of CA also take part in group meetings.

Interinstitutional Labor group is tasked to coordinate the Activities

¹³ The final report has not yet been submitted by SSA.

regarding the release of Digital Dividend 2 (DD2) as well as for the proposal of all necessary decision-making to the competent bodies for the realization of this process.

During the meetings held in February, the Action Plan for the process of the release of DD2, the stages of migration and the migration plan, coordination with neighboring countries, legal/regulatory acts for the release, the method of compensating the costs of audiovisual operators, was proposed for approval. with the relevant deadlines which must be followed by the responsible structures.

AKEP has been an active part of the working group, presenting the positioning of undertakings regarding the 700 MHz band and the necessary information regarding the expectations of the mobile market for 5G networks.

- 5. *To respond in time to the challenges that appear before AKEP in the postal services market, which aim to implement a regulatory framework that promotes innovative services and, at the same time, stimulates fair competition, with the main focus on defining and the application of competition rules to prevent anomalies arising from possible market abuse, both on the demand side and on the supply side.***

COMPLETED

In relation to this point of the Resolution, we clarify that the focus of AKEP's activity is also the fight against informality and, in this context, AKEP's inspection structures carried out during 2023 the inspection of subjects, which advertised on social networks activity in the field of postal services.

At the end of the inspection procedures, AKEP has referred to the prosecution body for those subjects that had reasonable suspicion, based on evidence of illegal activity in the field of postal services.

AKEP has carried out investigations mainly based on advertisements on social networks, where documented cases of subjects/persons providing postal services without authorization from AKEP have been referred to the competent bodies.

For 2023 we have addressed the Prosecution body, where we have referred 11 subjects identified by us for informality and, through the letter dated 15.7.2022, we have been notified by this body about the non-initiation of criminal proceedings.

In this aspect, AKEP has always valued the cooperation with the law enforcement bodies (Prosecutors office and the state police) for the identification and bringing forward the legal responsibility of the offenders, with the aim of improving the business climate and raising the awareness of the subjects in fulfilling the established legal rules and standards.

Moreover, during this period, AKEP has paid special attention to increasing the transparency of fees for the provision of

cross-border parcel delivery in the countries of the region, in accordance with the provisions of the Instruction of the Minister of Infrastructure and Energy, no. 5, dated 25.6.2021, which has enabled the harmonization of local legislation with that of EU countries regarding the distribution of cross-border postal packages. Pursuant to the acts approved for cross-border parcel delivery services and tariff transparency, AKEP, in January 2023, with Decision No. 1, dated 16.2.2023, approved changes to statistical data forms that enable the collection and information for undertakings who offer the service of cross-border parcel delivery. In January 2023 AKEP has published the summary document with the cross-border parcel service fees that undertakings classified for this service apply from January 1, 2023.

In accordance with the provisions of the Instruction of the Minister of Infrastructure and Energy, no. 5, dated 25.6.2021, AKEP has prepared the evaluation report for the fees applied by undertakings who offer cross-border postal parcel service. Subsequently, this report was forwarded to the Ministry of Infrastructure and Energy, in June 2023.

6. ***To cooperate with the AMA in taking measures regarding the new phenomenon of online piracy, where there is an increase in the number of private operators broadcasting via the Internet and various sites offering audiovisual products without the authorization of the AMA.***

COMPLETED

In fulfillment of this recommendation, we clarify that, pursuant to the Memorandum of Cooperation signed on 3.11.2021, by the joint TASK-FORCE AMA and AKEP, inspections were also carried out during 2023 at the undertakings of electronic communications, whose activity is the object inspection of these two institutions.

- Following the inspection of 12 (twelve) electronic communications undertakings, 3 (three) were identified as having failed to meet the obligation to abide by restriction cases regarding illegal or harmful content or other regulatory obligations.

Upon inspection procedure completion, administrative measures were imposed on the undertakings found in violation of regulatory obligation, pursuant to the provisions under Article 137 of law no. 9918, dated 19.5.2008, “On Electronic Communications in the Republic of Albania”, as well as supplementary penalties

in the form of recommendations.

Regarding the phenomenon of audiovisual piracy via the Internet, we emphasize that, in accordance with the legal framework in force, AKEP, after administering requests from law enforcement bodies with the object of blocking websites with illegal content, notifies by official letter, but also by e-mail electronic communications undertakings to perform the actions of closing access to electronic sites.

Purpose of law no. 9918, amended, “*On Electronic Communication in the Republic of Albania*”, is to promote competition and efficient infrastructure through the principle of technological neutrality in electronic communications and to ensure the right and adequate services in the territory of the Republic of Albania. This law does not apply to the content of services provided through electronic communications networks. So, AKEP has no functional competence to intervene in the content provided by electronic communications networks.

During the months of October - December 2023, there was an increase in requests from the AMA to shut down 72 domains/websites with which TV piracy was practiced. In total the AMA's requests during 2023 were for a number of 137 domains/websites for committing TV piracy. AKEP has immediately forwarded these requests to the internet service providers for them to block the access in these domains/websites and regularly verify that there is no access to them during the inspection, according to the monthly/yearly plans.

In conclusion, we emphasize that AKEP will continue cooperation both with AMA and with all undertakings, in order to fulfill the objectives related to the supervision of the electronic communications market.

- 7. Increase efforts to harmonize legislation in the field of electronic communications. The harmonization of legislation brings about the removal of barriers for an information society services market, the promotion of competition and consumer protection in this sector, as well as through the use of a high-speed technology, the expansion and maximization of opportunities for access to online services.***

COMPLETED

Currently ongoing legislative interventions aimed at developing a new electronic communications legal framework in the Republic of Albania to regulate the electronic communications sector activity in the Country, are a result of the goals defined in the 2022-2024 national plan for integration,

and aim at the complete implementation of Directive No. 2018/1972/EC of the European Parliament and Council of 11.12.2018 "Establishing the European Electronic Communications Code".

The Ministry of Infrastructure and Energy has completed the Public Consultation phase on the draft law which fully transposes the code. And after receiving comments from institutions, stakeholders and the European Committee, it has drafted a final document which was forwarded to the Council of Ministers for approval.

The final draft of the new project for electronic communication it is expected that, within a relatively short period of time, it shall be presented for approval to the Assembly of the Republic of Albania.

After the approval of the new law on electronic communications, AKEP will proceed with the approval of new regulatory acts which will be based on this law.

- 8. *To have in mind the activity that the ownership of the rights to use the frequencies does not hinder, but rather promotes equal opportunities to compete for the existing operators, as well as the possibility of entering the market of new mobile operators, virtual or not.***

COMPLETED

Encouraging competition through pro-competitive ownership of frequency usage obligations has been AKEP's keynote from mid-2022 to mid-2023. Based also on the recommendations of the Competition Authority, the decision thereof to allow the merger of "ONE" and "Albtelecom", AKEP incentivized and supported a delicate operation that transformed the spectrum ownership landscape in favor of competition, spectrum usage efficiency, and encouragement of investments to enhance network quality and coverage.

First, the transaction between the two mobile operators has led to a rebalancing of the spectrum holding, enabling the operators to compete on equal terms in the mobile telephony market.

Secondly, the transaction between the two operators resulted in the repositioning of spectrum ownership, enabling the continuation of spectrum blocks owned by an operator, thus ensuring maximum spectrum usage efficiency that encourages investments in the respective operator's networks, which, in turn, translates into higher quality and coverage.

Thirdly and more importantly According to AKEP's analysis, the free blocks on different frequency spectrum bands are adequate and sufficient to grant access to a new MNO operator (Mobile Network Operator) interested in providing mobile network services in Albania. In summary, we emphasize that AKEP has free frequencies for assignment, in the low bands, a block of 10 MHz in the 800 MHz band, and soon 30 MHz in the 700 MHz band, and completely free bands in the upper middle bands (between 3400 M MHz and 3800 M MHz, recently designated as the most suitable for 5G technology) and in high bands (24 GHz and above, the so-called millimeter wave spectrum).

At the end of 2023, the two mobile operators "One Albania" sh.a. and "Vodafone Albania" sh.a. have expressed in AKEP their official interest in taking into use the frequencies of the 3400-3800 MHz band, for the construction of networks fifth mobile generation (5G).

AKEP, in December 2023, pursuant to Article 68 of Law 9918/2008 "On electronic communications in the Republic of Albania", as amended, has set up a Working Group for the drafting of the Document for Public Consultation "On the granting of the rights of on the use of the frequency band 3400-3800 MHz (3.5 GHz)", in order to obtain the opinion of the interested parties.

At the end of the Public Consultation, AKEP will approve its position and follow other legal procedures, including coordination with the Ministry of Energy and Infrastructure, for the number of usage rights (authorizations), the amount of spectrum that will be is tendered, the price for the right of use, etc.

The tendering of these frequencies and the granting of usage rights to the winning bidders is expected to be completed in the second half of 2024.

In this aspect, AKEP will take care of the good administration of the 3400-3800 MHz spectrum, organizing it in such quantities, that there will be frequencies for a new operator, if he wants to enter the market.

9. ***Pursuant to the obligations under Regulation No. 49/2021 for operators with access to emergency services, to cooperate with the relevant operators and institutions to make it possible to receive SMS and location information from call handling platforms/ emergency communications.***

COMPLETED

Regarding Recommendation 9 of the Assembly, AKEP informs you that a number of steps have been taken to fulfill this Recommendation. The most important steps are related to coordination with the National Agency for Civil Emergencies (AKMC) and operators, regarding emergency services.

Within the framework of the unification of the emergency number for the whole of Albania, i.e. 112, AKMC from the beginning of handling this issue has requested the cooperation of AKEP.

Pursuant to Joint Order no. 125, dated 28.2.2023, of the Minister of Defense and the Minister of the Interior, the Inter-institutional Working Group was set up for the drafting of the draft decision "On the establishment and operation of the unified number of emergency calls 112".

Initially, the Working Group discussed the possible technical solutions to make possible the unification of calls, and in this part AKEP played a leading role. In order to make possible a better analysis of the situation, AKEP has requested information from mobile operators about calls to emergency numbers for the last few years, and based on this information, the Technical proposal for AKMC was made.

In the framework of improving the infrastructure of emergency numbers, a series of technical level meetings were held with AKMC.

After the end of the coordination, AKMC has drawn up the Draft-DCM, for which the opinion of AKEP has also been received.

In this DCM, AKEP has requested to add a point on location information. It should be noted that this service is closely related to the type of phone used by subscribers, since in the case when subscribers use old phones that do not support location services, the location information may not be 100% accurate .

- 10. *Despite all the improvements made by "Posta Shqiptare" sh.a., In the framework of consumer protection, "Posta Shqiptare" sh.a. must continue to comply with the obligation to deliver postal parcels to the recipient's address, as this is a persisting issue.***

COMPLETED

Regarding this Recommendation, we clarify that even during the year 2023, AKEP has continued to ask the Albanian Post to comply with legal and regulatory obligations.

In the reporting of the overview of the delivery to the address of packages and packages for the first 3/month 2023, according to the subsidiaries of Posta Shqiptare sh.a., compared to the Annual Report

2022, it results:

- ✓ Unchanged level of packages and packages issued for delivery to the address;
- ✓ 8% drop in packages and parcels delivered to the address, due to the lack of availability of customers at the address at the time of delivery attempts.

In the meeting organized in September with representatives of the Albanian Post, the universal service provider stated that measures were being taken for the delivery of packages to the address, but since there are also difficulties in not finding people in the apartment, the Albanian Post is considering the realization of a project to place mailboxes near Post branches with a unique code, where citizens can withdraw packages at any hour through a specific code, without standing at the post office counters.

For the above, AKEP continues to continuously monitor the process of fulfilling the recommendations left, also performing the inspection process at the end of the year and leaving the relevant recommendations.

- 11. *To continue the work for the timely realization of the project Development of the Broadband Atlas of Albania, as a project which aims to increase transparency in the exchange of information about broadband communications, to improve policy-making and planning in the digital sector, as well as to stimulate investments in areas where broadband is currently absent or there is a lack of competition.***
COMPLETED

Regarding Recommendation 11 of the Assembly, in cooperation with the Ministry of Infrastructure and Energy, AKEP has completed the work with the consultant selected by MIE in relation to the project “Development of ATLAS of Broadband of Albania”, a project within the framework of EU investments through investment program in the Western Balkans.

The consultant officially submitted the final report to the MIE and AKEP in early February 2023. In addition to the final report, the project consultant has also provided a detailed report analyzing the current ATLAS in terms of key maps, reporting and Information Technology (IT) architecture.

After sending the final report from the Consultant, AKEP in cooperation with MIE have decided that, among the 3 recommendations proposed by the Consultant, to continue with the proposal to build the Atlas system in a redesigned physical and logical

infrastructure and OpenSource.

Building OpenSource technology will bring Atlas collaboration with other Atlases, as well as support different types of geospatial data, while the shared infrastructure will increase security for both Atlas and AKEP's current infrastructure.

In relation to this Recommendation, meetings were also held with senior representatives of the ITU (International Telecommunication Union).

At the meeting on 28.9.2023, (held in Budva, Montenegro, during the Regional Regulatory Forum), AKEP asked ITU for support to advance the construction of the new Atlas. The support pertained specifically to the drafting of the terms of reference but also to the option for ITU to fund the project and provide support in sharing best experiences for the establishment of the *broadband* ATLAS.

This meeting was followed by the technical meeting on 5.12.2023, to see all the possibilities that can be offered by the ITU, as well as the concrete technical terms.

- 12. *To take measures for participation and to give a concrete contribution to the table at the technical level initiated by the AMA, regarding the coordination of the work between the institutions to find the best solutions for the problem of the existing cable system in the electricity poles.***

COMPLETED

In fulfillment of fulfilling the obligations assigned by the Resolution of the Assembly of the Republic of Slovenia, even during 2023, AKEP has continued to closely monitor the situation of the networks and infrastructure of undertakings in the areas identified as problematic, as well as to intervene in some areas for the elimination of air infrastructure according to the annual inspection plan, in order to meet the technical conditions defined in Regulation no. 22, dated 24.6.2011, "On Technical Conditions for the Construction of Urban Cable Networks and Interurban Fiber Optic Networks of Electronic Communications".

AKEP has continuously asked the undertakings of electronic communications, providers of audiovisual cable networks, as well as local units, to take measures with the aim of eliminating connections that rely on the infrastructure of the electricity and lighting network.

In addition to the problem of visual pollution of the environment/territory and security, the high use of aerial cables and their non-standard installations cause the degradation of the quality of the broadband access service and the non-realization

of the objectives of the Government's strategy for broadband access at a speed of up.

In many cases the use of overhead cables results from the lack of underground infrastructure.

However, in order to avoid or minimize this phenomenon, in order to fulfill and standardize the required in the engineering network of electronic communications, we estimate that one of the most important factors is meeting the requirements of the operators for the equipment with the appropriate permits for making available and extending the necessary infrastructure for underground lines of electronic communications, in accordance with the legislation in force, as well as the placement by the local government of pipelines in all urban infrastructures (roads, sidewalks) that are being built or will be built in the future.

Municipalities play an important role for the extension and smooth functioning of telecommunications networks, through:

- Competencies for reviewing requests and making decisions on accepting or rejecting the granting of the right of way for electronic communications networks, as well as supervising the exercise of the right of way and any issue related to the construction and maintenance of the electronic communications network in the areas under their competence;
- Providing access to the current pipelines owned by the municipality as well as the construction of new pipelines;
- Management of access points in multi-apartment condominium buildings and in the resolution of administrator, operator or citizen disputes;
- Reviewing municipal pipeline information in the ATLAS system;
- Coordination with AKEP in cases where new roads are built or when existing ones are reconstructed.

In addition to the annual reporting to the Committee for Production Activities, Trade and the Environment, AKEP considers it necessary to establish regular communication with the Committee for Legal Affairs, Public Administration and Human Rights, which has in its composition the Subcommittee for Local Government, to coordinate a series of steps towards raising the awareness of some sectoral actors, mainly the local government, about the necessity of taking a coordinated set of measures related, at the level of municipalities and administrative units, to the infrastructural development of telecommunication networks .

In the absence, until today, of an interlocutor focused on the problems of local government at the executive level, AKEP has written to this Committee to propose the initiation, in the guise of the Subcommittee on Local Government, of an engaging audit and awareness process of the local government, in relation to the problems of the development of electronic communications networks in the field and

serious institutional cooperation with AKEP.

In this respect, AKEP continues to prioritize this issue and has coordinated with the other stakeholders in this process, stimulating cooperation between them to arrange the use of passive infrastructure.

It is worth noting that the Competition Authority with Decision no. 1025, dated 13.10.2023, has opened a preliminary investigation against the administration companies in residential residences of the district of Tirana, in the Internet service access market. The procedure has started based on several complaints filed with the Competition Authority, on the problems in the choice of internet service provision near the building complexes in the capital.

The Competition Committee has assessed that there are reasonable doubts that there are problems in the market of internet service access in residential residences of the district of Tirana, and there may be elements of abuse of the dominant position by administration companies in residential residences of the district of Tirana. Such a situation may be a sign of restriction, distortion or obstruction of competition in the sense of Article 9 of the Law "On the Protection of Competition". The preliminary investigation will cover the time period from January 1, 2020 to October 13, 2023.

- 13. *To ask the two operators in the market to take measures in the shortest possible time (within one year) for the coverage of the country's road accesses with mobile service, specifically focusing on the axes where the traffic of vehicles is even higher.***

COMPLETED

A special importance throughout this year AKEP has dedicated to QoS monitoring (quality of service quality) of new road axes namely:

- Sinanaj - Gusmar - Kuc - Qeparo - Brataj - Vlora;
- By – Pass Vlora;
- Kardhiq – Sarandë;
- Rd. Arbërit

After the measurements carried out by AKEP itself, by means of letters dated 19.6.2023, the two mobile operators “One Albania” sh.a. and “Vodafone Albania” sh.a. have been asked to take measures to solve the problems of provision of mobile phone services.

The solutions offered by the operators for maximum coverage are as follows:

- Construction of new dedicated stations budgeted in new investments for 2023;
- Construction of new dedicated stations not budgeted in new investments for 2023;
- Adding new dedicated antennas to existing stations;
- Optimization of existing stations.

In relation to the optimization of stations, as the fastest solution offered by mobile phone operators, during the month of August 2023, AKEP carried out monitoring on two new road axes inaugurated by the Government, specifically: the Orikum-Dukat and Palas- Dhërmi, in which the operators offered optimal service.

From the findings of the annual monitoring, even though there were improvements in the provision of mobile telephone services, the construction of new dedicated stations is still required.

AKEP, by means of letters sent on 6.9.2023, has requested from both operators precise determinations of deadlines for the construction of new dedicated stations budgeted for 2023, as well as for those not budgeted for this year.

In Figure no. 1 and Figure no. 2, the graph shows in % coverage with data services for all new road axes according to QoS monitoring carried out by AKEP during the months of June and August of 2023.

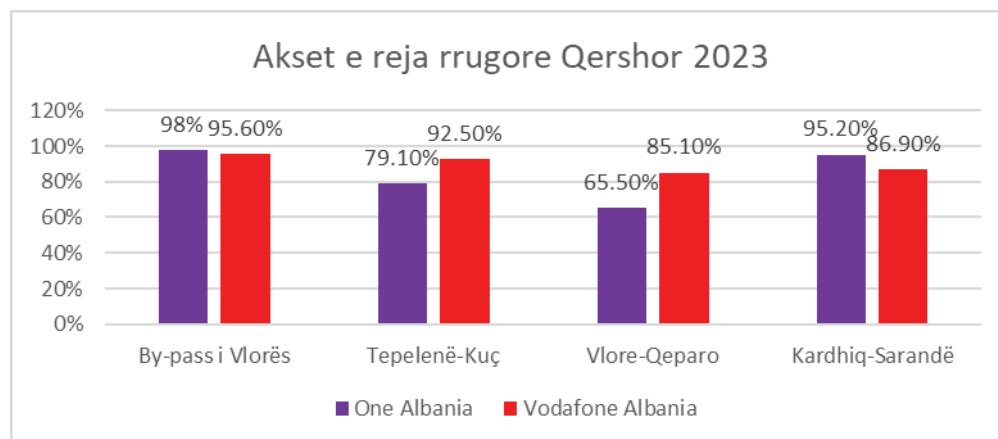


Figure no.1 % of the data service downloaded for the month of June 2023

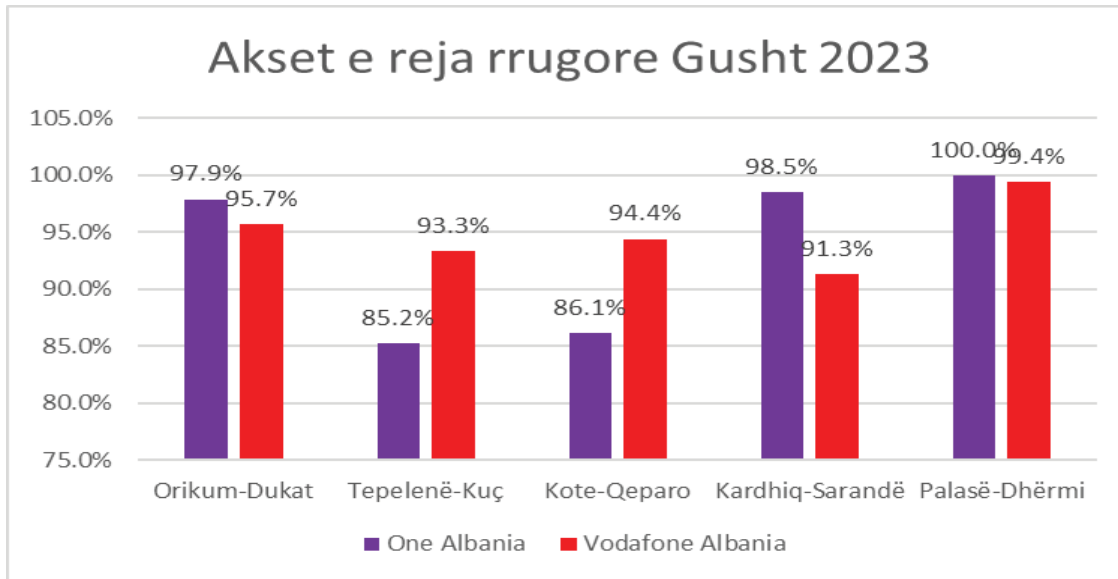


Figure no. 2 % of the data service downloaded for the month of August 2023

From the analysis of QoS monitoring on the service of mobile operators for GSM, UMTS and LTE technologies for the new road axes for 2023, this situation is presented:

- The results of QoS monitoring for mobile networks carried out by AKEP have not been contested by any of the operators “One Albania” sh.a., and “Vodafone” Albania sh.a.;
- Improving the service to acceptable levels for the By-Pass of Vlora;
- Providing the service within the KPI parameters for the new road axes Orikum-Dukat, Palas-Dërmi;
- Improvement of other road axes, realizing the optimization of the existing stations. This is due to the fact that the construction of new stations requires budget planning as well as a construction permit for their construction.

AKEP will carry out the verification of the improvement of the mobile services of the operators for the new axes, but also the monitoring of all the national road axes throughout the year 2024 and beyond.





