

2008

Annual report

ANCOM
National Authority for Management and
Regulation in Communications of Romania





Art.9 of the Regulation for the organization and functioning of the National Authority for Management and Regulation in Communications, approved by Decision no. 357-22.05.2009, provides the following:

“Art.9 - (1) ANCOM shall publish on its website, by April 30 of each year, a detailed report regarding its activity in the previous year.”



The National Authority for Communications is the institution that sets the rules in the Romanian communications market and watches the enforcement of these rules.

Our mission is to arbitrate the communications market as to ensure an effective competition, to the end-user benefit. In our activity we pursue the following major objectives: promote competition, protect the end-users' interest, ensure the rational use of scarce resources, encourage effective investment in infrastructure and stimulate innovation. In our regulatory activity, we envisage the following principles: necessity, opportunity, proportionality, obligatory character, technological neutrality, transparency, predictability, stability and the efficient use of resources.

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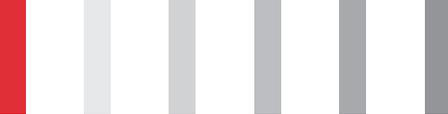
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1

Overview on the
regulatory authority for
communications of
Romania



Overview on the regulatory authority for communications of Romania

The institution that regulates the Romanian electronic communications sector today resulted from the merger of two bodies with experience and expertise in the relevant field of management and regulation: the Inspectorate General for Communications and Information Technology (IGCTI) and the National Regulatory Authority for Communications (ANRC).

Before 1990, The Ministry of Transport and Telecommunications was the administrator of the radio frequency spectrum, by means of the "Frequencies" Division of the Directorate General for Post and Telecommunications.

Given the strategic importance of the two activities - transport and telecommunications - for the development of the national infrastructure, on 2 January 1990, a first step was taken towards the reorganisation of the Romanian telecommunications sector, by adopting an emergency solution for the institutional separation of activities. Thus, the Ministry of Transport and Telecommunications was dissolved into two new entities: the Ministry of Transport and the Ministry of Post and Telecommunications. The latter took over all the central, regional and local structures in the telecommunications, radiocommunications and postal fields, both with executive and regulatory attributions and with operational attributions.

Shortly after that, on 30 July 1990, the Ministry of Post and Telecommunications was reorganised by separating the executive responsibilities from the operating and exploitation ones. This is when the Ministry of Communications and ROM-POST-TELECOM, the first Romanian "national company" were established. This new company took over the operational activities in the field of telecommunications, radiocommunications and post, whereas the Ministry remained in charge of the elaboration and enforcement of the policies, strategies and regulations in the field.

The Ministry of Communications understood that the new national company was not viable, since its structure was not very different from the centralised one of the

communist period. Therefore, one year later, on 1 July 1991, ROM-POST-TELECOM was divided in four national companies: "Romtelecom", "Romanian Post", "Radiocommunications", "The Inspectorate General for Radiocommunications" (IGR) and the company "Bancpost". IGR would become IGCTI.

In May 1997, "The General Inspectorate for Radiocommunications", the national company with attributions in the radioelectric frequency spectrum management and in the technical control of the radiocommunications sector, turned into the Inspectorate General for Communications (IGC) and received new attributions as regards the surveillance and control of the post and telecommunications. In March 2002, another change occurred, IGC becoming a public institution subordinated to the Ministry of Communications and Information Technology. On the same date, the Inspectorate took over the management of the e-government projects, therefore the Inspectorate General for Communications became the Inspectorate General for Communications and Information Technology – IGCTI.

In November 2004, IGCTI, previously subordinated to the Ministry of Communications and Information Technology, was transferred into the subordination of the Government and was entrusted with amending the secondary legislation in the field.

The National Regulatory Authority for Communications (ANRC) was set up in 2002, in the context of preparing Romania for its accession to the European Union, for the purpose of ensuring competition in the electronic communications and postal services market, which was soon to be fully liberalised, on 1 January 2003. ANRC started its activity in September 2002, with the main objective of promoting competition and protecting the rights and interests of the users of electronic communications networks and services and of postal services, as well as ensuring access to Universal Service for all the citizens of Romania.

In December 2006, ANRC turned into the National Regulatory Authority for Communications and Information Technology (ANRCTI), which thus took over regulatory and surveillance attributions in the field of information technology, so as to achieve the thorough harmonisation of the national legislation with the Community legislation and the regulation of the information technology sector in close connection with the electronic communications and postal services sector, as convergent fields.

In April 2007, IGCTI and ANRCTI merged under the latter's name, so that the communications and the information technology sectors could be regulated on a level ground, by a single body that covered both the expertise and responsibilities for the management of the limited spectrum and numbering resources and those for promoting competition and the end-users' rights.

In September 2008, the new Authority extended its scope of competence by encompassing the national administration of the TLD (top level domain) “.ro”

and of the SLD (second level domain) “.eu” for the names of domains reserved to Romania. Entitled the National Authority for Communications (ANC) – a public institution with legal personality subordinated to the Government –, the regulatory authority became the only administrator of the policies in the field of electronic communications, postal services and information technology.

On 19 March 2009, before the completion of this document, the Authority was reorganised as the National Authority for Management and Regulation in Communications (ANCOM), an autonomous public authority under the control of the Romanian Parliament.

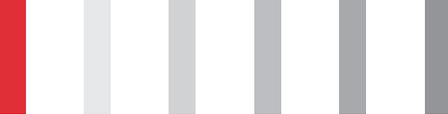
This document presents the Authority's activity in 2008.





2

2008 Objectives



2008 Objectives

In 2008, for the first time, the Authority presented its strategic objectives by publishing a position paper on the regulatory strategy for 2007-2010. During this first year of strategy-oriented regulation, the Authority focused on reviewing the relevant markets in the electronic communications sector while pursuing its main objectives: **promote competition and the end-users' interests** in the electronic communications and postal services sectors, **promote the use of information technology and improve the dialogue with the industry and the users.**

The review of the relevant markets in the electronic communications sector - one of the most important tools whereby the Authority can accomplish its mission of promoting competition - was carried out during 2008 and involved defining and analysing the relevant markets and establishing the regulatory measures to remedy the competitive deficiencies existing on these markets. As a first, due to Romania's capacity as a Member State of the European Union, this process was preceded by a European consultation, which consists of notifying the European Commission and the other regulatory authorities of the Member States on the defined relevant markets, on the operators identified as having significant power in these markets (SMP), as well as on the remedies the Authority intends to impose.

A project, completed in 2008, which contributed to the enhancement of competition in the telephony market as well as to the maximization of users' benefits, is number portability. Made available from 21 October, number portability has enabled the fixed and mobile telephony users to keep their telephone number when changing their provider.

Furthermore, in view of impelling competition on the mobile telephony market, the Authority granted in 2008 a new licence for mobile communications in the 410-415/420-425 MHz frequency bands. Romtelecom won the licence following a comparative selection procedure in which three other companies participated.

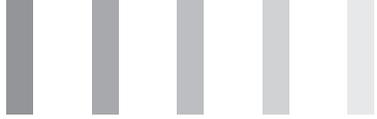
In order to promote the end-users' interests, the Authority continued to implement the universal service by designating the universal service providers for the installation of 172 new telecentres. The conditions for the provision of the directory enquiry service and for the making available of subscriber directories were also established by the designation of universal service providers for such services. In the postal services field, the Authority enlarged the scope of universal service, by including in it the direct mail service, and designated the universal service provider to provide this service.

Moreover, the Authority completed the legal framework on the allotment and use of the numbering and technical resources, by closing the National Numbering Plan, according to the European requirements.

With a view to ensuring the implementation, at a national level, of the solutions of interconnection with the National Unique System for Emergency Calls (SNUAU), so as to ensure the availability of caller location information in accordance with the requirements of the European Commission and in close connection with the problems impeding the functioning of the 112 emergency service, the Authority elaborated, in collaboration with the SNUAU administrator, the decision on establishing communications towards the National Unique System for Emergency Calls.

Promoting the use of information technology was also one of the Authority's priorities. In this respect, the Authority adopted a series of regulations, among which: the methodological rules for the authorisation of data centres, the technical and methodological rules for the enforcement of Law no.451/2004 on temporal marking, the technical and methodological rules for the enforcement of Law no.135/2007 on electronic archiving and the procedure for verifying and assessing the information systems used for electronic invoicing.

For better informing the users, the Authority carried out two information campaigns:



one regarding the change in the telephone number dialling, following the closing of the National Numbering Plan, and a wider campaign on number portability.

An unfulfilled objective of 2008 refers to the implementation of the strategy on

the introduction of the BWA (Broadband Wireless Access) systems in the 3.6 – 3.8 GHz radio frequency bands. Although the Authority fulfilled its obligation to regulate the comparative selection procedure for granting the BWA licences, none of the six companies that had bought the terms of reference submitted an offer.





3

Electronic
communications and
postal services regulation

Electronic communications and postal services regulation

3.1. Decisions with significant market impact issued by the Authority in 2008

3.1.1. Wholesale regulation

Identification, analysis and regulation of the relevant markets corresponding to the services of call termination provided at fixed locations on the public telephone networks

The Decision of the president of the National Regulatory Authority for Communications and Information Technology no.585/2008 on the identification of the relevant markets for the services of call termination provided at fixed locations

Following market analyses, the Authority designated, in 2008, 38 providers with significant power (SMP) on the market for the services of call termination provided at fixed locations on individual networks, thus reviewing the regime of interconnection with the two biggest operators of fixed public telephone networks, S.C. Romtelecom S.A. and S.C. RCS&RDS S.A. By way of individual decisions, the SMPs were imposed or maintained - as the case may be, proportionally to the deficiencies identified - obligations of transparency, non-discrimination, separate accounts, network access, as well as certain control measures for the interconnection tariffs.

SMPs were designated on the market of the services of call termination provided at fixed locations, and specific obligations were imposed via the adoption of 38 individual decisions:

- *Decision no.615/2008 on the designation of S.C. Adisam Telecom S.A.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.616/2008 on the designation of S.C. Advanced Business*

Solutions International S.R.L. as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;

- *Decision no.617/2008 on the designation of S.C. Aietes Telecom Galati Tulcea Branch S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.618/2008 on the designation of S.C. Atlas Telecom Network Romania S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.619/2008 on the designation of S.C. BP Office & Service S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.620/2008 on the designation of S.C. Canal S S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.621/2008 on the designation of S.C. Datek Telecom S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.622/2008 on the designation of S.C. Combridge S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.623/2008 on the designation of S.C. Connet - Ro S.R.L.* as a provider with significant power on the market for the services of call

termination provided at fixed locations on its own public telephone network and on imposing certain obligations;

- *Decision no.624/2008 on the designation of S.C. Dial Telecom S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.625/2008 on the designation of S.C. Digicom Systems S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.626/2008 on the designation of S.C. Euroweb Romania S.A.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.627/2008 on the designation of S.C. Globtel Internet S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.628/2008 on the designation of S.C. GTS Telecom S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.629/2008 on the designation of S.C. Idilis S.A.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.630/2008 on the designation of S.C. Ines Group S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network

and on imposing certain obligations;

- *Decision no.631/2008 on the designation of S.C. Intersat S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.632/2008 on the designation of S.C. Media Sat S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.633/2008 on the designation of S.C. Netmaster S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.634/2008 on the designation of S.C. Net-Connect Internet S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.635/2008 on the designation of S.C. Netpoint S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.636/2008 on the designation of S.C. Nevi Telecom S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.637/2008 on the designation of S.C. Nxtel Solutions S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;

- *Decision no.638/2008 on the designation of S.C. Orange Romania S.A.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.639/2008 on the designation of S.C. Parlatel S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.640/2008 on the designation of S.C. Plug IT International S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.641/2008 on the designation of National Radiocommunications Company S.A.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.642/2008 on the designation of S.C. Rartel S.A.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.643/2008 on the designation of S.C. RCS & RDS S.A.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.644/2008 on the designation of S.C. Romtelecom S.A.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.645/2008 on the designation of S.C. Telcor Communications S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on the imposition on it of certain obligations;
- *Decision no.646/2008 on the designation of S.C. Thomas Hook Communications S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.647/2008 on the designation of S.C. Total Telecom S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.648/2008 on the designation of S.C. Trans Tel Services S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.649/2008 on the designation of S.C. UPC Romania S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.650/2008 on the designation of S.C. Vip Net S.R.L.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.651/2008 on the designation of S.C. Vodafone Romania S.A.* as a provider with significant power on the market for the services of call termination provided at fixed locations on its own public telephone network and on imposing certain obligations;
- *Decision no.652/2008 on the designation of S.C. Voxility S.R.L.* as a provider with significant power on the market for the services of call

termination provided at fixed locations on its own public telephone network and on imposing certain obligations.

Further details on interconnection in view of call termination at fixed locations are available in Chapter 6, section 6.1.1.

3.1.2. Regulation of access to the 112 emergency service

The Decision of the president of the National Authority for Communications no.1023/2008 on the establishment of communications to the Unique National System for Emergency Calls (SNUAU).

This decision was elaborated for the purpose of ensuring the availability of the caller's tracing information, in accordance with the requirements of the European Commission.

Thus, a solution for tracing the caller was identified, irrespective of the fixed or mobile network in which the calls to the 112 emergency call service are originated. The calls originated in the mobile telephone networks will be traced by processing the cell-id/sector-id information, sent on the SS7 signalling system, thus allowing the identification of the caller's geographic position. The calls originated in the fixed telephone networks will be traced based on the caller line identification (CLI) information, thus enabling the identification of the physical address where the fixed terminal is located.

The regulation also envisaged the technical and economic conditions for establishing communications to the SNUAU, as well as certain measures for limiting prank calls to the 112 emergency call service, especially those originated on the mobile public telephone networks.

Further information on the regulation of the access to the 112 emergency service is presented in Chapter 6, section 6.2.

3.1.3. Numbering and technical resources

a) The Decision of the president of the National Regulatory Authority for Communications and Information Technology no.3444/2007 on the adoption of the technical and commercial terms for the implementation of number portability

Although the regulatory authority adopted it in 2007, this decision came into force on 21 January 2008, after its publication in the Romanian Official Journal.

The decision established the technical and commercial terms for the implementation of number portability, namely a set of rules to be observed by the telephony providers in view of porting and routing the calls to the ported numbers in a harmonised manner, at a national level. The adoption of this normative act completed the legal framework for the implementation of number portability in Romania. The 9-month term for launching number portability began on the date of entry into force of the decision, i.e. 21 January 2008.

Further details on number portability are available for consultation under Chapter 6, section 6.3.

b) The Decision of the president of the National Regulatory Authority for Communications and Information Technology no.321/2008 on the allocation and use of certain national short numbers for harmonised services at European level

The 2007 National Numbering Plan defined the national short numbers for harmonised services at European level, respectively the pan-European identity numbers, which are allotted to the same services in all the EU Member States. This decision was necessary to establish the allotment modality for the national short numbers intended for the social harmonised services – the 116(xyz)

numbers – and for the national short numbers intended for the directory enquiry service – the 118(xyz) numbers.

Further details on the management of the numbering resources under the National Numbering Plan can be found at Chapter 4, section 4.4.

c) The Decision of the president of the National Regulatory Authority for Communications and Information Technology no.520/2008 on completing the Decision of the president of the National Regulatory Authority for Communications and Information Technology no.2896/2007 on the procedure of requesting and issuing licences for the use of numbering resources

During the implementation of the new procedure for the allocation of numbering resources, practical problems were identified related to the requests submitted by certain electronic communications providers in order to change, for commercial reasons, the format of certain numbering resources included in the LURN. Following the analysis of these requests, the regulatory authority found that, even though the change of certain formats could have been justified, the provisions of the ANRCTI President's Decision no.2896/2007 were not flexible enough to allow such operations.

Consequently, the ANRCTI President's Decision no.2896/2007 was completed to ensure the possibility to change the format of certain numbering resources provided in the LURN. This possibility however exists only in justified cases, such as soundly grounded technical or commercial reasons, which have the potential to ensure a more effective use of the allotted numbering resources. The justifications sent by the providers of publicly available electronic communications services are analysed case-by-case, based on the general criteria for the allotment of the numbering resources.

Further details on the management of the numbering resources under the

National Numbering Plan are available in Chapter 4, section 4.4.

d) The Decision of the president of the National Regulatory Authority for Communications and Information Technology no.500/2008 on the allotment and use of certain technical resources

This regulation established the procedure for the allotment and use of the following categories of technical resources, currently required for the operation of public electronic communications networks and for the provision of publicly available electronic communications services in Romania:

- international signalling point codes (ISPC);
- national signalling point codes (NSPC);
- mobile network codes (MNC);
- network identification codes (NIC);
- routing numbers (RN).

Considering that a series of common procedures were identified within the process of allotment of technical resources, the regulation pursued the elaboration of a standalone procedure that should unitarily treat the modality of administration and management of the technical resources listed above.

Further details on the management of the numbering resources under the National Numbering Plan can be found in Chapter 4, sub-chapter 4.5.

3.1.4. Radio frequency spectrum

a) The Decision of the president of the National Regulatory Authority for Communications and Information Technology no.241/2008 on the procedure of granting a licence for the use of radio frequencies in view of providing mobile electronic communications networks and services in the 410-415/420-425

MHz frequency bands

The decision aimed at elaborating the regulation under Article 5 of the Government Decision no.61/2008 on the selection procedure for granting a national licence for the use of radio frequencies in view of providing mobile electronic communications networks and services in the 410-415/420-425 MHz frequency bands and at setting up the procedural rules of the tender, under the openness, transparency and non-discrimination conditions imposed by the provisions of Article 15(1) of the Government Emergency Ordinance no.79/2002 on the general regulatory framework for communications, approved with amendments and completions by Law no.591/2002, with the subsequent amendments and completions, as well as at clarifying the main requirements the tenderers must meet.

This decision represented the second phase – following the Government Decision no.61/2008, which established the type of procedure applied and the licence fee – of the mechanism of issuing the licences which are granted via a selection procedure regulated by the provisions of Article 15 of the Government Emergency Ordinance no.79/2002.

Further information on the granting of the licences for the use of radio frequencies in the land mobile service is available at Chapter 4, section 4.3.

b) The Decision of the president of the National Regulatory Authority for Communications and Information Technology no.732/2008 on the procedure of granting licences for the use of radio frequencies in the 3600-3657 MHz and 3700-3757 MHz frequency bands and on the establishment of the due licence fee for the granting of the right to use the radio frequencies in the 3657-3685 MHz and 3757-3785 MHz frequency bands

With a view to enhancing, at a national level, the access to broadband services

and to develop the communications infrastructure so as to bridge the digital divide between the urban and the rural areas, as well as to optimising the use of the 3600-3800 MHz radio frequency band and to introduce the BWA systems (Broadband Wireless Access), the Government Emergency Ordinance no.18/2008 on the establishment of certain measures reforming the radio spectrum in the 3600-3800 MHz frequency band, approved with amendments by Law no.259/2008 was adopted. In accordance with the provisions of art.2(1) therein, the comparative selection procedure was established as the procedure applicable in the case of granting licences for the use of radio frequencies in view of providing public electronic communications networks and publicly available electronic communications services via the BWA. Moreover, art.2(3) of the Government Emergency Ordinance no.18/2008 provides the obligation to regulate in-depth, by decision of the Authority's President, the manner in which the comparative selection procedure is carried out.

The purpose of the decision was to set up, under the openness, transparency and non-discrimination conditions imposed by the provisions of Article 15(1) of the Government Emergency Ordinance no.79/2002 on the general regulatory framework for communications, the procedural rules of the tender, as well as to clarify the main requirements the tenderers must meet.

The decision transparently regulated the preliminary phases and the actual phases of the tender, starting with the elaboration and launching for public consultation of the terms of reference and ending with the granting of the licence to the winner. As well, the decision outlined very clearly the attributions of the tender commission and of the dispute settlement commission and established certain compulsory provisions to be included in the terms of reference.

Further information on the granting of the licences for the use of radio frequencies in the fixed service is available at Chapter 4, section 4.3.

c) The Decision of the president of the National Authority for Communications no.1129/2008 on the amendment of paragraph (1) under Article 11 of the Decision of the president of the National Regulatory Authority for Communications and Information Technology no.732/2008 on the procedure of granting the licences for the use of radio frequencies in the 3600-3657 MHz and 3700-3757 MHz frequency bands and on the establishment of the licence fee for the granting of the right to use the radio frequencies in the 3657-3685 MHz and 3757-3785 MHz frequency bands

This decision was deemed necessary as the provisions of art.11(1) of the Decision of the president of the National Regulatory Authority for Communications and Information Technology no.732/2008, which read that “the National Radiocommunications Company - S.A. benefits from the right to provide public electronic communications networks and publicly available electronic communications services [...], upon entirely paying the licence fee under paragraph (3), until 23 July 2011”, seem not to be in line with the text under art.4(1) of the Government Emergency Ordinance no.18/2008 which provides that “Within 15 days from the entry into force of this ordinance, the Authority will allow the National Radiocommunications Company – S.A. to provide public electronic communications networks and publicly available electronic communications services via the Broadband Wireless Access (BWA) systems, irrespective of the technology used, in the 3657-3685 MHz and 3757-3785 MHz radio frequency bands, in accordance with the provisions herein”. Thus, the condition imposed by Article(1) 11 of the Decision of the president of the National Regulatory Authority for Communications and Information Technology no.732/2008 proves to be unnecessary in view of achieving the purpose of the Government Emergency Ordinance no.18/2008 and of the Government Decision no.638/2008. Article 2(2) of the latter ensures the set of obligations required to satisfy the public interest.

Through this decision, the Authority amended only the provisions that bound the

capability of the National Radiocommunications Company - S.A. to provide public electronic communications networks and publicly available electronic communications services via the BWA systems to the date of actual payment of the established licence fee, on grounds of art.1(2) of the Government Decision no.638/2008, through the Decision of the president of the National Regulatory Authority for Communications and Information Technology no.732/2008. In other words, this company's obligation to pay the licence fee at the value established pursuant to art.11(3) of the Decision of the president of the National Regulatory Authority for Communications and Information Technology no.732/2008, under the terms of art.2(2) of the Government Decision no.638/2008 was upheld.

Further information on the granting of the licences for the use of radio frequencies in the fixed service is available under Chapter 4, sub-chapter 4.3.

3.1.5. Financial obligations

a) The Decision of the president of the National Regulatory Authority for Communications and Information Technology no.572/2008 on amending and completing the annex to the Decision of the president of the General Inspectorate for Communications and Information Technology no.686/2005 on the approval of the charging procedure and of the List of tariffs for the use of the radio frequency spectrum annually owed to the General Inspectorate for Communications and Information Technology

Taking into account the fact that the technologies for the use of the radio spectrum are continuously evolving, the Authority had to amend and complete the normative act which established the tariffs for the use of the radio spectrum paid by the holders of licences for the use of radio frequencies. Due to its active role as regards promoting competition in the electronic communications sector, the Authority must allow and facilitate, under the law, the introduction and development of new services and technologies while ensuring a balance between

the ever growing need for scarce resources of the providers of electronic communications networks and services and the fact that such resources, given their limitation, must be used effectively, rationally and efficiently.

In compliance with the principles enlisted in the Government Emergency Ordinance no.79/2002, the Authority deemed that the tariff for the use of radio spectrum to be paid for one radio channel, with a 1.25 MHz bandwidth, allotted at the national level in the 410-415/420-425 MHz bands, must be similar to the tariff applied for one radio channel, with the same bandwidth, allotted at the national level for the CDMA 450 cellular mobile telephone network, i.e. 650,000 Euro/channel.

Another reason which triggered the amendment and completion of the IGCTI President's Decision no.686/2005 was the necessity to settle certain requests for licences for the use of radio frequencies for new types of applications, which have not been considered so far (off-studio temporary, occasional broadcasting of reportages, news, events and other television audio-visual productions, the broadcasting to the studio being achieved via on-board mobile radio-relay stations).

b) The Decision of the president of the National Regulatory Authority for Communications and Information Technology no.25/2008 on completing the Decision of the president of the General Inspectorate for Communications and Information Technology no.686/2005 on the approval of the charging procedure and of the List of tariffs for the use of the radio frequency spectrum annually owed to the General Inspectorate for Communications and Information Technology

Having regard to the Decision CEPT/ECC(06)07 of the European Conference of Postal and Telecommunications Administrations (CEPT), which establishes the harmonised use of the onboard GSM systems, the Authority has to take all the

necessary steps to implement the IGCTI President's Decision no.686/2005 and, as well, to analyse and settle the requests of the companies interested in installing, developing and operating the onboard GSM systems.

Therefore, before issuing any administrative act to grant the right to use the radio spectrum – the licence for the use of radio spectrum – in view of developing and operating the onboard GSM systems, the interested persons need to know the amounts to be paid as tariffs for the spectrum use for a state public property resource. The decision thus establishes the modality of determining the tariff for the spectrum use which is to be included in the Annex to the IGCTI President's Decision no.686/2005 and is to be paid by the holders of the licences for the use of radio frequencies granted for the operation of onboard GSM systems.

3.1.6. Postal services

The Decision of the president of the National Authority for Communications no.1228/2008 on amending the Decision of the president of the National Regulatory Authority for Communications no.88/2004 on the designation of the universal service provider in the postal services field

The amendments and completions to the 2004 decision aimed at including the direct mail service within the scope of Universal Service, the designated provider having the obligation to provide this service throughout Romania. Furthermore, certain rights and obligations of the Universal Service provider are updated, pursuing to improve the provision of the postal services within the scope of Universal Service, with a view to fully satisfy the interests of the users of such services.

The decision imposes on the National Company Romanian Post – S.A. (CNPR) the obligation to provide postal services within the scope of Universal Service, throughout Romania, until 25 April 2009, under the terms established by the legislation in the postal services sector.

As well, the regulation envisages the correlation of the date by which CNPR benefits from the exclusive right to provide certain postal services with the date provided for the cessation of the capacity as a Universal Service provider, the exclusive right to provide certain postal services having to cease at the end of the term by which CNPR was designated as a Universal Service provider, respectively 25 April 2009.

Further details on the Universal Service provider in the postal services field are available in Chapter 8, section 8.2.

3.2. Draft decisions with significant market impact under adoption

3.2.1. Wholesale regulation

a) Identification, analysis and regulation of the relevant markets corresponding to the services of analogue transmission via the terrestrial radioelectric systems of the public television and radiobroadcasting programme services

Following a market analysis, during the 9 October – 10 November 2008 interval were launched for public consultation draft decisions which aimed at assessing the necessity to define and, as the case may be, at defining certain relevant markets susceptible of *ex ante* regulation as regards the services of analogue transmission via the terrestrial radioelectric systems of the public television and radiobroadcasting programme services, as well as at analysing the competitive environment in the markets thus defined, i.e. identifying the possible providers with significant market power and establishing the necessary regulatory measures in the analysed markets so as to remove the identified competitive deficiencies.

Based on the analysed criteria (100% market share and its stability in time, the existence of high and non-transitory legal barriers at the market entry, the

absence of the countervailing buyer power from the public radiobroadcasters), the Authority concluded that the National Radiocommunications Company - S.A. (SNR) has significant power on the following relevant markets:

- 1) *The market for the services of analogue transmission of the public television programme services via the terrestrial radioelectric systems;*
- 2) *The market for the services of analogue transmission of the public radiobroadcasting programme services in the FM frequency band via the terrestrial radioelectric systems;*
- 3) *The market for the services of analogue transmission of the public radiobroadcasting programme services in the AM frequency band via the terrestrial radioelectric systems.*

By analysing the possible competitive deficiencies in the absence of *ex ante* regulation in the abovementioned markets, the Authority deemed necessary to impose on SNR, the operator designated as having significant market power, the obligation of tariff control, including tariff cost-orientation based on a cost accounting system drawn up pursuant to the regulation approved by the Authority for the analogue transmission of the public services via the terrestrial radioelectric systems.

b) Identification, analysis and regulation of the relevant markets corresponding to the services of call termination provided at mobile locations on the public telephone networks

The draft decisions were launched for public consultation in the timeframe 20 November - 22 December 2008, the measures being grounded on the conclusions of the market analyses conducted by the Authority for the purpose of assessing the necessity to define and, as the case may be, of actually defining certain relevant markets susceptible of *ex ante* regulation as regards the services of call termination provided at mobile locations, as well as of analysing the

competitive environment in the markets thus defined, i.e. identifying the possible providers with significant market power and establishing the necessary regulatory measures in the analysed markets as to remove the identified competitive deficiencies, in the light of the evolutions registered in the Romanian electronic communications sector between 2002 and 2008.

The analysis identified the market for the services of call termination provided at mobile locations on each public telephone network as the relevant product market, which includes the services of voice call termination at non-geographic numbers for electronic communications provided at mobile locations, irrespective of the technology or transmission support used or of the national or international origin of the calls, including of the calls provided over the provider's own network.

Based on the analysed criteria (100% market share and its stability in time, existence of high and non-transitory legal barriers at the market entry, low or absence of countervailing buyer power), the Authority deemed that all the five providers that operated public access networks in view of providing telephone services at mobile locations have significant power in the relevant market for the services of call termination provided at mobile locations on each public telephone network.

Further information on interconnection in view of call termination at mobile locations is available in Chapter 6, sub-chapter 6.1.2.

3.2.2. Draft decision on the harmonisation of the use of the 880-915 MHz, 925-960 MHz, 1710-1747.5 MHz and 1805-1842.5 MHz radio frequency bands

The draft decision was initiated following the adoption of Decision ECC/DEC(06)13 on the designation of the 880-915 MHz, 925-960 MHz, 1710-1785 MHz and 1805-1880 MHz bands for the IMT-2000/UMTS terrestrial systems, as well as following the Order of the minister of

communications and information technology no.432/2008 on amending the National Table for Frequency Allocation, approved by the Order of the minister of communications and information technology no.232/2003, thus removing the barriers in the way of implementing and developing new technologies.

The draft aimed at adopting the technical and administrative measures necessary for the harmonisation of the requirements regarding the availability and effective use of the 880-915 MHz, 925-960 MHz, 1710-1747.5 MHz and 1805-1842.5 MHz radio frequency bands in order to ensure the optimum conditions for the provision of third generation electronic communications services over the UMTS systems. Thus, the holders of the licences for the use of the abovementioned radio frequencies will be able to use the frequency bands allotted under the licences for the provision of third generation electronic communications services over the UMTS systems, under the terms established by the decision, after the licences for the use of radio frequencies are amended.

3.2.3. Draft decision on the reporting of certain statistical data by the postal services providers

This draft decision was submitted to public consultation between 27 November 2008 and 8 December 2008 and is to be adopted after the received comments are analysed. The draft decision established the following: the introduction of additional indicators to be annually submitted to the Authority by the postal services providers; the harmonisation of the manner of classifying the statistical data to be annually reported by the postal services providers, by removing certain weight ranges; the inclusion of clear explanations regarding the content of the indicators that must be completed, the simplification of the filling in of the indicators by the postal services providers' (thus, the postal services providers that have the capacity of Universal Service provider are to report information separately from the providers which do not have such capacity); finally, as regards the Universal Service provider, the reporting of the number of

items of correspondence, by using a few relevant categories for determining the weight ranges.

3.2.4. Draft Decision on amending the Decision of the president of the National Regulatory Authority for Communications no.1074/2004 on the Universal Service implementation in the electronic communications sector

Between 22 December 2008 and 5 January 2009, the draft decision was submitted to public consultation and is to be completed after the Authority's analysing the received comments and debating them in the Consultative Council.

Ensuring the provision of the directory enquiry services within the scope of Universal Service requires also taking certain measures to allow access to these services in the shortest possible time. Moreover, in order to ensure access to these services, it is necessary to reduce the deadlines by which the providers of publicly available telephone services that allot telephone numbers to subscribers can make available the databases to the Universal Service providers. Initially, these providers had the obligation to finalise their own subscribers' databases within 6 months from the date the Universal Service providers submitted a request in this respect. This solution was not justified anymore as the Universal Service provider was to be designated within the shortest time and the providers of publicly available telephone services needed to have already started the procedures for making available the databases to the Universal Service providers, according to the provisions of art.23(1) of Law no.304/2003 on the Universal Service and the users' rights regarding the electronic communications networks and services, republished. In this regard, an approximately 6-month term from the date of amending the decision by the draft launched for consultation is sufficient, as it ensures the necessary timeframe for undertaking the procedures established by the legislation in the field of personal data protection.

More information on the implementation of Universal Service in the electronic communications sector is available in Chapter 8, section 8.1.

3.2.5. Draft decision on the obligations of informing the end-users, incumbent on the providers of publicly available electronic communications services

The draft decision was published on the Authority's website and submitted to public consultation between 12 November and 12 December 2008, and is to be completed after the Authority's analysing the received comments and debating them in the Consultative Council.

Having regard to the Authority's objectives and attributions set out by the law, this draft decision establishes the conditions and modalities for the providers of publicly available electronic communications services to fulfil their obligations of informing the end-users. Beyond the legal arguments, this draft was grounded on the complaints the Authority received from the users, most of whom revealed not only the lack of a direct information, but also cases where the absence of information led to conflicts between providers and users in relation to the invoiced services or to the contract clauses.

Thus, the providers of publicly available electronic communications services will have the obligation to make available to the end-users, at their own expense, comprehensive information on the technical and commercial conditions for the provision of these services. On its turn, the Authority will make available an interactive application which, based on a set of options introduced by the user, will carry out comparative analyses of the tariff plans existing in the market for three types of electronic communications services – mobile telephony, fixed telephony and broadband Internet access – and will display a price-based ranking of the most advantageous tariff plans, which correspond to the options expressed by the user.

Furthermore, the provisions of this draft decision impose on the providers of publicly available electronic communications services a set of obligations meant to ensure the end-users' information on the tariffs and on the other conditions for the use of the electronic communications services by offering

detailed, clear and updated information.

You may read more on the users' information in Chapter 6, section 6.4.

3.3. Other normative acts with significant impact on the communications sector

a) The Government Emergency Ordinance no.60/2008 on amending and completing the Government Emergency Ordinance no.79/2002 on the general regulatory framework for communications.

In order to ensure the enforcement of the provisions under the (EC) Regulation no.717/2007, which establishes a common approach as regards the roaming services within the Community, certain provisions of the Government Emergency Ordinance no.79/2002 needed to be amended and completed. Therefore, the scope of the disputes to be settled by the Authority, in its capacity as authority with competences of optional administrative special jurisdiction in the disputes which derive from the enforcement of the Community regulations in the electronic communications field, had to be widened.

Furthermore, as concerns the attributions regarding the surveillance and verification of compliance with the obligations provided in the Community regulations in the electronic communications field, it is necessary to clarify the legal provisions which read that one can request information on the enforcement of certain Community regulations and the establishment of corresponding sanctions for the breach of certain obligations.

Moreover, the Authority's control personnel must be enabled to conduct control activities to verify the Romanian electronic communications providers' compliance with the obligations provided in the Community regulations and be able to require them to immediately cease the breach and remedy the negative effects.

b) Government Emergency Ordinance no.34/2008 on the organisation and functioning of the Unique National System for Emergency Calls, approved with amendments and completions by Law no.160/2008.

With a view to responding to the infringement procedure launched by the European Commission against Romania, on 9 January 2008, the Government of Romania approved the Memorandum presented by MCTI, the regulatory authority, the Special Telecommunications Service (STS) and by the European Affairs Department (DAE), which provides the measures to be taken by the Romanian authorities to ensure that calls to the 112 emergency call service are located.

The working commission consisting of representatives of the relevant ministry, of the regulatory authority, of STS, of S.C. Romtelecom S.A. and of the mobile public telephone networks proposed the implementation of a technical solution to respond to the European Commission's requirements, as well as an action plan in view of implementing the technical solution for sending and receiving the correct and complete information on the location of the caller initiating a call to the SNUAU.

Therefore, the normative act provides measures meant to render the activity of the 112 service more efficient and to put it in line with the European requirements. Furthermore, the Authority took over the regulatory attributions as regards the communications towards SNUAU. Thus, the Authority gained the competence to set out the technical and economic conditions relating to the establishment of communications towards SNUAU and to the provision of location information, as well as the procedures and technical limits meant to reduce prank calls, false alarms and non-voluntary calls.

c) Government Emergency Ordinance no.106/2008 on the establishment of the National Authority for Communications, with the subsequent completions.

The changes foreseen with the adoption of this normative act envisaged the consolidation of the National Regulatory Authority for Communications and Information Technology and of the attributions related to the administration and management of the TLD (top level domain) ".ro" and of the SLD (second level domain) ".eu" for the domain names reserved by Romania.

Thus, the normative act proposed the setting up of a new institution, with broader attributions in the field of electronic communications and information technology, by consolidating and harmonising the attributions of the National Regulatory Authority for Communications and Information Technology, which was dissolved, and of a part of the National Institute for Research-Development in Informatics – ICI Bucharest, whose activity was partially taken over by the National Authority for Communications.

d) Government Decision no.61/2008 on the selection procedure for the granting of a national licence for the use of radio frequencies in view of providing data networks and mobile electronic communications services in the 410-415/420-425 MHz frequency bands.

The decision provides that the regulatory authority grants, by means of a comparative selection procedure, a national licence for the use of radio frequencies in view of providing data networks and mobile electronic communications services in the 410-415/420-425 MHz frequency bands.

Out of the licence fee, the winner of the tender pays the costs incurred by reforming the radio frequency bands directly to the current holders of the rights for the use of the radio frequencies in the 410-415/420-425 MHz frequency bands, respectively the Commercial Company "ROMTELECOM" - S.A. Bucharest, the Commercial Company "RADIOTEL BRASOV" - S.R.L., the Commercial Company "ROMCOM PRO" - S.R.L. Bucharest and the Commercial Company "RADIOTEL" - S.A. Bucharest.

In view of encouraging competition, it is established that the operators which hold at least one national licence for the use of radio frequencies in view of providing mobile electronic communications networks and services, including broadband, and which provide or can provide mobile electronic communications services substitutable to those that can be provided through the 410-415/420-425 MHz may not participate in the selection procedure regulated by this decision.

e) Government Emergency Ordinance no.18/2008 on establishing certain measures for the reorganisation of the use of radio spectrum in the 3600-3800 MHz frequency band, approved with amendments by Law no.259/2008.

Taking into account the development of the broadband communications and considering the current allotment of the radio channels in the 3.5 GHz (3400-3600 MHz) frequency band, it was established that the BWA (Broadband Wireless Access) systems can be developed by using the 3.7 GHz (3600-3800 MHz) band.

With a view to optimising the use of the 3600-3800 MHz radio frequency spectrum and to introducing the BWA systems, this Government Emergency Ordinance provides that the National Radiocommunications Company – S.A. needs to release the spectrum, in accordance with the legal provisions in force, as this company had already been granted a licence for the use of frequencies in the radio channels assigned within the 3600-4200 MHz band and had been using these frequencies to convey the radio and television national programmes to the transmitters located in the territory and the data traffic on the radio-relay digital national backbone.

The costs incurred by the release of these frequencies will be born from the fees gained upon granting the new licences (which are transferred to the state budget) to be established by Government decision, in accordance with art.15(3) of the Government Emergency Ordinance no.79/2002.

f) Government Decision no.638/2008 on establishing the amount of the licence fee for granting the right to use radio frequencies in the 3600-3657 MHz and 3700-3757 MHz frequency bands.

According to this normative act, the licence fee is to be paid only once, entirely, within 30 days from the designation of the winners of the comparative selection procedure organised by the Authority.

Following the selection procedure, the Authority will grant two licences for the use of radio frequencies in the 3600-3657 MHz, respectively 3700-3757 MHz

frequency bands, for the purpose of providing public electronic communications networks and publicly available electronic communications services and in view of introducing the BWA (Broadband Wireless Access) systems.

The implementation of the BWA systems at a national level will contribute to developing the broadband electronic communications, to ensuring access to the broadband services in the disfavoured, poor or remote areas, to encouraging the use of multiple platforms as to offer information content, as well as to efficiently using the radio frequency spectrum for broadband services.





4

Administration of the
communications market
and of the scarce
resources

Administration of the communications market and of the scarce resources

4.1. Authorisation of the providers of electronic communications networks and services

At the end of 2008, 2,184 companies were authorised in Romania in view of providing electronic communications networks or services, by 10% less compared to the level registered in 2007. The number of providers decreased following the reinforcement of the Romanian market by purchases and mergers between providers, as well as under the pressure of intensified competition in all the market segments, a phenomenon that determined certain providers to give up the provision of electronic communications services. Among the authorised providers, 2,003 companies had the right to provide electronic communications networks, 433 – publicly available telephone services, 179 – leased lines services, 1,581 – Internet access and data transmission services, and 262 – professional mobile radiocommunications services.

The general authorisation regime applicable to the providers of electronic communications networks and services remained unchanged in 2008. The authorisation procedure is to be simplified, by mid-2009, through a Decision of the Authority's President that repeals ANRC President's Decision no.1333/2003

on the general authorisation regime for the provision of electronic communications networks and services.

4.2. Authorisation of postal service providers

In 2008, due to the simpler general authorisation procedure and to the removal of individual licences in the previous year, all types of postal services could be provided based on this general authorisation procedure. Furthermore, the barriers to entry on the postal service market encountered by the residential users were removed, these persons having the same rights and obligations as the business users. Therefore, in 2008, new providers of postal services (most of which were small undertakings and natural persons) entered the market, thus contributing to the increase by 310% of the number of active postal service providers. Out of the total number of 789 postal service providers registered by 31 December 2008, 541 new providers entered the market in 2008; of these, 391 were natural persons and similar entities.

Out of the total number of 789, 741 providers had the right to provide postal services within the scope of Universal Service, while 779 had the right to provide postal services outside the scope of Universal Service.

Types of services	No. of authorised providers
Postal services within the scope of Universal Service	
Clearance, sorting, transport and delivery of postal items up to 2 kg (items of correspondence, printed matter)	665
Direct mail dealing with postal items up to 2 kg	534
Clearance, sorting, transport and delivery of postal parcels up to 10 kg	452
Distribution of postal parcels up to 20 kg sent from abroad to an address located on the territory of Romania	336

Service for registered items dealing with postal items up to 10 kg, respectively postal parcels sent from abroad to an address located on the territory of Romania, weighing up to 20 kg	283
Service for insured items dealing with postal items up to 10 kg, respectively postal parcels sent from abroad to an address located on the territory of Romania, weighing up to 20 kg	317
Postal services outside the scope of Universal Service	
Services dealing with postal items above 2 kg (items of correspondence, printed matter)	682
Direct mail service dealing with postal items above 2 kg	560
Services dealing with domestic postal parcels weighing between 10 and 50 kg	693
Services dealing with postal parcels weighing between 10 and 50 kg sent from Romania to an address located abroad	597
Services dealing with postal parcels weighing between 20 and 50 kg sent from abroad to an address located on the territory of Romania	618
- <i>Cost-on-delivery</i>	647
- <i>Change of destination</i>	669
- <i>Special delivery</i>	627
- <i>Confirmation receipt</i>	660
- <i>Express service</i>	558
Document exchange	544

4.3. Spectrum management

The radio spectrum is a limited natural resource, required in view of providing electronic communications networks and services and, therefore, the effective management of this resource has a strategic importance for ensuring its optimum usage, in view of best serving the public interest.

4.3.1. Radiocommunications in the land mobile service

During 2008, the Authority organised the selection procedure in view of granting a licence for the use of radio frequencies, which enables the holder to provide broadband mobile electronic communications services in the 410-415 / 420-425 MHz bands. The licence has been awarded to S.C. Romtelecom S.A. and allows the holder to install, operate and make available to third parties a mobile electronic communications network using the broadband CDMA technology (1.25 MHz) as well as to provide broadband mobile communications to the public. The licence holder has the obligation to provide at least the following electronic communications services:

- a) calls (voice services);
- b) data transmissions at an average download rate of at least 128 Kb/s, outdoor;
- c) PAMR-specific services: "push to talk" (PTT) voice services, simultaneous voice and data transfer, dispatcher services, call prioritization and put-on-hold, group calls, dynamic administration of user groups;
- d) other services: VPN mobile, data packet/IP services, broadband services (EV-DO), location services.

The licence holder has also the obligation to ensure broadband coverage to 269 towns of up to 50,000 inhabitants, 5,542 km national roads and 39,501 km county roads, as well as an area of 213,869 km² i.e. 90.05 % of the country, until 31 December 2013.

The licence for providing the network using the CDMA technology in the 410-415 / 420-425 MHz bands was granted in order to promote competition in the mobile communications market, stimulate investment in innovative technologies, which ensure a more efficient use of the radio spectrum, for the purpose of providing the users' access to an ever wider range of broadband mobile communications, especially in the areas where the coverage of such services is low, such as small towns and rural localities.

Thus, the licence for the use of radio frequencies with a view to providing electronic communications networks and services in the 410-415/420-425 MHz frequency bands was granted in the larger frame of enforcing the public policies regarding the development – at the national level – of access to broadband electronic communications services and the development of the communications infrastructure, in order to bridge the digital divide between the urban and the rural areas in this field.

In the management of the non-governmental radio spectrum allocated to the land mobile service, the Authority pursued three major objectives:

- ensure radioelectric compatibility between the radiocommunications networks that use radio frequencies in the non-governmental radio spectrum allocated to the land mobile service;
- reasonable and efficient use of the non-governmental radio spectrum allocated to the land mobile service;
- prevent harmful interferences in the authorised land mobile radiocommunications networks.

As regards professional mobile radiocommunications for private use, serving the internal needs of the organisations, the Authority's Spectrum Management Division issued, in 2008:

- **181** new licences for the use of radio frequencies in view of providing private

use radiocommunications – professional mobile radiocommunications (PMR);

- **203** frequency assignment authorisations, representing annexes to the licences for the use of radio frequencies in view of providing private use radiocommunications – professional mobile radiocommunications (PMR).

The specific users of professional mobile radiocommunications networks (PMR) are both small entrepreneurs and big companies operating in various sectors of the national economy, whose activities therein require their own radiocommunications networks. The beneficiaries of such radio applications for which licences for the use of frequencies have been issued are companies that operate in various sectors, such as: industry, manufacturing, transport and supply of public utilities at a national level, transport, public constructions and civil works, agriculture, forestry, safety and security of persons and private property, public protection, public health, public management services etc.

As regards the provision of networks and/or services of radiocommunications in the land mobile service, the Authority issued, in 2008:

- **37** temporary licences for the use of radio frequencies in view of providing public access mobile radiocommunications services (PAMR) networks and services and professional mobile radiocommunications (PMR) networks;
- **50** radio frequency assignment authorisations, which are annexes to the temporary licences for the use of radio frequencies in view of providing public access mobile radiocommunications services (PAMR) networks and services and professional mobile radiocommunications (PMR) networks;

The holders of licences for the use of radio frequencies in view of providing public access mobile radiocommunications services (PAMR) networks and services are operators that provide mobile communications services to certain professional user categories or dedicated groups of users.

In view of ensuring the ongoing management of the licences for the use of radio frequencies and of the frequency assignment authorisations, in 2008, the Authority amended, upon the holders' requests, 506 licences for the use of radio frequencies in view of providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications services (PAMR) networks and services, as well as 543 frequency assignment authorisations, which are annexes to the licences for the use of radio frequencies, of which:

- **96** licences for the use of radio frequencies in view of providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications services (PAMR) networks and services – amended by the Authority's Spectrum Management Division;
- **98** frequency assignment authorisations, which are annexes to the licences for the use of radio frequencies in view of providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications services (PAMR) networks and services – amended by the Authority's Spectrum Management Division;
- **86** licences for the use of radio frequencies in view of providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications services (PAMR) networks and services – extended by the Bucharest Regional Department;
- **202** frequency assignment authorisations, which are annexes to the licences for the use of radio frequencies in view of providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications services (PAMR) networks and services – amended by the Bucharest Regional Department;
- **113** licences for the use of radio frequencies in view of providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications services (PAMR) networks and services – extended by the Cluj Regional Department;

- **54** frequency assignment authorisations, which are annexes to the licences for the use of radio frequencies in view of providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications services (PAMR) networks and services – amended by the Cluj Regional Department;
- **128** licences for the use of radio frequencies in view of providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications services (PAMR) networks and services – extended by the Iasi Regional Department;
- **121** frequency assignment authorisations, which are annexes to the licences for the use of radio frequencies in view of providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications services (PAMR) networks and services – amended by the Iasi Regional Department;
- **83** licences for the use of radio frequencies in view of providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications services (PAMR) networks and services – extended by the Timisoara Regional Department;
- **68** frequency assignment authorisations, which are annexes to the licences for the use of radio frequencies in view of providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications services (PAMR) networks and services – amended by the Timisoara Regional Department.

In view of ensuring the ongoing management of the frequency assignment for the base stations in the cellular mobile communications networks, the Authority processed **868 notifications** on the technical and operational parameters of the base stations owned by holders of licences for the use of frequencies in view of providing public 2G and 3G cellular mobile communications networks and services for which new frequency assignment authorisations were issued.

In the international coordination of the use of radio frequencies allotted to the land mobile service with the communications administration of the neighbouring countries Hungary and Ukraine, the Authority pursued the following major objectives:

- compliance with the provisions of the HCM Agreement (Vilnius, 2005) regarding the co-ordination of frequencies in border areas and of other agreements or international protocols to which Romania is a party, which refer to the radio spectrum usage in the land mobile service;
- internal prior coordination with the government institutions as regards frequency usage in the government frequency bands or in the shared use government/non-government frequency bands;
- protect the national interests as regards the use, in border areas, of the radio spectrum allocated to the land mobile service;
- prevent harmful interferences with the land mobile radiocommunications networks operating in border areas.

During 2008, these activities resulted in:

- **196 internal frequency coordination actions** as regards the bands for government use or for government/non-government shared use allocated to the land mobile service;
- **237 international frequency coordination actions** upon the requests of the communications administrations in the neighbouring countries Hungary and Ukraine, in the land mobile service;
- **39 international frequency coordination actions** upon the request of the Romanian communications administration, in the bands for non-governmental use allocated to the land mobile service.

As regards the international activity in the field of spectrum management in the land mobile service, the Authority's specialists participated in the meetings of the Working Subgroup for the land mobile service (SWG-MS) of the Technical

Working Group under the HCM Agreement (TWG-HCM). Considering the obligations of the Romanian communications administration as a signatory party in the HCM Agreement (Vilnius 2005), as well as the Authority's attributions regarding the enforcement of the international agreements in the electronic communications field in which Romania is a party, the Authority took an active part in the sessions of the working group in charge of reviewing the Agreement, upholding Romania's position as regards the co-ordination of frequencies in border areas in the land mobile service.

Moreover, in 2008, the Authority answered the requests for frequency assignment sent by the diplomatic missions of other countries in Romania, by means of the Ministry of Foreign Affairs, on the occasion of high-level official visits, **assigning 54** temporary frequencies in the land mobile service therefor.

An event of particular importance to the proper organisation of which the Authority had a significant contribution was the NATO Summit held in Bucharest, in 2008. In order to ensure the radio communications for the participating delegations, the Authority made **49 frequency assignments** in frequency bands with non-governmental use allocated to the land mobile service.

Furthermore, the Authority was involved in the organisation of another notorious event, the rally "FIA GT Bucharest 2008", ensuring the management of the frequencies required for the radio communications of the participants. On this occasion, the Authority assigned a number of **81 radio frequencies** in the land mobile service.

4.3.2. Radiocommunications in the fixed service

During 2008, the Government issued the Emergency Ordinance no.18/2008, approved, with amendments, by Law no.259/2008, establishing certain measures for the radio spectrum usage in the 3600-3800 MHz band, as well as Decision no.638/2008 establishing the amount of the licence fee for granting the right of using the radio frequencies in the 3600-3657 MHz and 3700-3757 MHz bands.

Based on these normative acts, the Authority prepared and issued, during 2008, the secondary legislation required for organizing the comparative selection procedure with a view to granting two national licences in the 3600-3800 MHz band, for the BWA (broadband wireless access) systems. Each licence will grant one 2x28 MHz radio channel (duplex), at the national level. Thus, by the ANRCTI President's Decision no.572/2008, the Authority established the tariff for the use of the radio spectrum for the channels to be allotted through these licences, while, by the ANRCTI President's Decision no.732/2008 (amended by ANRCTI President's Decision no.1129/2008), the Authority established, among others, the procedure of granting licences for the use of radio frequencies in the 3600-3657 MHz and 3700-3757 MHz bands.

The Authority's tender commission elaborated and submitted to public consultation, in the timeframe October-November 2008, the Terms of Reference for the comparative selection procedure. The procedure was initiated on 24 November 2008, the deadline for submitting the offers being the beginning of February 2009. The procedure will be completed by designation of the winning offer, during March 2009.

The Authority hereby announces that, on the elaboration date of this annual report, it had not received any offers for the abovementioned selection procedure, within the provided deadline.

On grounds of the said normative acts, the Authority issued, in November 2008, a licence for the use of radio frequencies, for a 2x28 MHz radio channel (duplex) allotted at the national level in the 3657-3685 MHz / 3757-3785 MHz bands, for the National Radiocommunications Company (SNR). This licence grants SNR the right to provide public electronic communications networks and publicly available electronic communications services by means of the BWA systems, irrespective of the technology used, up to 23 July 2011.

In accordance with the procedure for licensing the right to use radio frequencies, in 2008, the Authority granted:

- **22** licences for the use of radio frequencies and **42** frequency assignment authorisations – for permanent radio transmissions;
- **6** licences for the use of radio frequencies and **6** frequency assignment authorisations – for experimental radio transmissions;
- **5** licences for the use of radio frequencies and **5** frequency assignment authorisations – for temporary radio transmissions;
- **16** prior agreements, each containing several frequency assignment for complex voice/data radiorelay lines;
- **22** prior agreements for modulation lines corresponding to radio or TV broadcasting transmitters.

Furthermore, during 2008, the Authority processed **notifications** for **1,654** radiorelay lines in the radio network infrastructure owned by the cellular mobile telephony operators (**3,308** radiocommunications stations – together with as many frequency assignments – registered in the National Register of Frequency Assignments).

4.3.3. Broadcasting audio and video services and electronic communications networks for broadcasting/retransmission of audiovisual programme services

Having regard to the entrance into force, in 2007, of the Agreement concluded during the Regional Radio Conference held in Geneva, in 2006 (RRC 06), as well as the objective of completing the digital switchover by 1 January 2012, the Authority was involved, in 2008, in a series of actions targeted to the fulfillment of this objective in accordance with the provisions of this Agreement.

To this end, it is worth mentioning the Authority's involvement in the working

group organised by the Ministry of Communications and Information Society together with representatives of the National Audiovisual Council (CNA), for the purpose of elaborating the "Strategy Paper for the Digital Switchover" and reviewing the relevant legislation in the field.

Although the current European and national context imposed a focus on the digital switchover and the Authority suspended the issuance of licences for new analogue television stations, most of the regulator's activity in this field envisaged the management of FM radio broadcasting bands. Thus, during 2008, CNA organised tenders in view of granting 37 new audiovisual licences, the Authority assigning the frequencies and the associated technical data for the set up of new radio broadcasting stations and the technical authorisations for the participating companies (approximately **900** technical authorisations).

Moreover, the Authority addressed the radio broadcasters' needs, promptly responding to numerous requests for amending the technical parameters, so that the provided coverage could be optimised, ensuring public access to a greater variety of programmes.

Special attention was given to the problem of managing the spectrum for the retransmission of audiovisual programmes by means of the Multipoint Multichannel Distribution System (MMDS) systems. In view of the development of fibre optic communications, 2008 witnessed many operators abandoning the MMDS system where fibre optic was an alternative, this system remaining effective in rural, remote areas. Thus, out of the **411** licences for the use of frequencies for the MMDS system, in 2008, **83** such licences were withdrawn upon request, as compared to the **57** licences withdrawn upon request in 2007, and to the **54** licences withdrawn upon request between 2004 - 2006.

In 2008, the Authority's Audiovisual unit:

Video

- issued **7** new broadcasting licences;
- issued **120** amended broadcasting licences, out of the **247** existing broadcasting licences;
- settled **544** requests for digital television coordination received from other administrations;
- settled **23** agreements on amending the technical parameters.

Audio

- issued **11** new broadcasting licences;
- issued **449** amended broadcasting licences, out of the **726** existing broadcasting licences;
- settled **428** broadcasting coordination requests from other administrations;
- settled **174** agreements on amending the technical parameters.

MMDS

- **18** new licences for the use of frequencies and **20** new radio frequency assignment authorisations for providing electronic communications networks;
- **18** amended licences for the use of frequencies and **29** amended radio frequency assignment authorisations for providing electronic communications networks.

4.3.4. Radiocommunications in the fixed and mobile satellite services

The development of communications technologies via the Earth's artificial, geostationary and non-geostationary satellites occasioned the spreading of practical applications, thus enabling their usage in all the radiocommunications sectors: television and radio, voice and data transmissions (e.g. virtual private networks (VPN), videoconferences, distance learning, Internet etc), radionavigation and

global positioning via satellite.

The main advantages of using satellite communications networks are the following: global coverage service areas, interconnection of remote points of interest without cable or microwave relays, high adequacy to the customers' specific needs, and maximum security by using state-of-the-art encrypting technologies.

4.3.4.1. Fixed satellite service

By the end of 2008, the Authority managed **29 licences for the use of radio frequencies in the fixed satellite service** (9 of which - for public or private satellite networks, providing for the transmission of voice, data and Internet services and the rest - for VSAT individual terminals) and **1,619 radio frequency assignment authorisations for HUB stations and Very Small Aperture Terminals (VSAT)** belonging to the architecture of such networks.

Another important segment of fixed satellite communications is the uploading to the satellite of sound and/or TV radio broadcasting programmes, in view of their controlled distribution (e.g.: to CATV networks or terrestrial transmitters for sound or TV broadcasting) or for the purpose of direct broadcasting to the public (direct-to-home – DTH).

The transmission of television programmes via satellite requires the use of geostationary satellites (35,880 Km above the Earth) and features important advantages as compared to conventional television: full territorial coverage, higher quality reception as compared to terrestrial reception, availability of a wider range of audiovisual programme services. By the end of 2008, the Authority granted **31 licences for the use of frequencies for satellite stations destined to uploading sound and/or TV radio broadcasting programmes**, used for uploading 108 radio and television programme services.

Moreover, at the end of 2008, millions of Romanian users benefited from satellite television services provided by the operators of direct-to-home (DTH) platforms. The higher quality of this service offers a viable alternative to cable television distribution (CATV networks), especially in rural or remote areas. In the future, depending on the economic potential of the area where DTH is implemented, these platforms could provide for data transmissions at a rate up to 10 Mbps (MHP - Multimedia Home Platform system), access to Internet and e-mail services, VoIP (Voice over Internet Protocol), e-payment, teleshopping, HDTV (High Definition Television) or TV transmissions with preferred view angle, as well as PVR (Personal Video Recorder) services.

The **5 operators of DTH platforms who were granted licences for the use of radio frequencies**, during 2005 and 2006, following the order of their request for a licence and the granting of their licences, are: **RCS&RDS (Digi TV), Focus Sat Romania (Focus Sat), Digital Cable Systems (Max TV), DTH Television Grup (Boom TV) and Romtelecom (Dolce TV).**

For **DSNG** (Digital Satellite News Gathering) stations destined to occasional, temporary transmissions towards the studio of reportages, news, cultural/sports events and of other audio-visual productions from outside the studios, the Authority managed, by end-2008, **46 frequency assignation authorisations for the 12 operators holding licences for the use of frequencies for the purpose of SNG applications.**

Furthermore, during 2008, the Authority issued **17 temporary licences for the use of frequencies for Digital Satellite Newsgathering (DSNG) stations owned by foreign operators**, used for occasional, temporary transmission towards studios outside Romania of reportages, news, cultural/sports events and of other audio-visual productions made in Romania.

4.3.4.2. Mobile-satellite service

At the end of 2008, the Authority managed three licences for the use of frequencies with a view to providing Satellite Personal Communication System (S-PCS) to the public, on the territory of Romania, awarded to the following operators: **Iridium Satellite LLC** (by means of the **IRIDIUM system**), **Global Communications Services Romania** (by means of the **THURAYA system**) and **Rokura** (by means of the **ORBCOMM system**).

The **INMARSAT** system is a relevant example of evolution of mobile communications via satellite. Initially, this had been devised as a system which should satisfy, by means of geostationary satellites, the needs for communications over long distances of the ships on route around the globe, as well as the security requirements of maritime navigation and of safety of human life at sea.

In the recent years, the INMARSAT system extended its scope of activity in the field of terrestrial communications (e.g. S-PCS individual terminals – in various system standards – installed on vehicles in view of managing car fleets) and aeronautical communications (communications terminals installed on board of aircrafts). These modern types of communications envisage transmissions of voice, image (satellite video telephone), facsimile and telex for the users on the move in regions with poor terrestrial communications infrastructure.

Thus, the current users of S-PCS applications in the INMARSAT system are subscribers who live or work in remote geographic and/or sparsely inhabited areas or who travel around the world. By the end of 2008, the Authority granted **22 licences for the use of frequencies for users holding 54 mobile terminals in various INMARSAT standards.**

4.3.5. Radiocommunications in the mobile maritime and mobile-satellite maritime services

2008 was a complex year for the Authority, concerning the mobile maritime and mobile-satellite maritime radiocommunications services.

The activity followed several major directions:

- the complex analysis of the LRIT (Long Range Identification Trace and Tracking) implications for Romania;
- the introduction of AIS terminals both on ships and at fixed locations on the shore, as well as the allotment of numerical ID's under the terms established by the Radiocommunications Regulation of the International Telecommunication Union (ITU RR);
- the Radio-Frequency Identification (RFID) of containers on container vessels and of the specialised terminals, in the context of the opening of such a terminal in Constanta Harbour;
- the assessment of the possible introduction of digital communications technologies in the radio band covered by Annex 18 of the ITU RR;
- the enhanced efficiency of using the radio spectrum allotted to maritime radiocommunications.

During 2008, the Authority permanently envisaged the constant involvement that would bring benefits both to the relevant national industry and to the Romanian ship-owners.

The strict requirements the Authority imposed, in accordance with the requirements of the Radio Regulations of the International Telecommunications Union, ensured that the ships were endowed with the proper radio equipment and that they observed the adequate procedures for effectively sending and receiving security, distress and search and rescue radio communications to/from the authorities on shore or from other ships.

The Authority proved its permanent concern for the maritime radiocommunications equipments used in the Global Maritime Distress Safety System (GMDSS) by conducting regular and thorough monitoring and control activities on the mobile-satellite maritime systems - the equipments of which operate in the Digital Selective Calling System -, distress radio location systems, search & rescue transponders, Automatic Identification System (AIS) receivers, rescue boat radio equipment, and automatic identification systems.

Due to the Authority's professional approach in the area of maritime radiocommunications, in line with the specific international requirements, CEPT entrusted the Romanian regulator – by unanimity, in the first meeting of the Conference Preparatory Group – with coordinating the European Common Position for the Item 1.10 on the Agenda of the 2011 World Radiocommunications Conference (WRC-11). Item 1.10 had been newly introduced on the world conference agenda and refers to one of the most serious problems of the modern world: using the radio spectrum for enhancing the fight against piracy, armed attacks and terrorism on ships and in harbours.

The Authority issued **95 licences for the use of radio frequencies and 317 frequency assignment authorisations** for the mobile maritime and mobile-satellite maritime services, radiotelephone services on inland waterways and for the experimental services for ships under delivery tests.

4.3.6. Radiocommunications in the mobile aeronautical and mobile-satellite aeronautical services

In 2008, the Authority continued to supervise the aeronautical mobile and aeronautical mobile-satellite services, ensuring compliance with the requirements imposed by the ITU RR.

The Authority's activity was aimed at improving the efficiency of the radio spectrum allotted to the aeronautical mobile and aeronautical mobile-satellite

services by assessing the possibilities of introducing digital communications (the concept COM-DLA-Datalink Applications in Europe), of the 8.33 kHz channel spacing in the VHF voice band for multiplying the usable frequencies, of returning to the aeronautical HF frequency, which may reduce the congestion of communications in VHF, at least as regards the "in-house" radio traffic. The Authority minutely verified whether the aircrafts had the required radio equipment and whether they observed the adequate procedures for sending and receiving distress, security and emergency messages, as well as search and rescue radiocommunications from/to the air traffic authorities based on the ground or on other aircrafts, in accordance with the requirements of the ITU RR. Thus, the Authority monitored and controlled aeronautical mobile-satellite systems, radiocommunications equipment – both analogue and digital (VDL) –, emergency positioning radio beacons, weather radars, and radionavigation equipment.

In 2008, the Authority issued **25 licences for the use of frequencies and 317 frequency assignment authorisations** for the mobile aeronautical and mobile-satellite aeronautical services.

4.3.7. Radiocommunications in the radiotelephone service on inland waterways

The Romanian Authority is a member of the European Committee RAINWAT (Regional Arrangement for INland WATerways), an organisation that permanently assesses and updates – based on the decisions of the European Commission and on the member states' interests –, the Regional Arrangement concerning the Radiotelephone Service on Inland Waterways, signed at Basel, in 2000, by 16 European countries situated alongside the Rhine, the Mainz and the Danube and by two countries that do not have direct access to this navigation channel but, nevertheless, participate in the North-European inland navigation (Poland and the Czech Republic). The Regional Arrangement was concluded under the aegis of the International Telecommunication Union (ITU), on grounds of Article 6 of the ITU RR.

The European Committee RAINWAT aims at elaborating regulations harmonised at European level concerning radiocommunications on inland waterways with a view to implementing common safety principles and rules for people and goods on inland waterways, particularly in case of bad weather conditions, as well as amending and improving the European regulations and conventions regarding the radiocommunications equipment in this field.

Having yielded good results in the coordination and management of the Committee activity, in 2008, the Authority continued its RAINWAT Presidency mandate awarded during the meeting held in spring 2007.

2008 was the year when RAINWAT started the review and harmonisation of the Regional Arrangement provisions with the developments of radiocommunications in the field of transport on the European Inland Waterways.

4.3.8. Radiocommunications in the radiodetermination service

During 2008, the Authority coordinated experiments regarding the authorisation of the first dGPS-IALA correction beacons in our country, as well as the use of coast radio stations, within the project of Vessel Traffic Management and Information System on Romanian Danube (RoRIS - Romanian River Information System), implemented at the national level by the Romanian Naval Authority under the aegis of the RIS European Directive. In 2008, the Authority issued **10 licences for the use of frequencies in the radiodetermination-radiolocation and radiodetermination-radionavigation services and 22 frequency assignment authorisations.**

4.3.9. Numerical identification of radio stations

During 2008, the Authority managed, with maximum efficiency, the allocations base of numerical and alpha-numerical identifications and made the necessary allocations in view of providing for correct maritime, aeronautical and inland waterways radio traffic.

The method of generating numerical and alpha-numerical identities, as well as their distribution by countries, are set out in special provisions under the ITU RR.

Romania has been allotted several types of identifications, among which:

- call indicatives: YOA-YOZ; YPA-YPZ; YQA-YQZ; YRA-YRZ;
- maritime identification numbers (MID): 264.

Moreover, in accordance with the RAINWAT Regional Arrangement, our country has been allotted the following identifications for navigation on inland waterways:

- call indicative: YPxxxx;
- ATIS code numbers: 926416xxxx;
- MMSI for inland waterways: 26416xxxx.

The Authority reports, on a regular basis, the allotted identifications to the European ATIS code base (www.rainwat.bipt.be), as well as to the ITU maritime database (MARS), and ensures a contact point in case of receiving a request from the naval/aeronautical search and rescue organisations.

The year 2008 brought two important elements in this activity:

- the Romanian proposal of generating the ATIS code for the vessels belonging to RAINWAT member states that enter the inland waterways covered by this arrangement has been accepted;
- a database was set up, at the national level, on the Authority's website, being available also for the Search and Rescue Centre of the Romanian Naval Authority of Constanta.

By the end of 2008, the database of numerical/alpha-numerical indicatives

managed by the Authority counted 721 entries.

4.4. Management of the numbering resources in the National Numbering Plan

The entry into force, during 2007, of the new regulatory framework for numbering resources consisting of the ANRCTI President's Decision no.2895/2007 on the National Numbering Plan, the ANRCTI President's Decision no.2896/2007 on the procedure of requesting and granting licences for the use of numbering resources, with the subsequent completions, and the ANRCTI President's Decision no.2897/2007 on the establishment and charging of tariffs for the use of numbering resources, preserved its influence, throughout 2008, on the behaviour of the providers of publicly available telephone services, by imposing the reassessment of the necessary resources depending on the implemented services and on the current development trends, some of the providers having chosen to partially or totally give up their numbering resources. Furthermore, in 2008, the ANRCTI President's Decision no.321/2008 on the allocation and use of national short numbers for harmonised European services entered into force. On grounds of this decision, the Authority allocated national short numbers in the 116xyz range for harmonised services of social value, as well as national short numbers in the 118xyz range for directory enquiry services.

The following two harmonised services of social value have already been launched and are currently accessible from the network of the numbering licence holder:

- "Hotline for Missing Children", provided by means of the 116000 number, assigned to the "Romanian Centre for Missing & Sexually Exploited Children";
- "Children's Help Lines", provided by means of the 116111 number, assigned to the Association "Child's Telephone Line".

For the allocation of national short numbers in the 118(xyz) range, the Authority enforced the procedure provided by the ANRCTI President's Decision no.321/2007, following which the numbers have been allocated to all the 11 requesters by means of a lottery, on 25 November 2008.

4.4.1. Granted/repealed licences for the use of numbering resources

4.4.1.1. Allocation of additional numbering resources

In 2008, the Authority handled 8 requests for the allocation of numbering resources. Therefore, upon analysing these requests, 8 licences for the use of numbering resource (LURN) were granted. In addition to these numbering resources requested by new companies, in 2008, 39 requests for the allocation of additional numbering resources were submitted. Where the conditions were fulfilled, the Authority issued 34 more LURN. Following the procedure amendments introduced by the ANRCTI President's Decision no.2896/2007, the licences granted as a response to these requests provided numbering resources considered as additional resources.

The difference between the total number of 47 requests received and the total number of 42 LURN granted is due to the following situations:

- one request was rejected;
- one request was deemed as qualifying, but the licence is to be issued in 2009;
- two requests are under procedural assessment, the requesters being asked for additional information;
- one request was not eventually solved, the LURN holder giving up the right of using all the numbering resources allotted and subsequently giving up the quality as a provider of electronic communications services.

Following the settlement of the abovementioned requests, in 2008, the Authority allocated a total of 11,780,050 numbers and codes (i.e. 99.5%) of the 11,850,060 numbering resources requested. The difference between the requested resources and the allotted resources derives from the five situations above. The single refusal was transposed in one rejection decision issued by the Authority's president and communicated to the requester alongside the grounds therefor.

Table 4.1 details the monthly breakdown of the resources allotted throughout 2008.

ADMINISTRATION OF THE COMMUNICATIONS MARKET AND OF THE SCARCE RESOURCES

PNN Domain	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Z=2										1 B	3 B	1 B	5 B
Z=3 geographic 10 digits		17 B	23 B	6 B		43 B		21 B		1 B	15 B		126 B
Z=3 geographic 6 digits													
Z=3 nongeogr.		2 B	32 B					1 B	3 B	2 B	5 B	1 B	46 B
Z=7				1M	1 M	1 M		1 M	3 M	1 M	1 M	1 M	10 M
Z=8													
0800					1 b	1 b	1 b	1 b		1 b			5 b
0801													
0805													
0808								1 b					1 b
0870													
Z=9													
0900						1 b						1 b	2 b
0903												1 b	1 b
0906												1 b	1 b
10xy												1	1
16xy		2										1	3
116xyz							2						2
118xyz											44		44

where: M = 1 000 000 numbers, B = 10 000 numbers, b = 1000 numbers.

4.4.1.2. Full or partial waiver of the rights of using licensed numbering resources

After the entry into force of the new regulatory framework, certain LURN holders submitted requests for renouncing the allotted numbering resources, following which 38 decisions were issued to revoke, partially or in full, the right to use numbering resources. Among these decisions, 23 partially revoked 21 licences (two licence holders were granted two decisions) and 15 revoked the whole licence for 15 holders.

Thus, the following amounts of numbering resources were vacated, upon the holders' request:

PNN Domain		Amount of vacated numbering resources
Z=2		-
Z=3 (geographic)		588 B
Z=3 (nongeographic)		-
Z=7		-
Z=8	0800	10 b
	0801	4 b
	0802	-
	0805	4 b
	0807	10 b
	0808	17 b
	0870	11 b
Z=9	0900	6 b
	0903	6 b
	0906	5 b
10xy		23
16xy		13
TOTAL		5,953,036

where: $B = 10\,000$ numbers, $b = 1000$ numbers.

Furthermore, the Authority revoked by decision 3 whole LURNs, following the withdrawal of the right to provide the publicly available electronic communications services for which the respective numbering resources were allocated.

Thus, the following amounts of numbering resources were also vacated:

PNN Domain		Amount of vacated numbering resources
Z=2		-
Z=3 (geographic)		48 B
Z=3 (nongeographic)		1 B
Z=7		-
Z=8	0800	1 b
	0801	-
	0802	-
	0805	-
	0807	-
	0808	3 b
	0870	-
Z=9	0900	-
	0903	-
	0906	-
10xy		2
16xy		1
TOTAL		494,003

where: $B = 10\,000$ numbers, $b = 1000$ numbers.

As regards partial waiver upon request, in 2008, 21 amended licences were issued, specifying the remaining numbering resources the holders intended to use. Among these, 4 licences settled waiver requests for which, on 31 December 2007, the allocation procedure was still in progress.

4.4.1.3. Migration of local short numbers in accordance with the National Numbering Plan (PNN) adopted in 2007

According to ANRCTI President's Decision no.2895/2007 on the National Numbering Plan, within 6 months from the entry into force of this decision, Romtelecom proposed the Authority a migration plan for the services previously provided by means of 3-digit (9PQ) or 4-digit (9PQM) local short numbers, in Bucharest and the county of Ilfov, and by means of 3-digit (9QM) local short numbers, for the other 40 counties, towards short geographic numbers, national short numbers, numbers for premium rate services, or internal numbers used exclusively within the network they operate. This obligation was enforced by the Authority's agreement, issued at the end of March 2008, followed by the awarding of the corresponding licence.

Following the migration, the holder vacated, on 31 July 2008, 50 blocks of 10,000 geographic numbers in the Z = 2 domain of the PNN, as well as all the 3,360 short local numbers used (850 numbers in Bucharest/county of Ilfov and 84 numbers in the other 40 counties). The services provided by means of the vacated numbers are re-implemented through the new categories of numbers introduced by the current PNN. Hence, the licence granted to Romtelecom provides for 3,330 short geographic numbers (530 numbers in Bucharest/county of Ilfov and 70 numbers in each of the other 40 counties), as well as 8 national short numbers. The national short numbers have been allotted on a temporary basis, the LURN holder having the obligation to request the allocation under a procedure which is to be elaborated during 2009 – for 6 of them – and, respectively, to use the other two for the provision of directory enquiry services until the expiry of the transition period defined by the ANRCTI President's

Decision no.321/2008, simultaneously with the 118xyz national short numbers.

4.4.1.4. Other types of numbering resource requests

In 2008, the Authority analysed 12 more requests regarding the numbering resources which did not affect the total numbering resources allotted. Thus, 8 of these regarded the assignment of numbering resources, while the rest concerned administrative amendments (amendments on the holder's headquarters, amendment of the format of a previously allotted block of numbers or assignment of the rights and obligations provided in the licences of two holders to one electronic communications provider, following the notification of two mergers by takeover).

4.4.2. Suspended or withdrawn licences for the use of the numbering resources

During 2008, no LURN was suspended or withdrawn.

4.5. Management of technical resources

In accordance with the provisions of the ANRCTI President's Decision no.500/2008 on the allocation and use of certain technical resources, during 2008, the following categories of technical resources have been allotted or withdrawn:

1. National Signalling Point Codes (NSPC);
2. International Signalling Point Codes (ISPC);
3. Mobile Network Codes (MNC);
4. Network Identification Codes (NIC);
5. Routing Numbers (RN).

4.5.1. Management of the right to use SS7 national and international signalling point codes

Within an operator's internal signalling network, each signalling point (SP) has associated a unique code, ensuring the transmission of information within the

network. Signalling point codes in an operator's internal network are managed by the respective operator.

Some of the network signalling points are interconnected, by means of signalling links, with signalling points in other networks in Romania. Thus, in view of identifying and conveying information between different networks, the respective signalling points must have other associated codes (NSPC), unique for each network.

In Romania, the national signalling point codes (NSPC) are managed and allocated by the Authority, in blocks of eight codes each. This necessity for a unique administrator is due to the fact that, in order to be functional, the national network allowing for the interconnection of all operators on the Romanian territory must be able to associate each signalling point with a unique code.

Similarly, some of the signalling points in the national network are interconnected, by means of signalling links, with signalling points in the international network. In this case, other types of signalling point codes are required (ISPC), which are unique in the international network. Such codes are allotted to the national authorities by the International Telecommunication Union, in blocks of 8 (such a block is called SANC – Signalling Area Network

Code, featuring the Z-XXX format). On their turn, national authorities manage and assign them to individual operators.

So far, Romania has been allotted 7 SANC blocks, i.e. 56 international signalling point codes (ISPC).

National and international signalling point codes are allotted for an unlimited term, by individual decision.

The right to provide certain national and international signalling point codes may be granted to the providers of public electronic communications networks authorised by the Authority who submit a request therefore. During 2008, 14 individual decisions have been issued for the allocation of SS7 national (NSPC) and international (ISPC) signalling point identification codes. By these decisions, a total number of 11 NSPC blocks (i.e. 88 codes) and 3 ISPC codes were allotted.

Moreover, 19 individual decisions revoking the right to use identification codes of national SS7 signalling points (NSPC) and international signalling point codes (ISPC) have been issued. By these decisions, the right to use 24 NSPC blocks (i.e. 192 codes) and 2 ISPC codes ended.

Table 4.2. Allocation of national (NSPC) and international (ISPC) signalling point codes

Domain	Total no. of blocks allotted to Romania	Total no. of codes allotted to Romania	Total no. of blocks allotted by the Authority	Total no. of codes allotted by the Authority
ISPC	7	56	-	49
NSPC	-	-	294	2352

4.5.2. Management of the right to use mobile network codes

The providers of mobile public networks use the Mobile Network Codes (MNC) in view of establishing the international mobile subscriber identity (IMSI). Recommendation ITU-T E.212 defines the IMSI code = MCC+MNC+MSIN, where:

- MCC – *Mobile Country Code* – allotted by ITU-T; Romania holds MCC=226;
- MNC – *Mobile Network Code* – allotted by the Authority;
- MSIN – *Mobile Subscriber Identification Number* – allotted by the mobile operators.

The IMSI code encompasses maximum 15 figures.

MNC may be also used by the providers of fixed public networks, in order to simulate the international mobile subscriber identity for the purpose of providing mobility services or ensuring compatibility with the networks that offer services at mobile locations. As a rule, a provider of public electronic communications networks may benefit from the right to use one MNC. During 2008, **6 decisions for granting the right to use a total number of 7 MNC** were issued.

4.5.3. Management of the right to use network identification codes

A network identification code (NIC) is a 17xy code that identifies the call origination network and is used when the interconnection between the call origination network and the call termination network is achieved by switched transit, through a third party's services. According to the provisions of Article 33(1) of ANRCTI President's Decision no.500/2008, the providers of public electronic communications networks or of publicly available electronic communications services that have been granted the right to use NIC have the obligation to request the use of the same technical resources, under the provisions of the said decision. During 2008, 28 decisions for the allocation of a total number of 28 NIC and 7 decisions for withdrawing the right to use 7 NIC were issued.

4.5.4. Management of the right to use routing numbers

Routing numbers (RN) are allocated to the providers of publicly available telephone services that are acceptor providers in the number portability process. Based on the structure of the acceptor provider's network, a RN can identify either the acceptor provider or a switch in the acceptor provider's network.

A provider of publicly available telephone services can benefit from the right to use, as a rule, one routing number. Where the portability of different categories of numbers is available, or when a RN identifies a switch in the acceptor network, a provider can be granted the right to use several RN.

During 2008, the Authority issued 67 decisions for granting the right to use a total number of 240 RNs.

4.6. Authorisation and certification in the radioamateur service

The certification and authorisation activity in the radioamateur service continued the dynamic pace in 2008, when the Authority continued to enforce the guidelines established at the ITU and CEPT level. To this end, the Authority took diligence in view of harmonisation with the European and international practices, in order to integrate the Romanian radioamateurs in the international community, by means of the mutual recognition of the certificates and authorisations issued by the Romanian administration, with the Authority's support.

Moreover, the Authority continued exploring, at the CEPT level, the possibility to define a database for the harmonised examination topics, using the International Amateur Radio Union (IARU) experience, which synthesizes the internationally recognised examination methods adopted in various countries. This process will go on in the next years until the establishment of a database of topics to be used within the CEPT for examining candidates for the radioamateur certificates.

During 2008, the Authority's Regional Departments organised 17 examination sessions, granting **378** radioamateur certificates. Furthermore, **491** authorisations were issued and renewed in the radioamateur service.

In 2008, there were approximately 4,000 authorised radioamateurs in Romania.

4.7. Certification of professional radio operators

In the activity of certifying professional radio operators, new steps were taken in 2008, both in order to maintain the certified level of competence and to diversify the types of certificates issued by the Authority.

The Authority took permanently into account the fact that the radio operator category includes various types of personnel on duty on sailing or flying decks, as well as the personnel of the radio stations on ground, on the shore or on coastline.

The types of personnel include the personnel in command of vessels and aircrafts, the personnel in charge of managing the vessel movement and air traffic, as well as the personnel of the naval and aeronautical authorities, which cannot conduct their activities in good order unless they hold professional documents, based on a radio operator certificate.

Thus, the Authority set objectives such as:

- optimise and diversify the protocols concluded with the training centres;

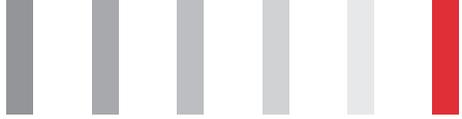
- open a competitive market in the field of training the candidates for various types of radio certificates;
- verify compliance with the regulations in force at the national and international level;
- take steps in view of maintaining the Authority's procedures in line with the requirements of ITU RR, taking into account the fact that the holders of such certificates conduct operations worldwide.

2008 brought new developments in the field, such as:

- an unprecedented demand for Long Range Certificates (LRC) for the operators on board of leisure boats that voluntarily use GMDSS techniques and frequencies, as well as for aeronautical general operator certificates of private aircrafts;
- promoting, by exam, the class I and II radiotelegraph techno-operators to class II radioelectronist operators, which meant leaving the Morse and SOS-based system for the GMDSS one and the maintenance of the on-board console components.

For the next year, the Authority envisages concrete actions ensuring that radio station operators are highly qualified as provided by ITU RR.

In 2008, the Authority examined **1,108** persons and issued and renewed **1,675** professional radio operator certificates.



ADMINISTRATION OF THE COMMUNICATIONS MARKET AND OF THE SCARCE RESOURCES





5

Monitoring, surveillance
and control

Monitoring, surveillance and control

The Authority's monitoring, control and surveillance activities aim at ensuring and promoting competition in the electronic communications and postal services markets, as well as at protecting the users' rights and interests, under transparency, impartiality and objectivity conditions. This activity envisages both legal and residential users to whom the legislation in the sectors of electronic communications and of postal services is applicable. The control of compliance with the provisions of the normative acts in force and of compliance with the obligations imposed on providers, which fall within the Authority's scope of competence, is carried out by the specialised control personnel authorised by the Authority's President.

5.1. Control actions conducted on the authorised providers

In 2008, the control activity in the electronic communications sector resulted in 8,720 control actions, 8,609 of which were carried out at the headquarters, work stations and on the networks of the providers of electronic communications networks and services in view of verifying compliance with the obligations imposed by the Authority and, respectively, 111 actions were carried out in view of checking compliance with the obligations imposed by the decisions for the designation of the Universal Service providers in the electronic communications sector.

Following these control actions, on a national level 1,217 breaches of the legal provisions were assessed, most of which were remedied following the measures imposed by the Authority's authorised personnel. In conformity with the relevant legal provisions, pursuant to the assessed contraventions, the Authority established terms and imposed conditions for the remedying of the breaches committed by 681 providers, transmitting them notifications on the intention to enforce sanctions and summons, which drove to the respective providers' removing the assessed failures. **202 sanctions** were applied, i.e. **164 warnings** and **38 contravention fines** amounting to RON 185,000.

5.1.1. Control actions conducted on the telephony providers

47 of the control actions envisaged the providers of fixed and mobile telephone services. 27 breaches of the legal provisions were assessed. Some of these control actions were initiated by the Authority following the end-users' complaints. According to the legal provisions, four notifications on the intention to apply a sanction were sent and **8 sanctions** were applied, resulting in **5 warnings** and **3 contravention fines** that amounted to RON 15,000.

In October 2008, the Authority's control personnel conducted 7 control actions on the main providers of publicly available electronic communications services for the purpose of verifying compliance with Decision no.3444/2007 on the adoption of the Technical and Commercial Terms for the implementation of number portability, checking mainly the means of informing the end-users on the number portability service. Following this action, one notification on the intention to apply a sanction was issued, which resulted in the removal of the breach.

5.1.2. Control actions conducted on the providers of leased lines, data transmissions and Internet access services

On the market of leased lines, data transmission and Internet access services, 763 control actions were carried out in 2008, during which 588 breaches of the legal provisions were found. During 2008, the Authority also conducted a massive campaign for monitoring the Internet access providers' compliance with the minimum requirements to be included in their contracts with the end-users. 192 were found in breach of the provisions of Law no.304/2003 for Universal Service and the users' rights and the Authority established terms and imposed conditions for remedying the breaches committed, transmitting them the notifications on the intention to enforce sanctions, which drove to the recovery of their lawful status for most of the respective providers. As well, the Authority applied **71 sanctions**, which resulted in **51 warnings** and **20 contravention fines** amounting to RON 110,000. The most serious contravention concerned the

provision of electronic communications networks and services by unauthorised persons.

5.1.3. Control actions conducted on the providers of audio-visual programme retransmission services

In 2008, 107 control actions were carried out on the CATV network providers, in view of checking compliance with the provisions of the Government Ordinance no.79/2002, during which 44 contraventions were found and 12 notifications on the intention to apply sanctions were sent. Eight sanctions were applied, according to the legal provisions.

As well, the Authority conducted 4,990 control actions on the networks that retransmitted or broadcasted audio-visual programme services, in order to verify the provisions of Law no.504/2002 (the Audio-visual Law). In 470 situations, the providers failed to observe the authorisation terms (broadcasting licences and technical functioning authorisations) or the technical parameters measured did not fit in the technical standards and specifications in force.

Following these control actions, the Authority's control personnel found that 132 networks that retransmitted audio-visual programme services did not have a technical functioning authorisation. 397 summons were issued, setting terms and conditions for the recovery of the lawful status and 31 warnings and 7 fines amounting to RON 25,000 were applied. Moreover, 6 cases of radio and TV emissions without an audio-visual licence, a broadcasting licence or a technical functioning authorisation were discovered. In these cases, 6 criminal complaints were submitted.

5.1.4. Control actions on the providers that use the radio spectrum

2,528 control actions were conducted for the purpose of verifying the use of the radio frequencies in accordance with the provisions of the Government Emergency Ordinance no.79/2002. Following these control actions, there were

assessed 76 breaches of the authorisation terms (licences for the use of frequencies and frequency assignment authorisations) or of the technical parameters provided in the technical standards and specifications in force. In these cases, 76 notifications on the intention to enforce sanctions were issued, establishing the terms and conditions for the recovery of the legal status. Furthermore, 17 cases of illegal usage of the spectrum were assessed (lack of a licence for the use of radio frequencies); subsequently, 16 warnings and 2 fines amounting to RON 15,000 were applied.

5.1.5. Failure to provide statistical data

In 2008, following the failure to comply with the legal provisions under Article 3 of the ANRC President's Decision no.151/2006, the Authority sent 28 notifications on the intention to apply the sanction for failure to send the half-yearly statistical data provided in annexes 2-10 for the reporting period 31 July – 31 December 2007, respectively 66 notifications on the intention to apply the sanction for failure to send the half-yearly statistical data provided in annexes 2-10 for the 1 January – 30 June 2008 reporting period.

5.1.6. Control actions conducted on the providers of postal services

On the national market of postal services, during 2008, 217 control actions were conducted, following which 40 contraventions were assessed. Subsequently, 38 sanctions were applied, resulting in 36 warnings and two contravention fines amounting to RON 10,000. The most serious breach assessed consisted in the unauthorised provision of postal services.

5.2. Spectrum monitoring

The Authority manages the radio frequency spectrum and allots the radio frequencies in the governmental frequency bands provided in the National Table of Frequency Allocations (NTFA). The Authority monitors the proper use of the radio spectrum, investigates frequency interferences and disturbances of the

authorised radio communications and identifies unauthorised emissions. To this end, the Authority is endowed with 24 fixed monitoring stations throughout the country and 33 movable (quasi-fixed) and mobile monitoring stations.

During 2008, using the National Spectrum Monitoring System, the Authority conducted **3,716** monitoring missions, assessing **151** unauthorised radioelectric emissions or emissions that infringe the authorisation terms (provided in licences, technical functioning authorisations, licences for the use of radio frequencies and frequency assignation authorisations).

During 2008, the Authority received 250 complaints on the disturbance of authorised radiocommunications. 225 of these were solved, the remaining 25 being under investigation.

5.3. Electromagnetic compatibility

The main objectives of Directive 2004/108/EC on Electromagnetic Compatibility (EMC) are ensuring the free movement of apparatus and of fixed installations, as well as the set up of an acceptable electromagnetic environment throughout the European Community. This Directive has been transposed in the Romanian legislation by the Government Decision no.982/2007. This normative act establishes the regulatory principles for equipment compatibility as regards the EMC within the country and designates the Authority as an institution competent in the field of electronic compatibility in Romania.

In 2008, the Authority has been involved in the activities of the EMC Working Group on Administrative Co-operation (EMC ADCO), ensuring, by market surveillance, that only equipment in conformity with the provisions of Directive 2004/108/EC is placed on the market. Moreover, the Authority transposed in the Romanian legislation the documents adopted in the EMC ADCO, thus

making available the relevant information and the practices adopted in the European Union to all the interested entities. Hence, in 2008, the Authority transposed the Guidebook for the enforcement of Directive EMC 2004/108/EC, the ADCO Guidebook for the market surveillance personnel and the Handbook on the obligations regarding the placement on the market of the equipment within the scope of the EMC Directive.

Furthermore, the Authority took part in the activity of national and international standardization within the technical committees of the Romanian Standardization Association – ASRO, in the fields of electronic communications, radiocommunications and electromagnetic compatibility.

5.4. Surveillance of the market of radio equipment and telecommunications terminal equipment

Directive 1999/5/EC on radio equipment and telecommunications terminal equipment and the mutual recognition of their conformity (the R&TTE Directive) created an extended single European market, and the free movement of the radio and telecommunications equipment must comply with its requirements. Market surveillance is necessary in order to ensure its integrity.

The market surveillance activities that are grounded on the provisions of the R&TTE Directive are conducted in the countries that have implemented this directive. Market surveillance is one of the measures that are subject to the subsidiarity principle – i.e. it is a national issue.

Since the R&TTE Directive is implemented by the national legislation, the measures available for the authorities and the term for imposing conformity with these measures may vary on a country-basis. Nevertheless, when there is a single market, "the adequate measures" taken by each country against non-conforming equipments, according to Article 9.1 of the R&TTE Directive, must be

approximately equivalent. Such measures must be notified to TCAM (Telecommunications Conformity Assessment and Market Surveillance Committee), a committee set up in accordance with the provisions of this Directive.

On 1 September 2008, the Authority, as a surveillance authority in the Romanian equipment market, joined other member states in the third market surveillance campaign conducted in the EU, for the purpose of assessing the conformity of the radio equipment in the market. The campaign targeted the radio equipments for PMR (Private Mobile Radio) applications and on the radio equipment for applications in the 2.4 GHz band, which is exempted from licensing. These equipments were chosen in order to emphasize the importance of the applications with commercial impact, of the RLAN networks in 2.4 GHz, of the video applications etc. and of the PMR applications for business communications.

At present, one can notice a considerable growth of the imports of non-conforming equipment in the EU member states, therefore the extent of this problem had to be assessed, as well as its possible impact on the users' safety and the possible harmful interferences.

The campaign aims to verify:

- the technical documents regarding all the applicable essential requirements in the R&TTE Directive;
- the product conformity with the essential requirements, as provided by Article 3.1.a (voluntarily), by Articles 3.1.b and 3.2 and by Article 3.3 if applicable (voluntarily).

The data gathering and the period for testing the conformity of the equipment

purchased on the market with the essential requirements will take nine months, until 31 May 2009. Then, within one month, by 30 June 2009, the results will be uploaded on the CIRCA server of the European Commission, in view of comparing them with the data made available by the other participating countries.

As regards the notification of the radio equipment that uses frequency bands not harmonised within the European Union, the Authority has updated its notification procedure, adopting the electronic notification form harmonised within the EU, according to the agreement of the member states reached in the TCAM.

Starting from 15 January 2008, Romania adopted the electronic *One Stop Notification* system (OSN), proposed by the Commission and accessible by means of the *DG Enterprise & Industry Stakeholder Portal*, which simplifies, for the interested parties, the process of notifying radio equipment, as provided by the R&TTE Directive.

Between 15 January and 31 December 2008, 1,400 notifications have been registered through the electronic notification system in Romania. As well, during the same period, 79 notifications have been sent by fax, e-mail or mail.

In order to prevent the occurrence of disturbances and to ensure the consumers' protection, 5,664 items of equipment were verified during 2008. Following these verifications, 650 items were assessed as non-conforming and 101 warnings have been applied. The main non-conformities assessed were the lack of the CE conformity marking, the lack of the Conformity Assessment and the lack of the usage instructions translated into the Romanian language.

Table 5.1 Surveillance of the equipment market in 2008

Activity/Indicator	Bucharest Regional Department	Cluj Regional Department	Iasi Regional Department	Timisoara Regional Department
Number of the market surveillance actions conducted	598	589	594	266
Number of equipment items assessed	1427	1029	1972	1236
Number of non-conformity cases	313	192	111	34
Sanctions enforced, of which:	26	0	59	16
- <i>Warning</i>	26	0	59	16
- <i>Fine</i>	0	0	0	0



MONITORING, SURVEILLANCE AND CONTROL





6

Promoting competition
and maximising the
end-users' benefits

Promoting competition and maximising the end-users' benefits

6.1. Interconnection

Interconnection is a specific form of access agreed between the operators of public electronic communications networks, allowing the physical and logical link between public communications networks, communication between the users of various networks, and access to services. Due to interconnection, the users may have access to services provided both by the operator of the network they are connected to and by other operators.

Interconnection is "the key to competition", therefore, in 2008, the Authority kept the focus on the interconnection terms and adopted the necessary measures, offering the new entrants the possibility to compete with the incumbent.

6.1.1. Interconnection in view of call termination at fixed locations

In 2008, S.C. Romtelecom S.A. was designated as a provider with significant power in the market for services of call termination provided at fixed locations on its public telephone network. The Authority maintained on this company the obligations previously imposed, namely: transparency, non-discrimination, separate accounts, allowing access to, and use of specific network elements and of the associated infrastructure, and tariff cost-orientation.

Thus, according to Decision no.644/2008 on the designation of S.C. Romtelecom S.A. as a provider with significant power in the market for services of call termination provided at fixed locations on its public telephone network and on

imposing certain obligations, from 1 September 2008, the average tariffs (excluding VAT) to be charged by S.C. Romtelecom S.A. for the provision of the interconnection service in view of call termination at fixed locations may not exceed:

- a) 0.84 Eurocents/minute (local interconnection in view of call termination at fixed locations);
- b) 0.97 Eurocents/minute (regional interconnection in view of call termination at fixed locations);
- c) 1.06 Eurocents/minute (national interconnection in view of call termination at fixed locations).

As well, the obligations imposed on S.C. Romtelecom S.A. regarding the services of call termination to the single emergency call number 112 ceased on the date when the technical and commercial conditions related to the establishment of communications to SNUAU became effective.

Furthermore, the obligations imposed on S.C. Romtelecom S.A. regarding the services of call termination to the telephone numbers 931, 932, 951, 958 and, respectively, to the non-geographic national numbers in the OZAB = 0800 sub-domain for the freephone services ceased.

Moreover, in 2008, the Authority designated 37 more operators¹ as providers with significant power (SMP) on the market for the services of call termination provided at fixed locations on their own public telephone networks and imposed on them a series of obligations regarding the interconnection with the networks they operate.

¹ S.C. Adisam Telecom S.A., S.C. Aietes Telecom Galati Tulcea Branch S.R.L., S.C. Advanced Business Solutions International S.R.L., S.C. Atlas Network S.R.L., S.C. BP OFFICE & SERVICE S.R.L., S.C. Canal S S.R.L., S.C. Datek Telecom S.R.L., S.C. Combridge S.R.L., S.C. Connet-RO S.R.L., S.C. Dial Telecom S.R.L., S.C. Digicom Systems S.R.L., S.C. Euroweb Romania S.A., S.C. Globtel Internet S.R.L., S.C. GTS Telecom S.R.L., S.C. Idilis S.R.L., S.C. Ines Group S.R.L., S.C. Intersat S.R.L., S.C. MEDIA SAT S.R.L., S.C. Netmaster Communications S.R.L., S.C. Net-Connect Internet S.R.L., S.C. Netpoint S.R.L., S.C. Nevi Telecom S.R.L., S.C. Nxtel Solutions S.R.L., S.C. Orange Romania S.A., S.C. Parlatel S.R.L., S.C. Plug IT International S.R.L., National Radiocommunications Company S.A., S.C. Rartel S.A., S.C. RCS & RDS S.A., S.C. Telcor Communications S.R.L., S.C. Thomas Hook Communications Romania S.R.L., S.C. Total Telecom S.R.L., S.C. Trans Tel Services S.R.L., S.C. UPC ROMANIA S.R.L., S.C. Vip Net S.R.L., S.C. Vodafone Romania S.A., S.C. Voxility S.R.L.

The imposition of certain obligations was necessary to ensure that the operators will not use their wholesale market power to the detriment of their competitors, both in the wholesale and in the retail markets, thus harming the end-users' interests. The imposed obligations aim at removing the competitive deficiencies in the termination markets, represent the minimum set of means whereby this objective can be reached, and are proportional with the deficiencies identified.

The obligations imposed by the Authority on the alternative operators are as follows:

Obligation to allow access to, and use of certain specific network elements and of the associated infrastructure

The Authority imposed on all the SMPs the obligation to interconnect the public telephone networks they operate in view of call termination at fixed locations, to the extent the requests are technically reasonable and feasible.

Furthermore, the regulatory authority imposed on S.C. RCS & RDS S.A. and S.C. UPC Romania S.R.L. the obligation to comply with certain maximum terms for the negotiation, respectively implementation of the interconnection agreements, as well as the obligation to send the Authority a copy of each of the interconnection agreements and, respectively, of each of the subsequent requests for amending, completing or withdrawing of initial requests, within 2 days from their reception date.

As regards the access points, S.C. RCS & RDS S.A. and S.C. UPC Romania S.A. have the obligation to allow interconnection at all network points where this is technically feasible, while any refusal must be soundly grounded.

Obligation of transparency

The Authority imposed on all SMPs the obligation to publish, including on their own website, information on the access points (number and addresses of all switches where interconnection can be achieved), as well as on the tariffs for all

services and facilities associated to interconnection, and, in case of amending or completing the commercial offer, an update at least 15 days before the new tariffs become effective.

Obligation of non-discrimination

The Authority imposed on the SMPs the obligation to apply equivalent interconnection conditions under equivalent circumstances to all persons requiring or already benefiting from the interconnection with the fixed public telephone network they operate.

Obligation related to cost recovery and price control

The Authority imposed on all SMPs obligations of price control. Taking into consideration that the interconnection tariffs charged by the alternative operators were, on average, higher than the regional average interconnection tariff of S.C. Romtelecom S.A., and that these varied significantly even when the same operator had concluded contracts with various operators, the Authority imposed the gradual lowering - in two stages - of the tariffs charged by the SMPs, to the level of the symmetric tariffs, during a glide-path period, until half-2009.

Thus, the Authority imposed the enforcement of a glide-path, by reducing the interconnection tariffs, in a first stage (from 1 September 2008 until 30 June 2009) to 1.15 eurocents/minute, respectively to 0.97 eurocents/minute in the second stage (from 1 July 2009), according to the principle of symmetry (to the level of the average tariffs for the termination services provided by S.C. Romtelecom S.A. at regional level.).

6.1.2. Interconnection in view of call termination at mobile locations

At end-2008, the Authority launched for consultation a series of draft decisions on the identification of the relevant markets for the services of call termination provided at mobile locations, the designation of the operators² with significant

power (SMPs) on the respective markets, and the imposition of obligations on the designated providers.

The obligations proposed to be imposed on these operators are as follows:

Obligation to allow access to, and use of certain specific network elements and of the associated infrastructure

The Authority deems that an operator of a mobile public telephone network designated as SMP must grant access to its own network, in view of providing services of call termination at mobile locations, to all the providers of public electronic communications networks that require the access, to the extent the requests are reasonable. The network access must be ensured alongside all the services necessary for the provision of the publicly available electronic communications services by the interconnected operator. In close connection to the identified competitive deficiencies, the Authority intends to impose certain maximum terms for the negotiation and implementation of the interconnection agreements.

As well, the Authority clarified the specific problems raised by the termination of the traffic originated on Romania's territory and of the traffic originated outside Romania, transited over an electronic communications network operating in Romania to the network of the mobile telephony provider where calls are terminated. The Authority emphasised that:

- 1) the obligation to provide services of call termination at mobile locations refers to all categories of calls, irrespective of their national or international origin; and,
- 2) the obligation to provide services of call termination at mobile locations on the providers' own networks applies both if there is a direct interconnection

agreement between the provider that originates the calls and the provider that terminates the calls, and if the calls are sent over transit services provided by a third party.

Obligation of transparency

The Authority proposes to impose on all the providers of mobile public telephone networks designated as having significant market power the obligation to publish on their own websites a Reference Interconnection Offer (RIO) for the interconnection with the mobile public telephone network they operate. The Authority proposes however not to apply this obligation on S.C. RCS & RDS S.A., until 1 January 2010.

Obligation of non-discrimination

The regulatory authority considers that the obligation of non-discrimination is necessary in view of ensuring that the providers apply equivalent interconnection conditions under equivalent circumstances to all persons requiring or already benefiting from the respective services. This obligation must be imposed on each provider designated as having significant power on the analysed markets.

Obligation related to price control

The Authority proposes to maintain the obligations of tariff cost-orientation imposed on S.C. Vodafone Romania S.A and, respectively, S.C. Orange Romania S.A. Moreover, taking into account the absence of incentives to reduce the tariffs at efficient levels, the Authority proposes to impose the obligations related to price control on the other SMPs as well.

Consequently, the Authority proposes for the providers to cost-orient their tariffs

² S.C. Vodafone Romania S.A., S.C. Orange Romania S.A., S.C. Cosmote RMT S.A., S.C. Telemobil S.A., S.C. RCS & RDS S.A.

based on a *bottom-up* model developed by the Authority. The Authority will publish in 2009 the methodology and principles to be used for developing this model, in accordance with the principle of transparency. Correspondingly, the SMPs will not have the obligation to develop cost calculation models.

6.2. Ensuring the access of all citizens to the single emergency call number - 112

The access to the 112 emergency call service must be ensured under the best European conditions and at a high quality level. Ensuring the operation of the emergency services involves several fields, such as electronic communications, health or public order. Therefore, ensuring the resources necessary for the 112 emergency call service is highly important both at the national and at the European level.

In order to ensure the availability of the caller location information pursuant to the requirements of the European Commission and taking into account the current problems related to the 112 emergency call service, the issue of the ANC President's Decision no.1023/2008 on the establishment of communications to the National Unique System for Emergency Calls (SNUAU) was deemed necessary. The Decision sets out the technical and economic conditions for establishing communications to the SNUAU in view of taking over the calls to the 112 emergency call service, the features and manner of sending and processing the caller location information, both for the calls initiated on the fixed public networks and for the calls initiated on the mobile public telephone networks, as well as certain measures for fighting against the initiation of prank calls to the 112 emergency call service from the mobile public telephone networks.

Thus, this decision implements the solution identified within the joint working group (regulatory authority, relevant ministry, SNUAU administrator, S.C.

Romtelecom S.A., operators of mobile public telephone networks), namely interconnecting the SNUAU with the network operated by S.C. Romtelecom S.A. by using the common channel signalling system no.7. The solution ensures the sending of the caller location information generated both for the calls initiated on the mobile and on the fixed public telephone networks, as well as the implementation of the necessary elements within the shortest time and with minimum costs. The decision also comprises provisions related to the costs born by each party: the SNUAU administrator, S.C. Romtelecom S.A., in its capacity as a provider of the service of call transit to the SNUAU, and the providers of public telephone networks.

Furthermore, the decision itemizes the procedures of sending and processing the tracing information and the data on the identification of the subscribers for the mobile and fixed public telephone networks. Not the least, with a view to fighting against prank callers from the mobile public telephone networks to the 112 emergency call services, the decision sets out the solution of sending short messages that warn the caller on the breach of the specific legislation, for a 3-month period. After the 3 months, the regulatory authority will analyse the efficiency of this measure and will decide upon the optimum way to fight against prank calls.

6.3. Number portability

Number portability is a service which enables the telephony users to keep their telephone number while changing the provider. One can port fixed/mobile telephone numbers and special numbers such as those in the 0800 or 0900 ranges. The porting can be achieved only within the same category (fixed-fixed, mobile-mobile).

Portability brings three main benefits: **user's freedom**, **competition enhancement** and **lower tariffs**. Portability diminishes the users' reticence to changing the

telephony provider and ensures them a greater freedom of choice, generates better services and more advantageous offers, and, in the long-run, it could reduce the differences between the on-net and off-net tariffs.

The number portability service was launched in Romania on 21 October 2008. Then, the Authority also launched the website www.portabilitate.ro, which provides the users with information on portability and on the steps they need to take to port their number, as well as with a search engine for them to find out whether a number was ported and on which network.

Between 2006 and 2007, the Authority elaborated the regulatory framework required for launching number portability: the ANRC President's Decision no.144/2006 on the implementation of number portability, amended and completed by the ANRCTI President's Decision no.3443/2007, and the ANRCTI President's Decision no.3444/2007 on the adoption of the technical and commercial requirements for the implementation of number portability.

The number portability was implemented based on an information system which manages the administrative processes associated to portability and which includes a central database containing all the ported numbers. The Authority designed the central database within the PHARE project *“Support to the National Regulatory Authority for Communications (ANRC) for the implementation of a Central Database System for Number Portability”*, financed by the European Union through the programme PHARE 2005 – “Facilities for special actions” and finalised at the end of May 2008.

The Authority coordinated the interoperability tests carried out between the central database and the providers' own IT systems in the timeframe 31 May - 30 September so as to be able to launch the number portability within the established term – 21 October 2008.

The central database is not involved in the call routing. Before establishing a call initiated from a number belonging to a certain network to a terminal point which, according to the numbering used, belongs to the same network but has been ported into another network, a voice signal warns the end-user on the fact that the number has been ported and, implicitly, that the tariff for the respective call could be higher than the one for the non-porting numbers.

On 29 October 2008, at 16:34, the first telephone number from Romania was successfully ported into a mobile telephone network. By the end of 2008, 3,382 porting requests were registered for the fixed telephone numbers and 21,363 porting requests were registered for the mobile telephone numbers. In 2008, 1,694 geographic (fixed) numbers and 13,984 non-geographic (mobile) numbers were actually ported.

The Authority considers however that the success of portability must not be assessed proportionally to the ported numbers, but to the end-users' benefits resulting from the efforts the operators make in order to keep their clients, i.e. more advantageous offers, better service quality, and lower tariffs.

6.4. User information

Due to the complexity of the tariff packages and schemes, many Romanian users are not able to appreciate correctly how much they pay for the telephone services. The users feel the negative effects even when detailed and accurate information is available, because this abundance, alongside the lack of clarity renders the users unable to compare and assess the offers correctly.

The asymmetry between the information available to the consumers in comparison to that available to the providers on the services and tariffs offered distort the consumption behaviour, artificially raising the demand, based on the

complexity of the offers. This rise of the offer-side, based on the asymmetry of information, does not lead to increased social welfare and such a complexity actually prevents the end-users from controlling the level of expenditure with communications services and makes it more and more difficult for them to adopt rational decisions related to choosing the provider or even to his consumption behaviour³.

Beyond the immediate disadvantages, the information deficit has more profound implications on the users due to the close relationship between the latter and the level of competition.

The Authority considers therefore that improving the level of user awareness contributes to enhancing the consumers' empowerment and their capacity to better protect their interests, incentivizing and sustaining competition.

Furthermore, the necessity to impose certain requirements regarding the information of the electronic communications end-users is also acknowledged and ratified by the Community rules and by the relevant practice at the European level. Thus, art.21(1) of Directive 2002/22/CE of the European Parliament and of the Council of 7 March 2002 on the Universal Service and users' rights relating to electronic communications networks and services (Universal Service Directive) provides that "*Member States shall ensure that transparent and up-to-date information on applicable prices and tariffs, and on standard terms and conditions, in respect of access to and use of publicly available telephone services is available to end-users and consumers, in accordance with the provisions of Annex II*". Annex II under the same Directive provides the information which must be published in accordance with art.21 and shows that "*The national regulatory authority has a responsibility to ensure that the information in this Annex is*

published, in accordance with Article 21. It is for the national regulatory authority to decide which information is to be published by the undertakings providing public telephone networks and/or publicly available telephone services and which information is to be published by the national regulatory authority itself, so as to ensure that consumers are able to make informed choices."

Therefore, in 2008, the Authority elaborated a draft decision on the obligations of the providers of publicly available electronic communications services to inform the end-users. This draft decision imposes on the providers a set of obligations related to the end-users' right to be informed on the tariffs, as well as on the other conditions for the use of the electronic communications services within the purpose of ensuring the provision of clear, detailed and updated information.

The obligation to inform the end-users includes, on the one hand, the obligation of the providers of publicly available telephone services to make available to the public, by their own means, information especially regarding the applicable prices and tariffs, the conditions for connecting to and using the publicly available telephone services, the end-users' information rights, the contractual terms and the dispute settlement procedure and, on the other hand, the obligation of all the providers of publicly available electronic communications services to provide the public information on the technical and commercial conditions for the provision of such services, via a website administrated by the Authority, as well as to make available to their subscribers, through the itemised bills, information related to the services provided according to the concluded contracts.

The draft decision was submitted to public consultation between 12 November and 12 December 2008 and is to be adopted by the Authority during the first quarter of 2009.

³. Position Paper on The Regulatory Strategy for the Romanian Electronic Communications Sector for 2007-2010, p. 47-48, available at <http://www.anrcti.ro/DesktopDefault.aspx?tabid=3302>.





7

Regulation in the field of
information technology

Regulation in the field of information technology

One of the Authority's most important activities during 2008 was the implementation of the national policy in the field of information technology, the Authority having attributions as regards:

- the management and administration, at the national level, of the TLD (top level domain) ".ro" and of the SLD (second level domain) ".eu" for the domain names reserved by Romania, as well as of the Romanian National Computer Network (RNC);
- the surveillance and control of the compliance with the legal provisions as regards the e-commerce activities, according to Law no.365/2002 on electronic commerce, republished;
- exercising the regulatory and surveillance attributions in the field of electronic signature, as provided by Law no.455/2001 on electronic signature;
- exercising the attributions of the regulatory and surveillance authority according to Law no.451/2004 on time stamp;
- exercising the attributions of the regulatory and surveillance authority according to Law no.589/2004 on the legal regime of the electronic notary activity;
- exercising the attributions provided by Law no.196/2003 on the prevention and repression of pornography, with the subsequent amendments and completions;
- the implementation of the procedure for accrediting the administrators of electronic archives, as well as of the procedure for authorising the data centres used in this activity, as provided by Law no.135/2007 on archiving electronic documents;
- the implementation of the procedure for the verification and homologation of electronic invoicing information systems, as provided by Law no.260/2007 on recording commercial operations by electronic means.

7.1. Completions to the relevant regulatory framework

7.1.1. Electronic signature

The Decision of the President of the National Regulatory Authority for Communications and Information Technology no.31/2008 on the accreditation procedure for the certification service providers was issued pursuant to Law no.455/2001 on electronic signature and establishes the terms for acquiring the capacity as an accredited provider, as well as the content, validity period and consequences of suspending or withdrawing the accreditation decision. According to the provisions of the said decision, the Authority assesses a provider's compliance with the accreditation requirements following an audit conducted by an accredited auditor. The decision establishes also the auditor designation procedure.

In view of ensuring a high operation security level and of protecting the legitimate rights and interests of the beneficiaries of certification services, the providers of certification services that wish to become accredited providers may request an accreditation from the Authority. The certification service providers are free to operate outside this voluntary accreditation scheme; Law no.455/2001 on electronic signature provides the guarantees that this scheme does not reduce competition in the market of certification services. Nevertheless, the accreditation brings along a double advantage: the extended electronic signature based on a qualified certificate issued by an accredited provider is deemed to fulfil the legal provisions for extended signatures, while the accredited provider is deemed to comply with the legal provisions for issuing qualified certificates.

7.1.2. Time stamp

The Decision of the National Authority for Communications no.896/2008 on the technical and methodological rules for the enforcement of Law no.451/2004 on time stamp clarifies all the issues falling under the secondary regulations pursuant to the law. As a general rule, a regulation comprises non-discriminatory,

proportionate and necessary provisions that ensure the frame for the provision of time stamp services under security conditions, for the purpose of ensuring the users' trust in this type of services.

The decision establishes the terms under which the time stamp providers operate, as well as the obligations of the regulatory and surveillance authority, and details and specifies the legal provisions.

30 days prior to starting the time stamp-related activities, the providers have the obligation to notify the Authority on their intention to initiate these activities, as well as to communicate certain data. The time stamp service providers must have the financial instruments to cover the possible damages occasioned by the time stamp-related activities. Following the notification, the provider is included in a special section of the Record of Certification Service Providers. According to the requirements of Law no.451/2004, the Authority's decision details the notification terms, the conditions regarding the financial instruments, the data to be submitted to the authority, the content and structure of the providers' record and of the time stamp record held by the provider, if the respective provider suspends or ceases operation. Moreover, the decision provides a few minimal technical conditions the time stamp service providers must observe.

7.1.3. Electronic archiving

The Decision of the National Authority for Communications no.1130/2008 on the technical and methodological rules for the enforcement of Law no.135/2007 on electronic archiving. According to the provisions of Law no.135/2007, 30 days before starting the electronic archiving activities, the entities that intend to provide electronic archiving services have the obligation to notify the Authority regarding the starting date of these activities. The notification must be submitted alongside the policy and the procedures regarding data security and storage, the personal data protection policy, as well as any other data requested by the Authority. The Decision establishes the procedure by which this notification is

submitted, the minimum conditions to be fulfilled by the electronic archive administrator in order to receive the Authority's accreditation, as well as the terms under which the Authority may decide to suspend or withdraw the accreditation of the electronic archive administrator. Furthermore, in accordance with the provisions of Law no.135/2007, the decision sets out the functional requirements for the electronic archive administration system, as well as the rights and obligations of the entities that submit electronic documents for archiving. These regulations are triggered by the need that the electronic archiving users should have the guarantee that these services are provided at a minimum level of quality and security.

The Decision of the National Authority for Communications no.1131/2008 on the methodological rules for authorising data centres establishes the procedure and terms for granting, suspending and withdrawing the decisions for authorising data centres issued by the Authority, the content, the validity period and the consequences of suspending or withdrawing the authorisation decision, as well as the minimum requirements regarding the data security and integrity and the permanent service availability monitored during this procedure.

According to the provisions of Law no.135/2007 on electronic archiving, electronic archives are stored in data centres that have been previously authorised. The data centres used by electronic archive administrators are storage facilities where all the electronic documents are loaded and submitted by the beneficiaries for archiving, therefore adequate information equipments and special facilities must be used in order to ensure the archived data security and availability. The data centres must ensure a safe infrastructure for the operations of the electronic archive administrators, minimizing the risk of incidents that could jeopardize the archive security or interrupt the service provision.

The decision lays down a set of obligatory criteria regarding the site where the data centre is located, scalability and backup, the physical and electronic access

to the technical equipment used, as well as regarding the working policies and procedures. The decision also mentions the documents to be submitted by the entities that intend to obtain authorisations for their data centres, as proof of compliance with these criteria, as well as the procedure of submitting these documents. Furthermore, strict terms within which the Authority has the obligation to decide regarding a request are provided. The regulation also provides the situations in which the decision of authorising certain data centres may be suspended and the applicable procedure.

7.1.4. Homologation of the information systems used for electronic invoicing
The Decision of the National Authority for Communications no.888/2008 on the verification and homologation procedure for electronic invoicing information systems and the security and performance rules regarding the information systems used by the entities that issue, transmit or archive invoices, receipts and fiscal receipts. Law no.260/2007 establishes certain obligations for the Authority as regards the homologation of the information systems intended for electronic invoicing operations. Thus, according to the provisions of Article 13 and Article 26 of the above-mentioned normative act, the information systems intended for electronic invoicing cannot be used unless the Authority homologates them.

The Authority's decision, pursuant to Law no.260/2007, is aimed at laying down a procedure based on which those who issue electronic invoices will be able to homologate their electronic systems used in the electronic invoicing activity. The regulation is addressed both to the entities that wish to issue electronic invoices for their own use and to those that intend to issue electronic invoices for third parties (providers of electronic invoicing services).

This homologation refers only to the process of issuing electronic invoices, the Authority granting the homologation certificate after verifying the following issues:

- the information system allows the issuance of invoices in the format and with the content established by the special normative acts;

- the information system allows the issuance of invoices bearing the issuer's electronic signature and states the time of issuance;
- the following principles regarding the security of the electronic invoicing operation are observed: confidentiality and integrity of the data used in the electronic invoicing process; personal data protection, including observance of the legal requirements regarding the processing of personal data; continuity of the invoicing process; control of the access to the electronic invoicing system.

Compliance with these terms will be checked by an auditor independent from the entity that issued the electronic invoice and from the information system subject to homologation. The regulation details the terms for the auditors, the audit objectives, the minimum content of the audit report, and the minimum set of tests to be applied on the information system during the audit process. The documents to be submitted to the Authority by the providers of electronic invoices that request the homologation of the information systems, the terms for granting and withdrawing the homologation, and the amount of the homologation tariff charged by the Authority are also provided. Annex no.4 specifies the security and performance rules for the information systems used by the persons that issue, transmit or archive invoices, receipts and fiscal receipts in electronic format, issued pursuant to Article 30 of Law no.260/2007, minimum technical rules for the information system regarding compliance with the legal requirements established by the special normative acts for each of the 3 processes of the registration of commercial operations by electronic means (issuance, transmission and archiving of electronic accounting documents).

7.2. Survey on e-commerce in Romania

In exercising its regulatory attributions in the field of electronic commerce, the Authority had the obligation to assess, on a regular basis, the Romanian electronic commerce market and the extent to which the legislation meets the

requirements of this market, as well as to propose steps and initiatives that should contribute to the development of this field.

The Survey on e-commerce in Romania, conducted in 2008, is an instrument by means of which both the Authority and the interested entities in the market have access to an accurate and objective assessment of the Romanian electronic commerce market and of its up-to-date development, as well as to an analysis of the evolution prospective for the years 2009-2011 which includes relevant data and statistics and specific analyses. Furthermore, the survey includes an analysis on the setting up of a trust mark system (a mark of trust for the e-commerce companies) and of an alternative system for settling the disputes regarding the electronic commerce in Romania, as well as proposals for concrete steps whereby the Authority could achieve this objective.

The Survey on e-commerce in Romania collected information and conducted analyses regarding issues such as:

- a)** the status of the Romanian e-commerce market and predictions regarding its development trends;
- b)** the Romanian internet users' awareness of the services within the realm of e-commerce and of the advantages of using the instruments offered by e-commerce;
- c)** the market players' opinions on the current regulatory framework in the field, together with improvement proposals;
- d)** analysis of the necessity and opportunity and a presentation of the means for setting up a trust mark system for the on-line shops;
- e)** analysis of the necessity and opportunity and a presentation of the means for setting up an alternative dispute settlement system for e-commerce.

The survey was conducted for the Authority by the team Link 2 eCommerce and amounted to approximately EUR 6,000. The questionnaires were sent and

answered online, between September and October 2008, with 6,095 respondents among the Internet users and 51 among online shops.

The survey revealed the fact that there were approximately 900 active online shops at the time, most of which offered for sale products from the realm of technology and communications. Computer games, toys, flowers, watches and tickets to various performances were sold in 30% of the active online shops. Books and information were sold in 10% of all the shops and the same percentage of all the shops dealt with clothes and fashion. The survey also established that 5% of all the websites active in Romania offered e-commerce services and found evidence showing that the number of shops in Romania will keep growing by 50% per year between 2009 and 2011, up to 3,000 active shops that will operate online.

The survey showed that, among the online buyers, most of the respondents purchase IT&C products. 26% of them declare having spent more than RON 2,000 in the Romanian IT&C online shops during the last year. The average income of the respondents that declared they do not shop online is RON 1,072/month, while the average monthly income of the online buyers amounts to RON 1,945.

The survey also showed that most of those who purchased items on the Internet used the Romanian shops, no more than 3% declared having bought from the foreign shops. 72% of those who bought online during the past 12 months declared that they came back for new products, which means they were pleased and became loyal customers of the respective shops, while only 21% declared encountering problems with the online shops.

The survey is available for consultation on the Authority's website, at the following address: <http://www.ancom.org.ro/DesktopDefault.aspx?tabid=3024>.

7.3. Surveillance and control in the field of information technology

7.3.1. Electronic signature

By the **Decision of the President of the National Authority for Communications no.479/2008**, S.C. TRANS SPED S.R.L was accredited as a certification service provider, under the provisions of Law no.455/2001 on electronic signature.

The **Decision of the President of the National Authority for Communications no.970/2008** renewed the accreditation of S.C. DIGISIGN S.R.L. as a certification service provider, pursuant to Law no.455/2001 on electronic signature.

On 31 March 2008, the certification service provider S.C. Digital ID Company S.R.L. ceased operation, being deleted from the Record of Certification Service Providers, according to the provisions of Law no.455/2001 on electronic signature.

7.3.2. Fighting spam

In March 2008, the Authority enforced the first fine for sending unsolicited commercial messages, following an investigation which revealed that the sender had not obtained the addressee's consent for sending such communications. The investigation followed a complaint submitted to the Authority at the end of 2007, the first complaint of this kind received after the takeover of relevant attributions in the field.

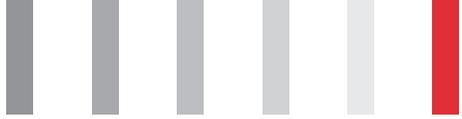
The Authority took over specific attributions in the field of information technology, including as regards the enforcement of Law no.365/2002, in

accordance with Article 3(3).2 of the Regulation for the organisation and functioning of the National Regulatory Authority for Communications and Information Technology, approved by Government Decision no.415/2007. According to these provisions, the Authority "monitors and controls the observance of the legal provisions in the field of electronic commerce, as a surveillance and control authority, in accordance with the provisions of Law no.365/2002 on electronic commerce, republished".

The complaints regarding unsolicited commercial messages were investigated under a procedure which involves several factors: the plaintiff, on the one hand, who must provide the Authority the evidence required, and the Internet service providers, on the other hand, that should provide data regarding the identity of certain IP holders. During the last stage of the investigation, the defendant is requested to produce evidence of the addressee's consent to receive commercial messages. If this agreement is missing, the defendant may be sanctioned by contravention fines ranging from RON 1,000 to RON 50,000.

In 2008, the Authority received more than 1,000 complaints regarding unsolicited commercial messages and enforced 17 fines, both for sending commercial requests without the addressee's consent and for failure to produce evidence during the investigation.

Moreover, the Authority developed a section on its website which presents the complaint procedure in case of receiving unsolicited commercial messages. In 2009, it envisages the launch of an information campaign aimed at deterring the flow of spam and commercial messages, in general, both by dissuading those who send them and by educating the e-mail users, who will be better protected, if better informed.

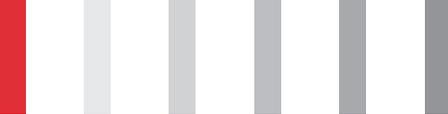






8

Universal Service



Universal Service

8.1. Universal Service in the electronic communications sector

8.1.1. Installation of telecentres

2008 marked the completion of the process of Universal Service implementation, through the installation of telecentres, once with the award, on 7 May 2008, of the last 172 localities assigned for the installation of telecentres. Following this final tender, the total number of villages benefiting from telecentres reaches 633, i.e. the Authority surpassed its objective, namely connect 600 remote communities to telephony and Internet.

As of 31 December 2008, 410 telecentres were rendered operational, 98 of these being installed in 2008, while the remaining 223 are to be installed in the first half of 2009.

Six companies submitted offers for the installation of the 172 telecentres: S.C. Accessnet International S.R.L., S.C. Nxtel Solutions S.R.L., S.C. Orange Romania S.A., S.C. Rartel S.A., National Radiocommunications Company S.A. and S.C. Vodafone Romania S.A. The tender commission analysed the offers and, on 7 May 2008, the Authority designated four winners – S.C. Accessnet International S.R.L., S.C. Rartel S.A., National Radiocommunications Company S.A. and S.C. Vodafone Romania S.A.

The main criterion based on which the winning offers were assessed was the net cost (the requested subsidy) for the installation of the access link and of the equipment, respectively the maintenance of the link for a three-year period, but the following criteria were also taken into account: experience in providing services within the scope of Universal Service, retail tariffs charged at the telecentre, ensuring access to the single number for emergency calls (112), provision of additional services, ensuring additional equipments, period required for putting the telecentre into operation. The financial proposal

weighed 70% of the full score granted for each offer.

The net cost for the installation of these 172 telecentres amounted to RON 7,568,516.30, amount which is covered from the Universal Service Fund administered by the Authority. On average, the total cost of the equipments installed and of the three-year maintenance for each telecentre, established under the tender, is of RON 44,003 (approximately EUR 12,000). The cost per telecentre differs depending on technology and on the distance between the last point of presence of the designated provider's network.

Through the national programme for the installation of telecentres, the Universal Service providers - chosen by open public tender - install telecentres in isolated localities, offering the inhabitants telephone, fax and Internet access services. The telecentres ensure the rural communities' access to the electronic communications services. As well, they represent bridgeheads for the communications infrastructure, facilitating the roll-out of electronic communications networks to the households. At the same time, the installation of telecentres contributes to educating and making consumers more aware of the electronic communications services, thus increasing the demand for this kind of services in the rural areas.

The localities included in the national programme for the installation of telecentres were selected based on the number of inhabitants and on the limited availability of telephone services. Moreover, the mayoralities of these localities expressed their interest in the project launched by the Authority and committed themselves to bearing the management expenditures of the telecentres.

Following the seven tenders organised by the Authority in the 2004-2008 timeframe, seven operators were designated as Universal Service providers and installed or will install telecentres: S.C. Accessnet International S.R.L. – 150

telecentres, S.C. Euroweb Romania S.A. – 1 telecentre, S.C. Orange Romania S.A. – 95 telecentres, S.C. Rartel S.A. – 81 telecentres, S.C. Romtelecom S.A. – 9 telecentres, National Radiocommunications Company S.A. – 199 telecentres and S.C. Vodafone Romania S.A. – 98 telecentres.

8.1.2. Directories of subscribers

Presently, in Romania, the end-users' right to access directories of subscribers and directory enquiry services, which has been established by the European Universal Service Directive, is not ensured through the commercial mechanisms of a competitive market. Law no.304/2003 for Universal Service and the users' rights regarding the electronic communications networks and services, with the subsequent amendments and completions, sets up the obligation of the Universal Service providers designated by the Authority to make available to the end-users at least one directory of subscribers, as hardcopy, electronic version or both, and at least one directory enquiry service, which should include all the subscribers of the fixed or mobile telephone services, disregarding whether the payment for the provided services is made in advance (for example, by prepaid cards) or after the service provision.

Therefore, the Authority elaborated the ANRCTI President's Decision no.3284/2007 on the amendment and completion of the ANRC President's Decision no.1074/2004 on the implementation of Universal Service in the electronic communications sector, which entered into force on 26 November 2007. The decision establishes the mechanism for the designation of the Universal Service provider that will have the obligation to make available a directory of subscribers and a directory enquiry service, which must include the telephone numbers and certain identification data of the subscribers to all the providers of publicly available telephone services.

Taking into account the principles of fair competition, transparency, non-discrimination, confidentiality, effectiveness and objectivity, as well as the fact

that the tender procedure is deemed to be the most efficient designation solution, the mechanism established by the Authority in view of designating the Universal Service provider for the provision of the above-mentioned services is based on the public tender procedure. Any person having the capacity of a provider of publicly available electronic communications services at the moment of submitting the offer can participate in the tender.

According to the relevant documentation, in order to designate the provider that will make available the subscriber directory, the Authority will consider criteria such as: the amount the requester undertakes to bear out of the total costs generated by retrieving from the operators the data for creating and updating the database, previous experience in making available subscriber directories to the end-users, the provision of a printed subscriber directory, the maximum number of simultaneous users of the on-line subscriber directory, the provision of a subscriber directory on the subscribers of telephony operators in other countries, the provision of a subscriber directory in a foreign language, the provision of a directory enquiry service via SMS, and the provision of a voice directory enquiry service.

Furthermore, the offers for the directory enquiry service will be assessed based on criteria such as: the amount the requester undertakes to bear out of the total costs generated by retrieving from the operators the data for creating and updating the complete database, the tariff of the interconnection service for call termination in view of ensuring access to the subscriber directory service, previous experience in making available subscriber directory services to the end-users, direct connection to a communicated number, the provision of a subscriber directory in a foreign language, the making available of three or more telephone numbers per call, the provision of the directory enquiry service via SMS, the provision of a subscriber directory in electronic format.

As well, the Authority estimated that the minimum two-year period the

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Universal Service provider is designated for represents the minimum period in which the directory enquiry services and the directories of subscribers will not be offered by means of the commercial mechanisms triggered by a competitive market, whereas the Authority will assess the competitive environment on the market at the end of the first designation period. The Universal Service providers will have the obligation to make available the subscriber directory on their websites, while having the possibility to provide a printed version of such a directory, under the market conditions. The Universal Service providers designated following the tender will have the obligation to create and manage complete databases, which should include the fax and telephone numbers, as well as certain identification data of all the subscribers to publicly available telephone services in Romania, including prepay card users, in compliance with the right to privacy. Thus, the subscribers will have the right to decide, cost-free, whether they want to include their telephone numbers and identification data in the subscriber directories, as well as what categories of data are to be included in the subscriber directories. Furthermore, upon request, the subscribers will be able to verify, rectify or remove these data, free of charge.

8.1.3. Universal Service Fund

The Universal Service Fund was set up in 2004, the first year when the providers of electronic communications networks and the providers of publicly available telephone services contributed to this fund. The Authority manages the financial resources of the Universal Service Fund, highlighting them distinctly within its income and expenditure budget.

Table 8.1. The Authority's provisions in respect of the Universal Service Fund

Year	Amount provided in the Authority's budget (RON)
2004	57,941,000
2005	32,010,000
2006	39,100,000
2007	0
2008	0
TOTAL	129,051,000

Table 8.2. Total value of the Universal Service Fund based on the decisions to impose issued by the Authority

Year	Amount, pursuant to the decisions to impose (RON)
2004	59,704,957 *
2005	25,899,285
2006	30,804,478
2007	0
2008	0
TOTAL	116,408,720

* The initial amount was RON 60,092,948 for 2004 and was diminished by RON 387,991.00 by decision of the High Court of Cassation and Justice no.5572/22.11.2005.

Table 8.3. Total amount of payments received to the Universal Service Fund

Year	Amount paid (RON)	
	Current year	Current year
2004	48,321,030.80	0
2005	19,898,996.00	2,509,855.80
2006	30,155,416.50	12,052,224.29
2007	0	669,975.68
2008	0	108,133.49
TOTAL	98,375,443.30	15,340,189.26

Table 8.4. Amounts paid from the Universal Service Fund

Year	Amount paid (RON)
2004	0.00
2005	20,726,730.00
2006	8,184,683.45
2007	6,100,960.28
2008	1,723,677.24
TOTAL	36,736,050.97

Table 8.5. Beneficiaries of the amounts paid from the Universal Service Fund

Year	Beneficiary	Amount paid RON	Payment reason
2004	-	0 lei	-
2005	S.C. Orange România S.A.	447,436.00 lei	Telecentres
	S.C. Romtelecom S.A.	20,279,214.08 lei	Subscription subsidies
	S.C. RCS & RDS S.A.	79.92 lei	Subscription subsidies
2006	S.C. Vodafone Romania S.A.	374,444.00 lei	Telecentres
	S.C. Orange România S.A.	102,772.00 lei	Telecentres
	S.C. Euroweb Romania S.A.	55,148.00 lei	Telecentres
	S.C. Romtelecom S.A.	299,684.37 lei	Telecentres
	S.C. Romtelecom S.A.	7,352,635.08 lei	Subscription subsidies
2007	S.C. Rartel S.A.	2,575,253.00 lei	Telecentres
	S.C. Orange Romania S.A.	378,217.60 lei	Telecentres
	S.C. Vodafone Romania S.A.	959,617.00 lei	Telecentres
	National Radiocommunications Company S.A.	2,187,872.68 lei	Telecentres
2008	S.C. Rartel S.A.	108,234.00 lei	Telecentres
	National Radiocommunications Company S.A.	1,226,607.04 lei	Telecentres
	S.C. Orange Romania S.A.	388,836.20 lei	Telecentres

8.2. Universal Service in the postal services sector

The Universal Service in the postal services sector ensures the right of each user to benefit from the permanent provision of postal services within the scope of Universal Service, at certain quality standards, at any point located on Romania's

territory, at affordable tariffs.

By means of the Decision no.88/2004, with the subsequent amendments and completions, the Authority designated the National Company Romanian Post S.A. as a Universal Service provider in the postal services sector in Romania,

until 25 April 2009. CNPR has the obligation to provide throughout Romania, at affordable tariffs and at certain quality standards, the following postal services:

- clearance, sorting, transport and delivery of domestic and cross-border items of correspondence, printed matters and direct mail postal items up to 2 kg (including 2 kg);
- clearance, sorting, transport and delivery of domestic and cross-border postal parcels up to 10 kg (including 10 kg);
- distribution of postal parcels weighing between 10 kg and 20 kg (including 20 kg) sent from outside Romania's territory to an address located on its territory;
- the service for registered items consisting of:
 1. domestic and cross-border postal items up to 2 kg (including 2 kg);
 2. domestic and cross-border postal parcels up to 10 kg (including 10 kg);
 3. postal parcels weighing between 10 kg and 20 kg (including 20 kg) sent

from outside Romania's territory to an address located on its territory;

- the service for insured items consisting of:
 1. domestic and cross-border postal items up to 2 kg (including 2 kg);
 2. domestic and cross-border postal parcels up to 10 kg (including 10 kg);
 3. postal parcels weighing between 10 kg and 20 kg (including 20 kg) sent from outside Romania's territory to an address located on its territory.

As well, until 25 April 2009, CNPR benefits from the exclusive right to provide items of correspondence, whether the delivery is accelerated or not, weighing up to 50 g and whose value is less than RON 1.2, consisting of:

- clearance, sorting, transport and delivery of domestic items of correspondence;
- distribution of the items of correspondence sent from outside Romania to an address located on its territory.





9

Fixed telephony

Fixed telephony

In 2008, for the first time in the last years, **fixed telephony** registered a growing trend as regards the number of access lines – 18.3% as compared to the end of 2007. There is an outstanding growth by 81.8% of the number of lines allotted to legal persons. Thus, on 31 December 2008, there were **5.04 million access lines** in Romania, the fixed telephony penetration rate per inhabitant amounting to **23.4%**, while the penetration rate per household amounted to 53.6% - the highest percentages this indicator has ever reached.

9.1. Number of access lines/subscribers to the fixed telephone services – structure and evolution. Penetration rates.

Compared with the end-2007 data, on 31 December 2008, the total number of access lines allotted to legal persons increased by 81.8%, while the number of lines allotted to natural persons increased by 7.7%.

Table 9.1. Dynamics of the number of access lines*/subscribers to fixed telephone services. The fixed telephony penetration rates per inhabitant/household (million)

Indicator	31.12.2005	31.12.2006		31.12.2007		31.12.2008	
	linii	linii	abonați	linii	abonați	linii	abonați
Total no. of access lines/subscribers (million). of which:	4.38	4.20	3.86	4.26	3.86	5.04	4.13
- owned by alternative providers ¹ (million)	0.42	0.82	0.75	1.22	1.13	2.04	1.44
Fixed telephony penetration rate per 100 inhabitants (%) ²	20.3	19.4		19.8		23.4	
Fixed telephony penetration rate per 100 households (%) ³	52.8	49.8		49.8		53.6	

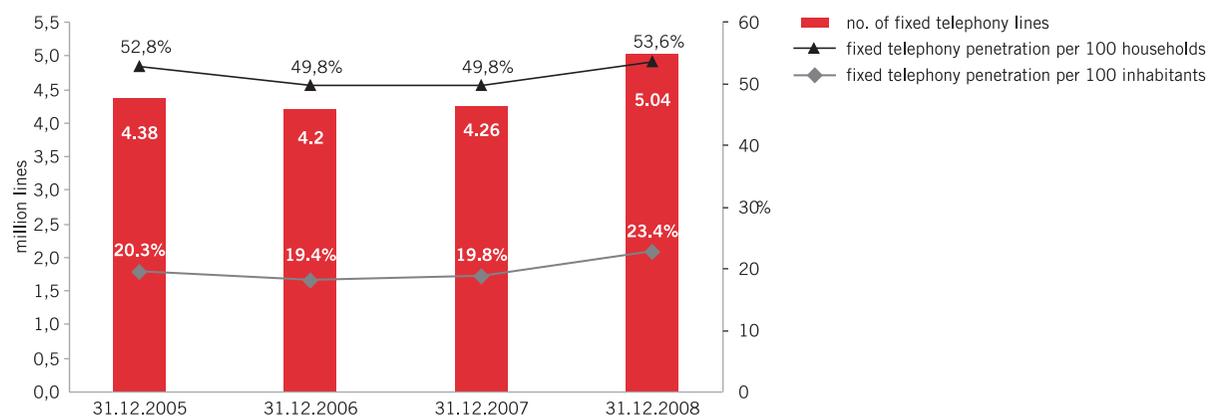
* including the access lines through managed VoIP and, respectively, "homezone/officezone" access lines

Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

¹ On the own fixed networks, respectively by access to the local loop; including managed VoIP access lines.

² Penetration rate of fixed telephony per 100 inhabitants = no. of telephone lines/population of Romania*100; population = 21,623,849 on 31.12.2005, 21,584,365 on 31.12.2006, 21,537,563 on 31.12.2007, respectively 21,504,442 on 31.12.2008 (Source: INS).

³ Penetration rate of fixed telephony per 100 households = no. of telephone lines connected for residential users/no. of households in Romania*100; no. of households = 7,320,202 (Source: INS, Census of population and residences, March 18-27, 2002).

Chart 9.1. Number of fixed telephone lines. Penetration rate.

Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

The fixed telephony penetration rate, as of 31 December 2008, increased by 18.3% at the population level compared to 31 December 2007, and reached a historic maximum for Romania – 23.4% at the population level and 53.6% at the household level.

Table 9.2 No. of agreements for interconnection/access to the local loop, concluded by 31.12.2008

Agreements for interconnection/access to the local loop	31.12.2005	31.12.2006	31.12.2007	31.12.2008
No of interconnection agreements concluded with the incumbent*	51	66	72	59
No. of agreements for access to the local loop concluded with the incumbent	14	18	17	17
No. of interconnection agreements concluded between alternative providers*	25	41	69	87

Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services

9.2. Active providers

In 2008, the total number of fixed telephony providers active in the retail market decreased by 20, given both the merger and the purchase transactions concluded between the providers and the harsh competition registered in all the market segments, which determined certain providers to cease providing such services.

Table 9.3 Number of fixed telephony providers active in the retail market, by service category

Indicator	31.12.2005	31.12.2006	31.12.2007	31.12.2008
No. of alternative providers*	48	63	69	49
Total no. of providers⁴, of which:	49	64	70	50
Access**	24	30	38	33
National calls to fixed networks***	35	52	58	41
- by carrier selection	n/a	21	21	16
- by carrier pre-selection	0	0	3	4
National calls to mobile networks	27	36	45	36
- by carrier selection	n/a	19	18	14
- by carrier pre-selection	0	0	3	3
International calls****	46	52	57	49
- by carrier selection	n/a	26	24	25
- by carrier pre-selection	0	0	3	4

* including the telephony providers using telecentres

** the provider installs the telephone line

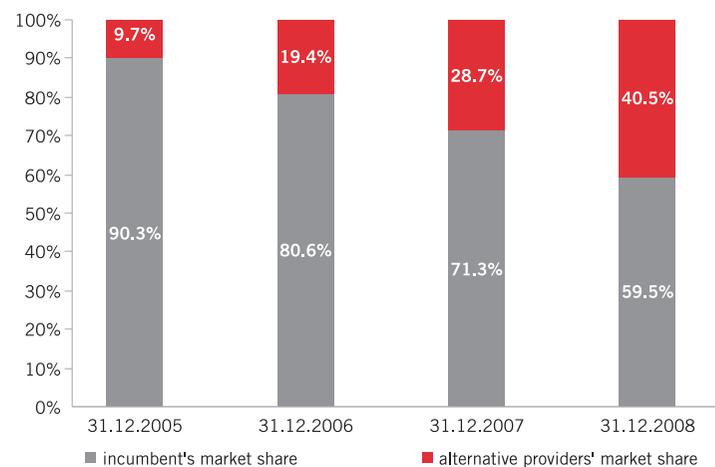
*** local (within one county) calls + national (between counties) calls + calls to national non-geographic numbers in the 09 domain + calls to national non-geographic numbers in the 08 domain + other types of traffic to national destinations

**** international calls + calls to satellite public networks

Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

⁴ There are certain providers that offer several types of services; therefore, in the total number, these have been counted once.

Chart 9.2. Structure of the market for services of access to a fixed public telephone network (market shares) by number of access lines



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

In 2008, the market share based on the number of access lines installed by the alternative fixed telephony providers intensified its annual growth rate of approximately 10%, reaching above 40% (more than 2 million telephone lines installed). This value surpassed the one calculated based on the total traffic achieved on own networks in 2008 by the providers that offer access services on

the retail market (35%). Most of the fixed telephone lines installed by the alternative providers (69%) belong to residential users. Nevertheless, in 2008, the number of lines installed for business users registered an upsurge compared to the number of lines installed for residential users (+341% compared to +30%).

Table 9.3. Dynamics of access lines/subscribers of the alternative providers of fixed telephone services, by customer category

Indicator	31.12.2005	31.12.2006		31.12.2007		31.12.2008	
	abs. (thousand)	abs. (thousand)	evolution (%)	abs. (thousand)	evolution (%)	abs. (thousand)	evolution (%)
No. of access lines of the alternative providers⁵, of which:	425	816	+92.1	1,222	+49.7	2,037	+66.6
- residential users	368	724	+96.4	1,079	+49.2	1,406	+30.3
- business users	56	93	+64.1	143	+54.1	631	+341.3
No. of subscribers by indirect access⁶, of which:	31	113	+258.9	157	+39.1	158	+0.4
- residential users	7	77	+997.7	108	+40.4	116	+7.3
- business users	24	36	+47.4	49	+36.2	42	-14.8

Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

9.3. Traffic volume achieved on the fixed public networks in Romania – structure and evolution

In 2008, the most important growth among the largest categories of the total traffic volume was that of the volume of voice traffic to mobile networks (+44%). Notwithstanding, in absolute figures, the most important growth was registered by the fixed on-net voice traffic volumes (+722 million minutes).

⁵ Providers that install fixed telephone lines – on their own fixed networks, respectively on third parties' access networks – by full or shared access to the local loop.

⁶ By the carrier (pre)selection procedure (CS/CPS), cards or other means.

Table 9.5. Structure of the total traffic volume achieved on the Romanian fixed public networks, by call destination

Indicator	2005		2006		2007		2008	
	abs. (mil minutes)	evol. (%)	abs. (mil minutes)	evol. (%)	abs. (mil minutes)	evol. (%)	abs. (mil minutes)	evol. (%)
Voice traffic on own fixed networks*	6,636		6,068	-8.6	5,419	-10.7	6,141	+13.3
Voice traffic to other fixed networks**	519		931	+79.4	1,207	+29.6	1,691	+40.1
Voice traffic to mobile networks	778		958	+23.2	1,134	+18.3	1,631	+43.8
International voice traffic (to fixed or mobile networks outside Romania)	246		315	+28.2	339	+7.3	414	+22.3
Internet access traffic***	2,194		1,334	-39.2	586	-56.1	145	-75.3
Traffic to satellite public networks	n/a		0.03	-	0.02	-33.6	0.01	-32.7
Voice traffic to national non-geographic numbers in the OZ = 09 domain	n/a		1.8	-	2.3	+29.8	29	+1,129.3
Voice traffic to national non-geographic numbers in the OZ = 08 domain	n/a		23	-	28	+21.0	32	+15.2
Other types of traffic	n/a		36	-	25	-30.6	16	-34.4
Total traffic volume****	10,373		9,668	-6.8	8,740	-9.6	10,098	+15.5

* local voice traffic + national on-net voice traffic, excluding the traffic resulted from calls for dial-up and ISDN Internet access; in 2005, the market shares based on local voice traffic, include the traffic volumes to national non-geographic numbers, by call destination, as well as other traffic types;

** local voice traffic + national voice traffic achieved both on a provider's own network and on third parties' networks, excluding traffic resulted from calls for dial-up and ISDN Internet access: in 2005 the market shares based on local voice traffic, include the traffic volumes to national non-geographic numbers, by call destination, as well as other types of traffic;

*** traffic achieved from dial-up and ISDN Internet access (including traffic volumes such as by ClickNet, Special Internet Access, Internet Premium Rate);

**** including traffic volume achieved by means of public pay telephones or of telecentres.

Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

Table 9.6. Dynamics of the total traffic volume achieved by the alternative fixed telephony providers, by call destination

Indicator	2005		2006		2007		2008	
	abs. (mil minutes)	abs. (mil minutes)	evol. (%)	abs. (mil minutes)	evol. (%)	abs. (mil minutes)	evol. (%)	
Total traffic of the alternative providers*	846	1,955	+131.0	2,444	+25.0	3,662	+49.9	
Voice traffic on own fixed networks**	140	684	+388.1	810	+18.5	1,191	+46.9	
Voice traffic to other fixed networks***	471	806	+71.0	987	+22.4	1,211	+22.8	
Voice traffic to mobile networks	94	251	+166.6	439	+75.2	983	+123.9	
International voice traffic (to fixed or mobile networks outside Romania)	105	182	+72.5	200	+9.6	274	+37.5	
Internet access traffic****	35	32	-7.8	8	-76.3	1.3	-83.6	
Traffic to satellite public networks	n/a	0	-	0	-	0	-	
Traffic of calls to national non-geographic numbers in the 0Z=09 domain	n/a	0.0***	-	0.02	n/a	0.02	-2.1	
Traffic of calls to national non-geographic numbers in the 0Z=08 domain	n/a	0.1	-	0.4	+292.4	1.4	+255.3	
Other types of traffic	n/a	0	-	0	-	0	-	

* including traffic volume achieved by means of public pay telephones or of telecentres;

** local voice traffic + national on-net voice traffic, excluding the traffic resulted from calls for dial-up and ISDN Internet access; in 2005, the market shares based on local voice traffic include the traffic volumes to national non-geographic numbers, by call destination, as well as other types of traffic;

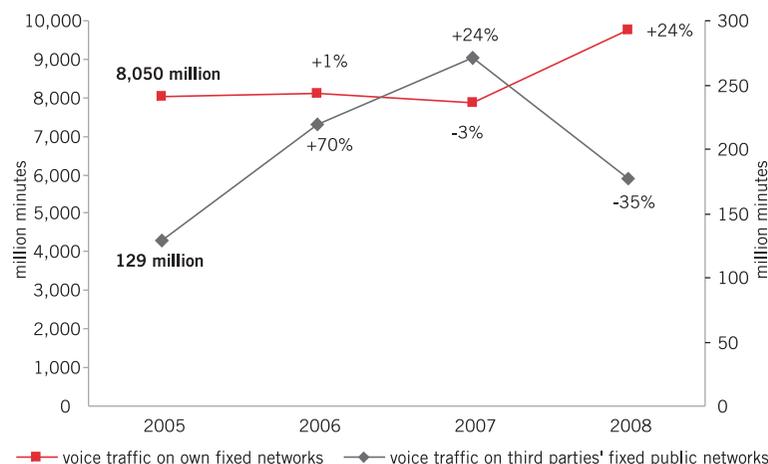
*** local voice traffic + national voice traffic achieved both on a provider's own network and on third parties' networks, excluding traffic resulted from calls for dial-up and ISDN Internet access; in 2005, the market shares based on local voice traffic include the traffic volumes to national non-geographic numbers, by call destination, as well as other types of traffic;

**** traffic achieved from dial-up and ISDN Internet access (including traffic volumes such as by ClickNet, Special Internet Access, Internet Premium Rate).

Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services

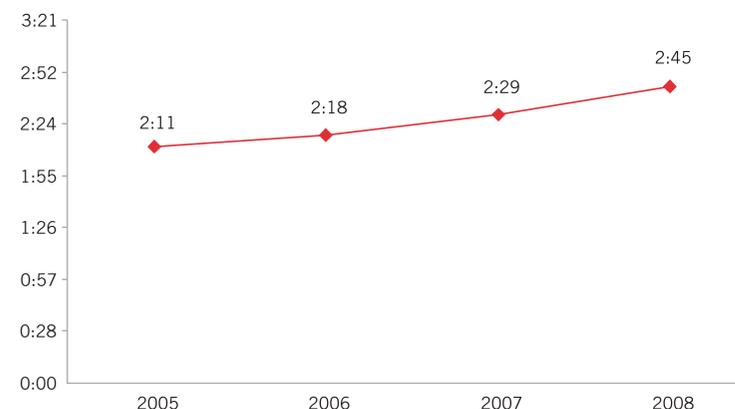
In 2008, compared to 2007, the voice traffic volume originated on the fixed public networks registered a significant growth, by +22% (approximately 10 billion minutes in 2008, compared to 8.2 billion in 2007), mainly due to the growth of the voice traffic volume achieved by the alternative providers' users (+50%), as well as, to a lesser extent, due to the growth of the voice traffic volume achieved by the incumbent's users (+10%). In 2008, the alternative providers' subscribers used the fixed telephone mainly to initiate calls towards other fixed networks – 33.1% of the alternative providers' traffic, while the on-net voice traffic weighed almost the same: 32.5%.

Chart 9.3. Structure of the total voice traffic volume by manner of service provision – on the own fixed public networks or on third parties' fixed public networks



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

Chart 9.4. Average duration of a voice call achieved on the fixed public networks



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

In 2008, the average duration of a voice call achieved on the fixed public networks was 2 minutes and 45 seconds, i.e. 24 seconds more than in 2007. This fact illustrates the effect of launching subscriptions with a huge or unlimited number of included minutes.

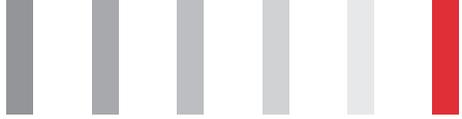
Table 9.7. Alternative providers of fixed telephone services in the retail market, offering services of access on their own network (including by the managed VoIP technology) as in December 2008*

No	Provider name	No	Provider name
1	S.C. ADISAM TELECOM S.A.	17	S.C. NEW COM TELECOMUNICATII S.A.
2	S.C. ADVANCED BUSINESS SOLUTIONS INTERNATIONAL S.R.L.	18	S.C. NXTEL SOLUTIONS S.R.L.
3	S.C. ATLAS TELECOM NETWORK ROMANIA S.R.L.	19	S.C. ORANGE ROMANIA S.A.
4	S.C. CANAL S S.R.L.	20	S.C. PLUG IT INTERNATIONAL S.R.L.
5	S.C. COMBRIDGE S.R.L.	21	S.C. RARTEL S.A.**
6	S.C. CONNET-RO S.R.L.	22	S.C. RCS & RDS S.A.
7	S.C. DATEK TELECOM S.R.L.	23	NATIONAL RADIOCOMMUNICATIONS COMPANY S.A.
8	S.C. DIAL TELECOM S.R.L.	24	S.C. TELCOR COMMUNICATIONS S.R.L.
9	S.C. DIGICOM SYSTEMS S.R.L.	25	S.C. THOMAS HOOK COMMUNICATIONS ROMANIA S.R.L.
10	S.C. EUROWEB ROMANIA S.A.	26	S.C. TRANS TEL SERVICES S.R.L.
11	S.C. GTS TELECOM S.R.L.	27	S.C. UPC ROMANIA S.A.
12	S.C. IDILIS S.A.	28	S.C. VIALTEX PRODCOM S.R.L.
13	S.C. INES GROUP S.R.L.	29	S.C. VIP NET S.R.L.
14	S.C. INTERSAT S.R.L.	30	S.C. VODAFONE ROMANIA S.A.
15	S.C. MEDIA SAT S.R.L.	31	S.C. VOXILITY S.R.L.
16	S.C. NET-CONNECT INTERNET S.R.L.	32	S.C. WORLD TELECOM NETWORK S.R.L.

* the alternative provider installs the telephone line (has subscribers on its own network);

** offer fixed telephone services exclusively by means of telecentres

Source: the Authority



FIXED TELEPHONY





10

Mobile telephony

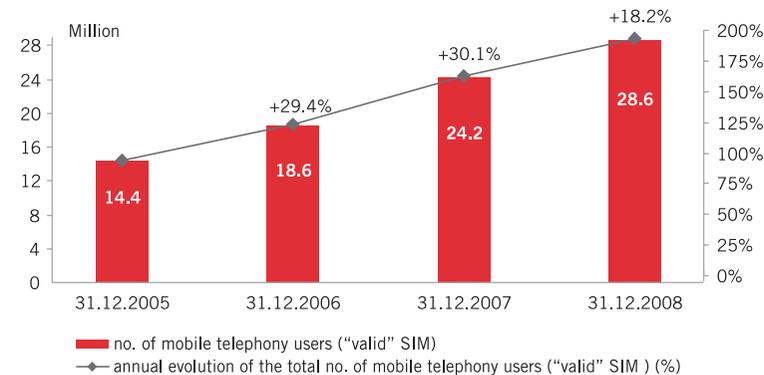
Mobile telephony

In 2008, mobile telephony continued the ascending trend and registered, for the first time, a more accelerated increase of the number of subscriptions compared to the number of prepaid cards. Data show that the number of monthly subscription-based users increased by 30% compared to the 13% and, respectively, the 14% increase of the number of valid, respectively active prepaid cards. Out of the 9.7 million monthly subscription-based users existing as of 31 December 2008, more than 70% were residential users (6.8 million), whereas less than 30% were business users (2.9 million).

10.1. User data – structure and evolution

The number of mobile telephony users, computed based on the number of “active”¹ SIM cards, reached 24.5 million as of 31 December 2008, i.e. an increase by 19.8% compared to 31 December 2007. Furthermore, the number of “valid”² SIM cards exceeded 28.6 million as of 31 December. Therefore, at end-2008, the mobile telephony penetration rate, computed based on the valid SIM cards, rose by approximately 20.6% compared to end-2007. The mobile telephony penetration rate, computed based on the active SIM cards, reached approximately 114% as of 31 December 2008.

Chart 10.1. Dynamics of the total number of mobile telephony “users” (“valid” SIM cards)



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

¹ The “active” SIM cards represent the no. of SIM cards (corresponding to the prepaid cards) valid at the end of the reporting period, **excluding** the no. of SIM cards whereby no chargeable traffic (calls, SMS services, MMS services, mobile Internet access services initiation, reception) was achieved by the end of the reporting period; the presented values, as well as the derived indicators, calculated based on these values, are estimative, considering that there are providers which reported estimated values for the semesters of 2005, 2006 and 2007.

² Estimated values: the no. of mobile telephony users is equivalent to the no. of SIM cards valid at the end of the reporting period.

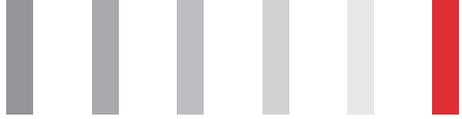
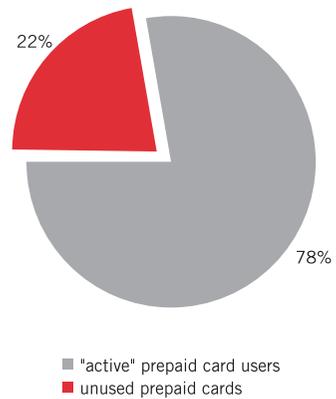


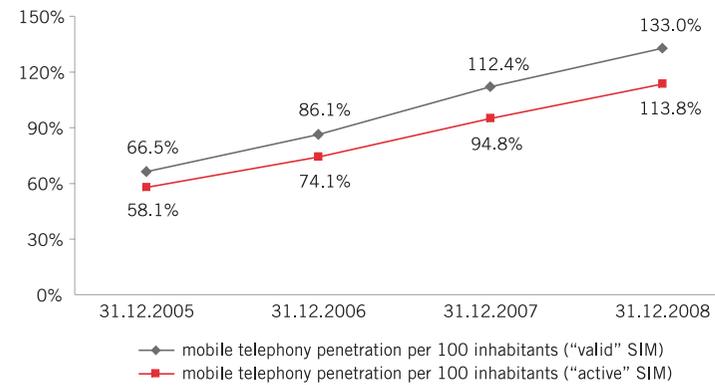
Chart 10.2. Structure of the total no. of valid prepaid cards, by type of use



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

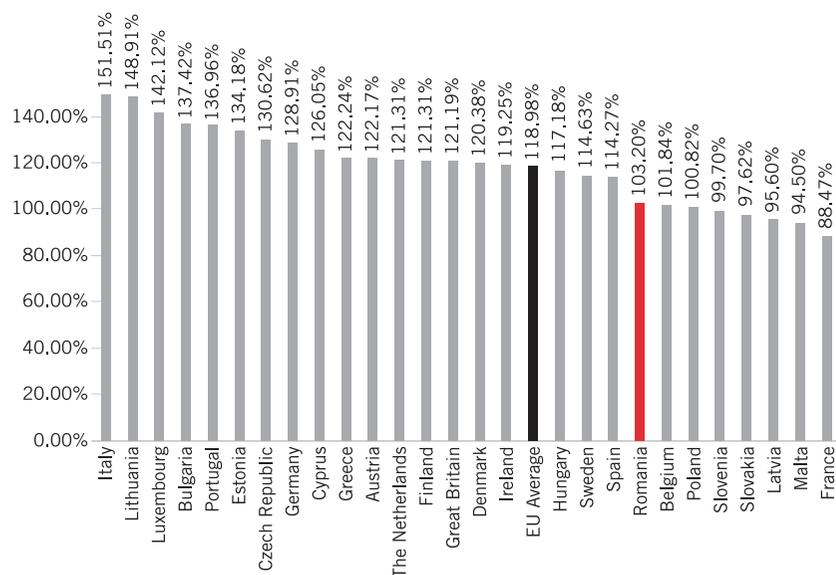
The number of valid, but unused, prepaid cards slightly decreased in the total number of valid prepaid cards, as of 31 December 2008, compared to 31 December 2007 (when it weighed 22.5% within the total).

Chart 10.3. Annual evolution of the penetration rate of mobile telephone services, by "valid" SIM cards and, respectively, by "active" SIM cards



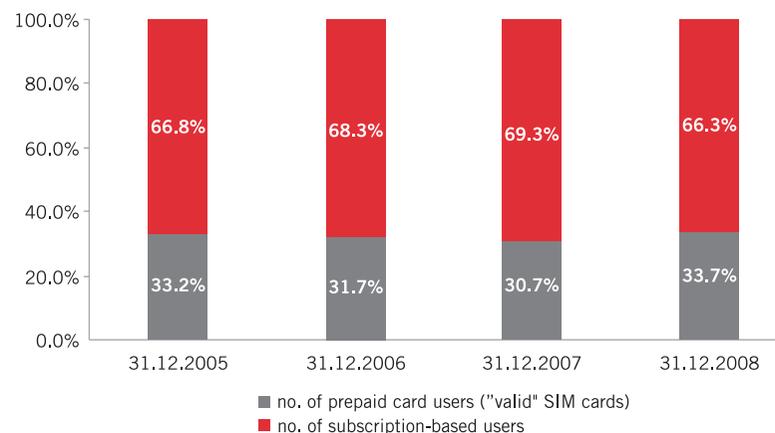
Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

Chart 10.4. Penetration rate of the mobile telephone services in Romania/in the EU 27 countries³/EU27 average, as of October 2008, by the no. of active⁴ users



Source: the Authority, based on the data provided by the EU Member States and published in the 14th Implementation Report of the European Commission

Chart 10.5. Structure and dynamics of the total no. of mobile telephony “users” – “valid” SIM cards, by payment method

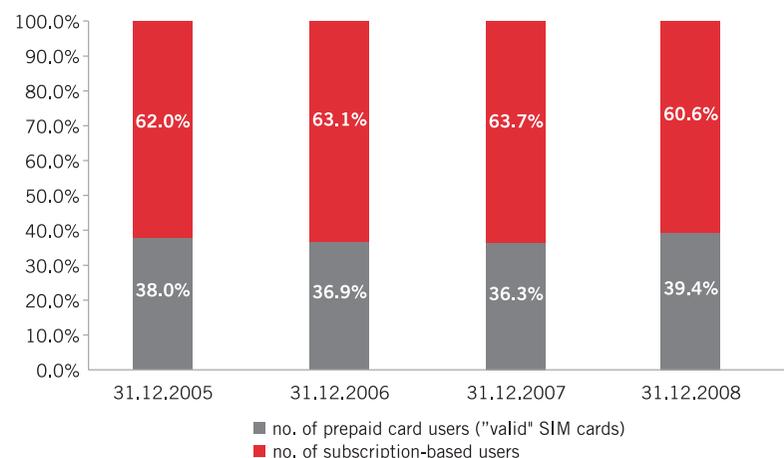


Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

³ Source: http://ec.europa.eu/information_society/policy/ecomm/library/communications_reports/annualreports/14th/index_en.htm

⁴ In accordance with the calculation methodology under the 14th Implementation Report of the European Commission, the active users are the subscription-based mobile telephony users whose contracts are valid at the end of the reporting period and, respectively, the no. of SIM prepaid card users that achieved chargeable traffic (call initiation/reception, SMS/MMS/data sending) at least once in the last 3 months.

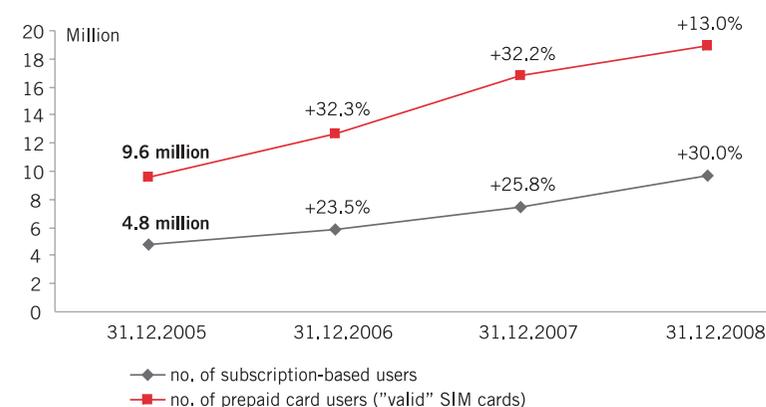
Chart 10.6. Structure and dynamics of the total no. of mobile telephony "users" – "active"⁵ SIM cards, by payment method



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

As shown in Chart 10.6, the share of the number of active prepaid card users within the total number of SIM cards is smaller than that of the valid SIM cards (60.6% compared to 66.3%). One can establish that subscription-based users hold more than 39% within the total number of cards.

Chart 10.7. Dynamics of the number of mobile telephony "users" ("valid" SIM cards), by payment method



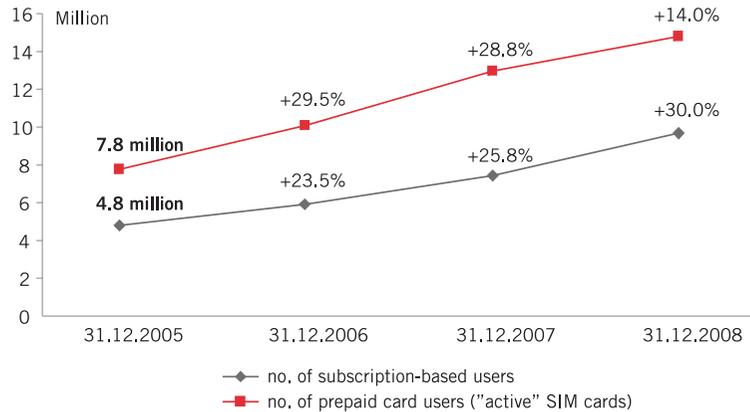
Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

⁵ The displayed values, as well as the derived indicators calculated based on these values are estimations, as there are providers which reported estimated values for the semesters of 2005, 2006 and 2007

MOBILE TELEPHONY

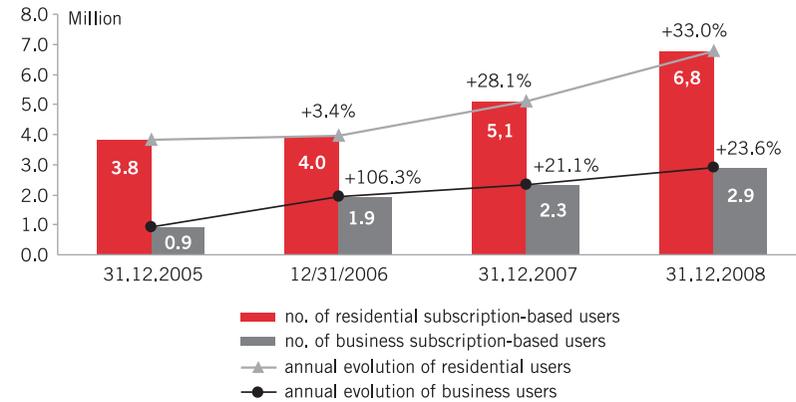
As well, in 2008, the data reported by the mobile telephony providers show that the number of monthly subscription-based users increased by 30%, i.e. a growth rate by more than 4% higher than the one registered in 2007. Unlike the number of monthly subscription-based users, as of 31 December 2008, the number of valid, respectively active prepaid card users registered a growth by 13% and, respectively, 14% compared to the same period of 2007, less, however, than the increases registered in the previous years.

Chart 10.8. Dynamics of the number of mobile telephony "users" ("active" SIM cards), by payment method



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

Chart 10.9. Number of subscription-based mobile telephony users, by user category. Annual evolution of the number of subscription-based users, based on user category

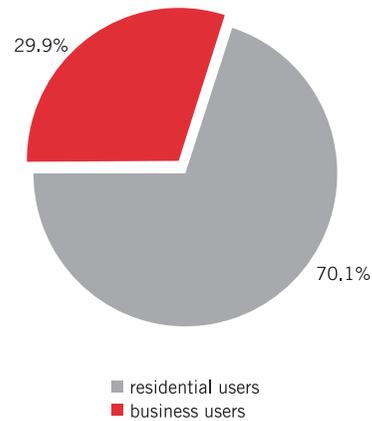


Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.



Chart 10.10 emphasizes that more than 70% of the 9.7 million monthly subscription-based users, registered as of 31 December 2008, were residential users (6.8 million) and less than 30% of them were business users (2.9 million).

Chart 10.10. Structure of the no. of monthly subscription-based users of mobile telephone services, by user category

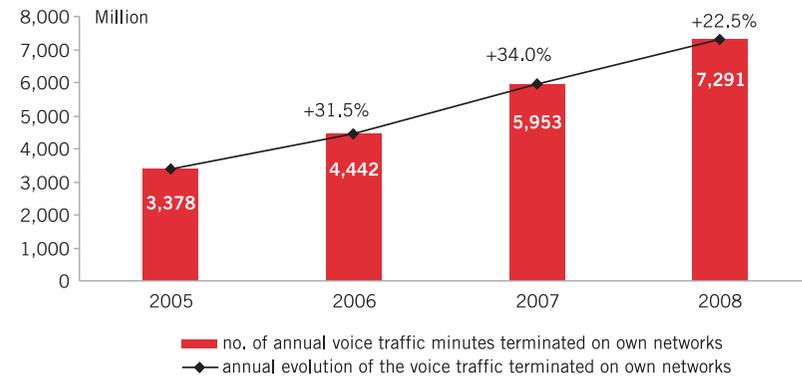


10.2. Traffic volume data

10.2.1 Wholesale traffic

The traffic terminated on the mobile public telephone networks registered an ascending trend (+23%) in 2008, similarly to the previous years.

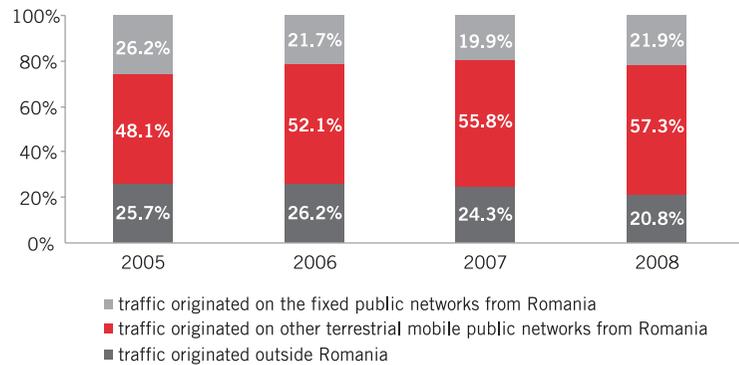
Chart 10.11. Annual evolution of the voice traffic terminated on the mobile public networks from Romania



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

As regards the evolution of each category of traffic terminated on the mobile public networks, by origination, the highest growth rate was registered by the volume of *traffic originated on the fixed public networks from Romania*, which is by almost 35% higher than in 2007. The traffic terminated on the mobile networks, *originated on other terrestrial mobile public networks from Romania*, rose by +26%. The lowest increase was registered by the traffic originated outside Romania (+5%).

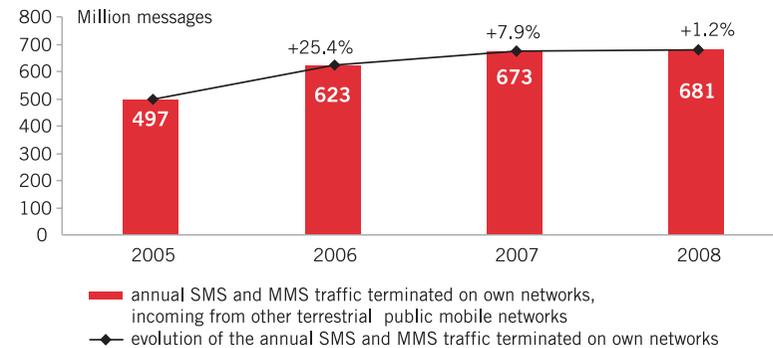
Chart 10.12. Structure of the annual voice traffic volume terminated on the mobile public networks from Romania, itemised by origination



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

The chart above reveals that the traffic terminated on the mobile public telephone networks, by origination, has a percentage structure similar to that from 2007. The traffic originated on other terrestrial mobile public networks from Romania increased its share within the total traffic of minutes terminated on the mobile public networks from Romania (it grew by 1.5%). The traffic originated outside Romania loses 3.5% from the volume registered in 2007, holding approximately 22% within the total of 2008.

Chart 10.13. Annual evolution of the SMS and MMS annual traffic terminated on the mobile networks in Romania, incoming from other terrestrial mobile public networks, by origination



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

The annual growth rate of the total volume of SMS and MMS terminated on the operators' own networks continued to slow down, thus the 2008 evolution was of +1.2%, compared to last year, significantly lower than the increases from the previous years (+8% in 2007 and +25% in 2006).

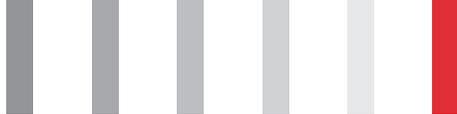
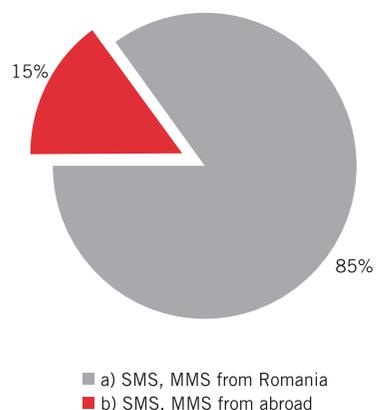


Chart 10.14. Structure of the SMS and MMS traffic terminated on the mobile public networks in Romania, incoming from other terrestrial mobile public networks, by origination



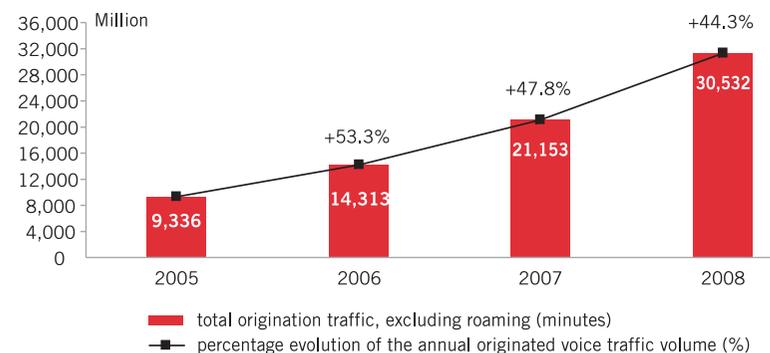
Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

As regards the structure of the SMS and MMS traffic terminated on the mobile public networks, in 2008, the traffic of messages originated on Romania held a 85% quota within the total volume.

10.2.2 Retail traffic

The voice traffic originated in 2008 by the mobile telephony end-users exceeded 30 billion voice minutes. The annual growth rate of the volume of voice traffic originated over the mobile telephone networks was of 44%.

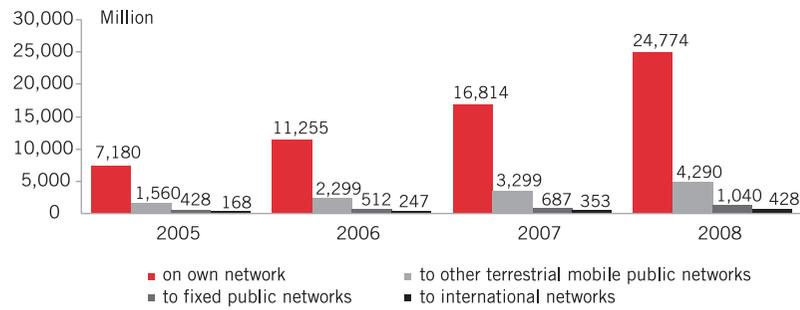
Chart 10.15. Dynamics of the total volume of traffic originated (excluding roaming) on mobile public networks



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

The category "voice traffic originated on own networks" amounted to almost 25 billion minutes, continuing to register values much higher than those of the other traffic categories. The traffic to other terrestrial mobile public networks exceeded 4 billion minutes in 2008.

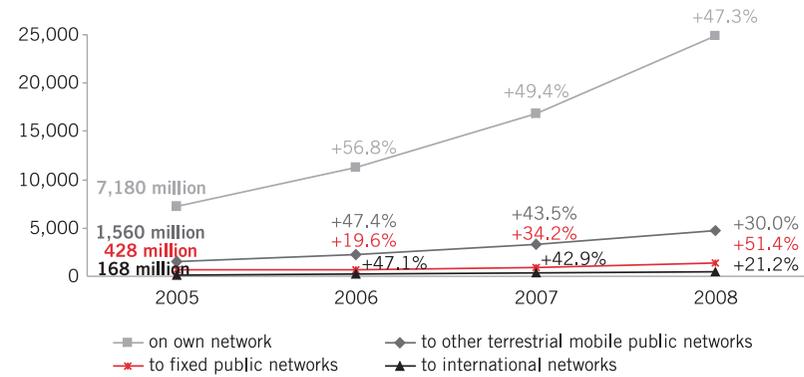
Chart 10.16. Dynamics of the total volume of traffic originated (excluding roaming) on mobile public networks, by call destination



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decision no.151/2006.

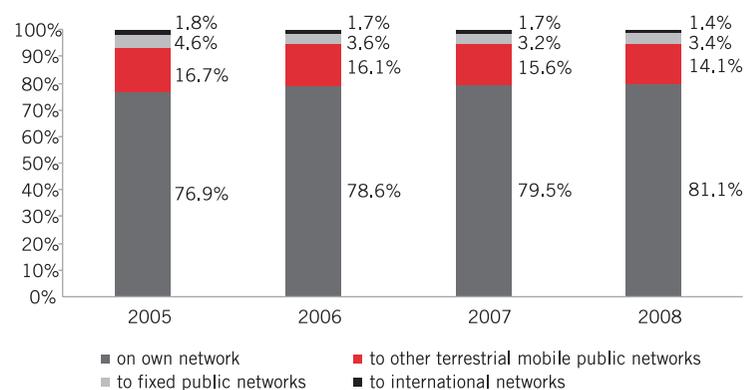
According to Chart 10.17, the highest annual growth rate is to be noticed in the traffic achieved by the users of the same telephone mobile networks (on-net traffic), which increased by more than 47% due to the providers' numerous offers of on-net free minutes. The lowest increase is registered by the traffic to international networks, i.e. only +21% compared to 2007.

Chart 10.17. Evolution of the annual volume of voice traffic originated (excluding roaming) on mobile public networks, by call destination



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decision no.151/2006.

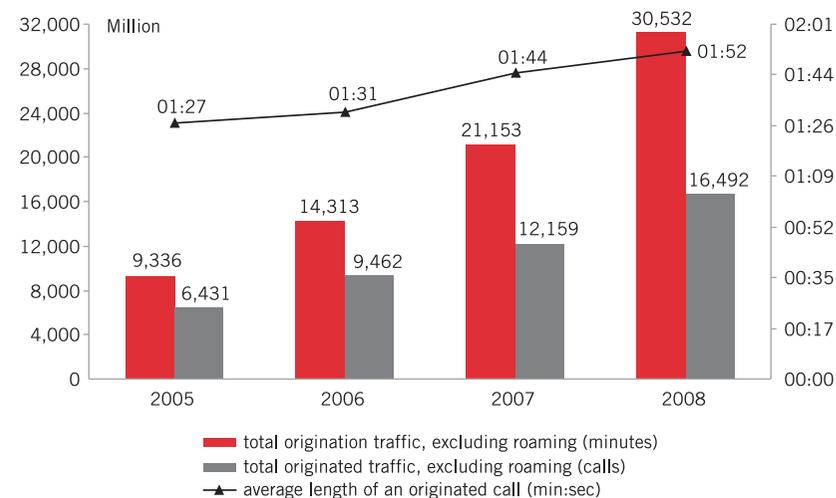
Chart 10.18. Structure of the annual volume of voice traffic originated (excluding roaming) on mobile public networks, by call destination



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decision no.151/2006.

As regards the structure of the traffic by destination, no significant changes occurred compared to 2007. Thus, the traffic on own networks still holds the largest share (81%) and the voice traffic to international destinations holds the smallest share within the total (1.4%). The voice traffic to fixed public networks has an ascendant evolution, both in volume and in share of the total volume of originated traffic (3.4%).

Chart 10.19. Annual volume of voice traffic originated on mobile public networks. Evolution of the average length (min:sec) of a call originated⁶ on the providers' own networks

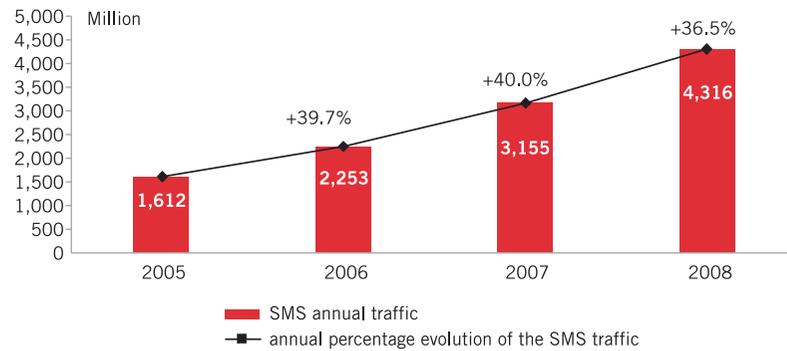


Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

Moreover, as well shown in Chart 10.19, the length of an originated voice call slightly grew, by only 7 seconds, as compared to 2007, whereas the number of calls originated in 2008 grew by approximately 36%.

⁶ The proportion between the total no. of minutes of traffic originated on the mobile public networks and the no. of calls originated on the mobile public networks; the resulted value was turned into minutes and seconds.

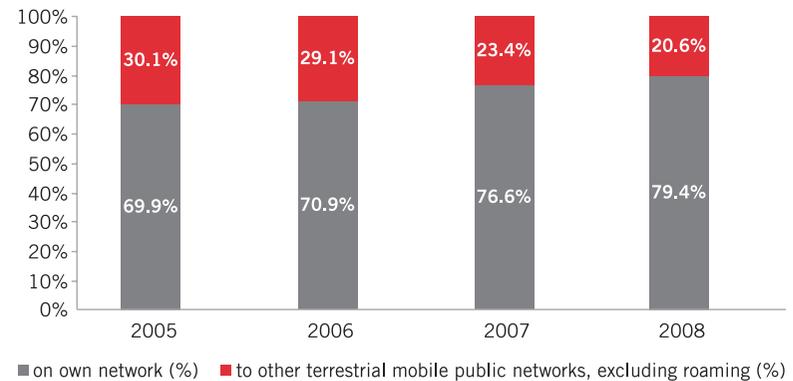
Chart 10.20. Dynamics of the total annual volume of SMS traffic originated (excluding roaming) on the mobile public networks



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

The annual SMS traffic volume continues to grow (+ 37%), however, by approximately 4% lower, compared to the growth pace of 2007 (+40%).

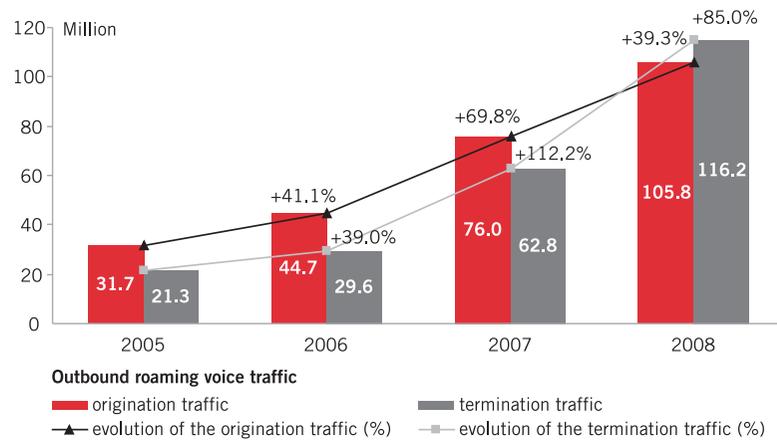
Chart 10.21. Structure of the total annual volume of SMS traffic (excluding roaming SMS traffic) originated on the mobile public networks, by SMS destination



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

In 2008, the SMS traffic on own network keeps enlarging its share within the total SMS traffic (more than 79%).

Chart 10.22. Dynamics of the volume of annual outbound roaming voice traffic originated and, respectively, terminated on the mobile public telephone networks, 2005 – 2008



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

In 2008, the outbound roaming annual traffic amounted to 222 million minutes, registering a 60% increase compared to 2007.





11

Internet access services,
leased lines and data
transmissions

Internet access services, leased lines and data transmissions

The penetration rate of broadband Internet access services provided at fixed locations amounted to **11.65 connections per 100 inhabitants** at the end of 2008, placing Romania again on one of the lowest positions among the 27 EU member states. Nevertheless, the number of access connections witnesses an accelerated growth pace, the growth rates in the last few years being approx. 80% in 2007 and, respectively, 30% in 2008. Unlike in most of the other member states, in Romania, the Internet access through the DSL technology is still at a low level, most of the broadband access connections being ensured by numerous Internet service providers on their own access networks via UTP/FTP cable, fibre optic or coaxial cable.

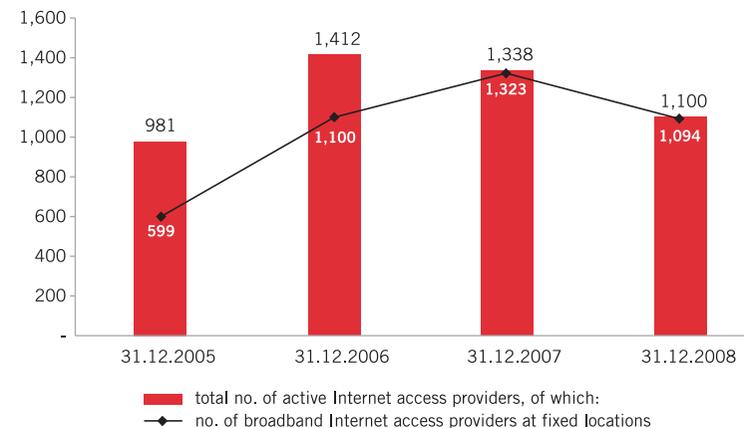
Despite last year's growing competition – especially due to the introduction of competitive offers by Romtelecom, using xDSL technology, as well as by RCS&RDS and UPC Romania, via cable support (fibre optic, UTP/FTP or coaxial cable) –, there still is a significant number of **people in Romania who do not hold personal computers, thus being deprived of access to Internet services**. Furthermore, in certain areas of Romania, the possibility of choosing from a wider range of offers is limited. The business models that use Romtelecom's access network ("local loop") - although coming under relevant regulations - failed to solve this problem.

11.1 Internet access services – market structure and dynamics

The total number of Internet access providers dropped, in 2008, to 1,100 active providers. This decrease is mainly due to the large number of mergers and purchase transactions occurred in the sector during this year.

One must say that, on 31 December 2008, most of the providers operating in Romania offered broadband Internet access services¹. Moreover, the narrowband Internet access connections registered values close to zero, therefore, this chapter will present data exclusively regarding the broadband Internet access connections provided at fixed locations.

Chart 11.1 Evolution of the number of providers of fixed Internet access connections, active between 2005 and 2008

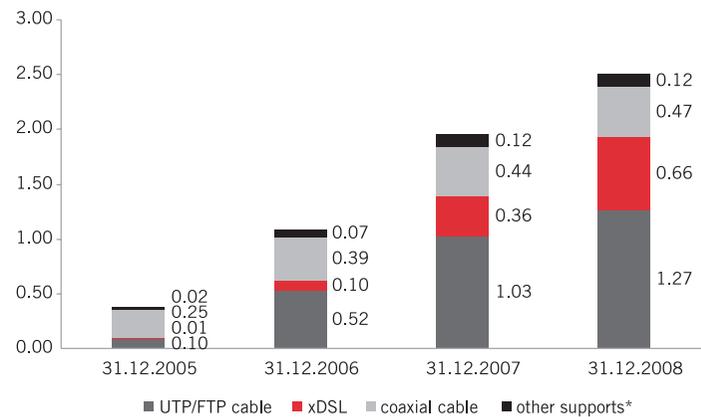


Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

¹ Within this report, the broadband Internet access service is a publicly available electronic communications service consisting of signal transport at a "best-effort" speed of at least 128 kbps. "Best-effort" speed means that the channel bandwidth is not guaranteed, varying based on endogenous or exogenous factors (no. of users, traffic achieved, atmospheric conditions etc.)

The total number of broadband Internet access connections provided at fixed locations, as of 31 December 2008, was 2.51 million connections. The chart below presents their structure, considering the support used.

Chart 11.2. Structure of the total number of broadband Internet access connections provided at fixed locations. Evolution between 31.12.2005 and 31.12.2008

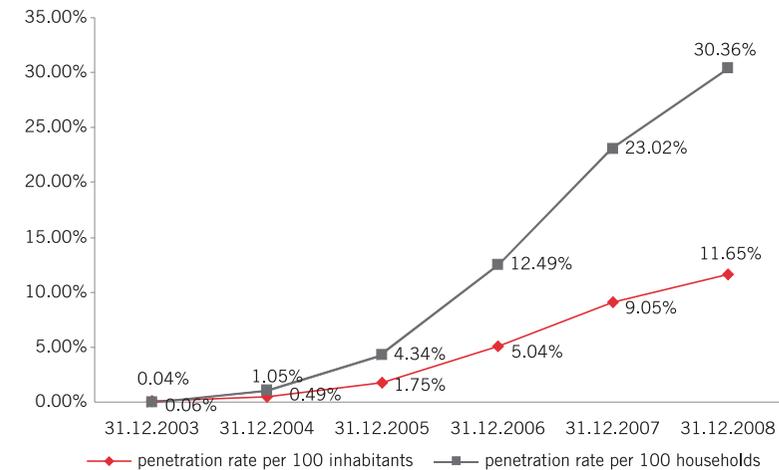


* radio, fibre optic, satellite, copper leased lines

Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decision no.151/2006.

The weight of broadband Internet access connections provided on cable support (coaxial cable and UTP/FTP cable) decreased, in the total number, by 6% – from 75%, at the end of 2007, to 69%, at the end of 2008. On the other hand, one can notice a growing trend in the xDSL connections, which represented more than 26% of the total number of connections on 31 December 2008, as compared to less than 19%, in the previous year.

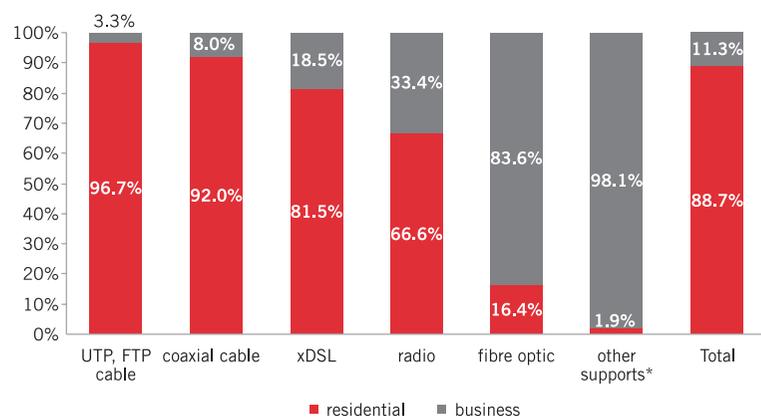
Chart 11.3. Evolution of the broadband Internet access connections provided at fixed locations, between 31.12.2003 and 31.12.2008



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

Due to the improvement of the offers on the market and to the aggressive promotion policy of the Internet service providers, the penetration rate of broadband Internet access connections provided at fixed locations continued the upward trend registered in the last years. Thus, almost one in three households and more than one person in ten have access to broadband Internet. Nevertheless, the penetration rate at the population level (11.65%) is much below the EU27 average as of 31 December 2008, i.e. 22.9%.

Chart 11.4. Structure of the broadband Internet access connections provided at fixed locations, by customer category and access support, as of 31.12.2008



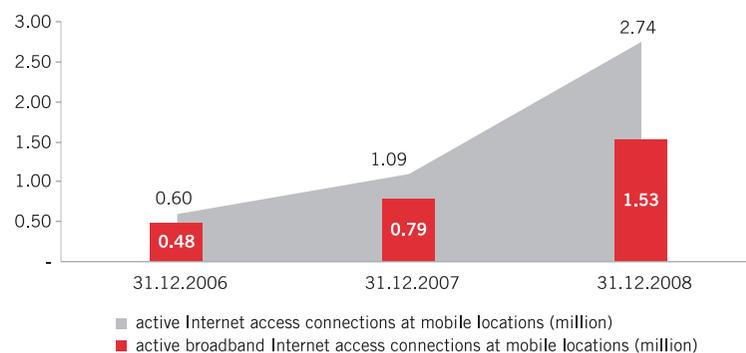
Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

The chart above shows the shares of the connections provided to the residential end-users (88.7%) and, respectively, to the business end-users (11.3%) out of the total number of broadband Internet access connections provided at fixed locations, as well as the business and residential end-users' preferences as regards the choice of the Internet access technology. Thus, the UTP/FTP cable support, due to the minimum investments it implies, is used mainly for providing services addressed to the residential segment (96.7%), whereas the fibre optic support, which ensures high quality services, is mainly used for the provision of services addressed to the business segment (83.6%).

As regards the mobile Internet access connections, in 2008, one can see an increase of approximately 150% in the total number of active connections², within which the mobile broadband Internet access connections (via EDGE/CDMA/EV-DO/3G) almost doubled. This evolution is mainly due to the extension of the 3G networks' coverage, allowing the providers of mobile telephone services to launch new advantageous offers (for example unlimited traffic offers or prepay card offers) or to improve the existing ones as regards the tariffs and the service quality.

² The data for 31.12.2008 are preliminary; they include the paid connections for mobile Internet access services, according to the number of subscriptions to such services, to the number of mobile telephony users that had a paid data extra-option active, to the number of prepay cards for Internet access via EVDO and, respectively, to the number of subscription-/prepay card-based mobile telephony users that achieved chargeable data traffic or accessed, at least once, the paid Internet access services during the reporting period, in case of the free activation, automatically or upon request, of the option regarding data.

Chart 11.5. Evolution of the mobile Internet access connections active between 31.12.2006 and 31.12.2008*



**the values for 31.12.2007 could be slightly underestimated; generally, the presented values are approximated, due to offer heterogeneity and to the mobile telephony providers' methods of provision and charging for mobile Internet access services*

Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

11.2. Leased lines and data transmissions services

Table 11.1. Number of the providers of leased lines and data transmissions active between 31.12.2005 and 31.12.2008

Active providers, of which:	31.12.2005	31.12.2006	31.12.2007	31.12.2008
- leased lines services – wholesale market	10	15	15	21
- leased lines services – retail market	15	22	21	25
- data transmissions services – wholesale market	n/a	11	14	11
- data transmissions services – retail market	32	45	50	48

Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

Table 11.2. Structure of the total number of provided leased lines, by type and market on which these are provided

Indicator	31.12.2005	31.12.2006	31.12.2007	31.12.2008
	abs. (thousand)	abs. (thousand)	abs. (thousand)	abs. (thousand)
No. of leased lines on the retail market	23.7	21.1	23.0	21.3
a) leased lines-total circuits	23.7	21.1	23.0	21.3
No. of leased lines on the wholesale market	4.0	6.6	5.8	8.1
a) leased lines-total circuits	1.2	3.1	1.7	2.8
b) leased lines-terminal circuits	2.3	3.1	3.5	4.3
c) leased lines-trunk circuits	0.5	0.4	0.6	1.1

Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services

The number of leased lines on the retail market decreased by 7% in 2008 as compared to 2007, while on the wholesale market there is an increase by 40% in the total number of leased lines, as compared to 31 December 2007.

Table 11.3. Number of data transmissions connections in the retail market, by the technology used

Indicator	31.12.2006	31.12.2007		31.12.2008	
	abs.(thousand)	abs.(thousand)	evolution (%)	abs.(thousand)	evolution (%)
No. of data transmission connections on the retail market	25.4	36.4	+43	46.5	+28
a) X.25	0.4	0.2	-38	0.1	-71
b) Frame Relay	0.4	0.4	+11	0.4	+1
c) ATM	0.03	0.03	0	0.2	+674
d) TCP/IP of which:	24.0	34.4	+43	42.0	+22
d1) IP VPN	23.1	30.6	+32	37.0	+21
e) other technologies/ communications protocols (telex, dispatcher, VSAT etc.)	0.6	1.3	+126	3.8	+195
No. of data transmission connections on the wholesale market	1.3	2.8	+124	2.4	-15
a) X.25	0.01	0.004	-69	0.01	+250
b) TCP/IP of which:	1.0	2.7	+156	2.2	-17
b1) IP VPN	0.9	2.5	+169	2.0	-18
c) other technologies/ communications protocols (telex, dispatcher, VSAT etc.)	0.2	0.15	-26	0.1	-1

Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decision no.151/2006

The number of connections for data transmissions services on the retail market generally increased in 2008, as compared to 2007, due to the rise by 195% of the number of data transmission connections by means of "other communication

technologies/protocols" telex, dispatcher, VSAT etc. or of the increase by 22% in the number of TCP/IP connections. On the contrary, the number of X.25 connections continued its decrease compared to 2007 (by 71%).





12

Paid audio-visual
programme
retransmission services

Paid audio-visual programme retransmission services

12.1 Market structure and dynamics

The total number of active providers of audio-visual programme retransmission services decreased during 2008, reaching 523 as of 31 December. The decrease by 49 in the number of providers of audio-visual programme retransmission services using the cable support occurred, mainly, due to the mergers/purchase of smaller companies by the larger providers active on this market segment.

12.2 Subscriber data – structure and evolution

On 31 December 2008, there was registered an increase by approximately 7.7% in the total number of subscribers to services of audio-visual programme retransmission as compared to the end of 2007, especially due to the widespread use of alternatives to cable solutions, the "direct-to-home" digital satellite transmission drawing a part of the customers from rural areas and small towns,

Table 12.1 Number of active providers of audio-visual programme retransmission services

Indicator	31.12.2005	31.12.2006	31.12.2007	31.12.2008
Total no. of active providers¹, of which:	626	632	572	523
a) on cable networks	621	627	568	519
b) on satellite networks (DTH)	3	5	5	5
c) on IP (IPTV)	1	1	1	1

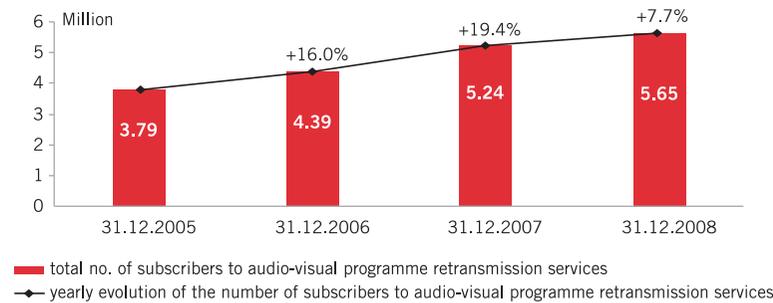
Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decision no.151/2006

Starting 2005, the market witnessed "wireless" (direct-to-home) solutions, IP-based solutions (IPTV), and solutions for the digital transmission of the video signal on cable networks. Therefore, at present, a Romanian consumer can choose between receiving digital TV services on coaxial cable or by means of a satellite direct-to-home solution. The development of competition both at the level of infrastructure and between providers generated a significant improvement of service quality, a diversified range of offers, and resulted in satisfying increasingly refined and sophisticated needs.

who had no access to commercial TV programme services. Thus, one can say that digital satellite (re)transmission of TV programmes is not only a satellite alternative to the cable transmission or to terrestrial broadcasting, but it may also be considered a necessary complement to these, offering the customers the possibility to choose, based on their preferences and needs, a greater or more diversified number of programmes.

¹ Certain audio-visual programme retransmission providers offer services on several supports, therefore they were counted only once within the total number;

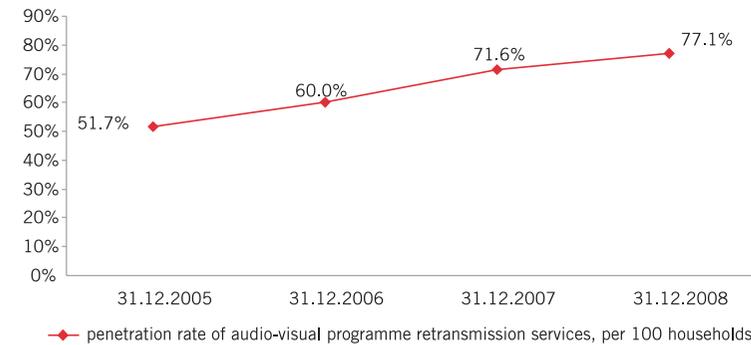
Chart 12.1. Number of subscribers to audio-visual programme retransmission services. Yearly percentage evolution of the total number of subscribers to audio-visual programme retransmission services between 31.12.2005 and 31.12.2008



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

The household penetration rate of the audio-visual programme retransmission services registered - in 2008, as in the previous years - an upward trend, growing by 5.5% compared to 2007.

Chart 12.2. Evolution of the household penetration rate of audio-visual programme retransmission services

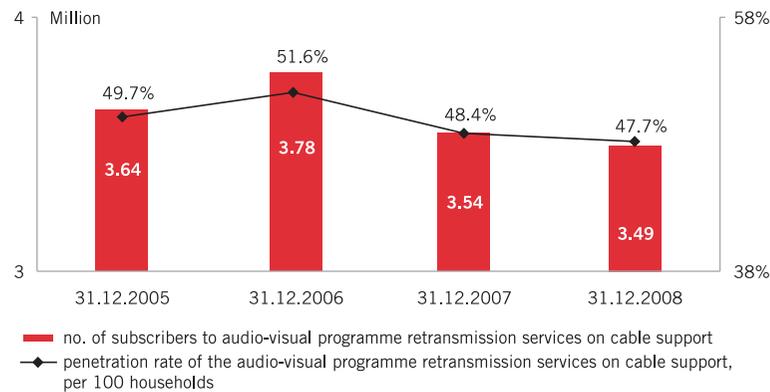


Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

As regards the audio-visual programme retransmission services provided on cable support, the usage degree registered a downward trend, since by 31 December 2008 the household penetration rate reached 47.7%, by 0.7% lower than by the end of 2007.

PAID AUDIO-VISUAL PROGRAMME RETRANSMISSION SERVICES

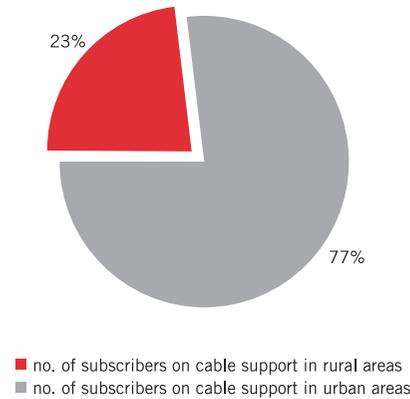
Chart 12.3. Dynamics of the number of subscribers to audio-visual programme retransmission services received on cable networks. Household penetration rate



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

The weight of the number of rural subscribers in the total number of subscribers to retransmission services on cable support remained approximately constant compared to the level registered in the previous year - 23% of the subscribers live in the rural area.

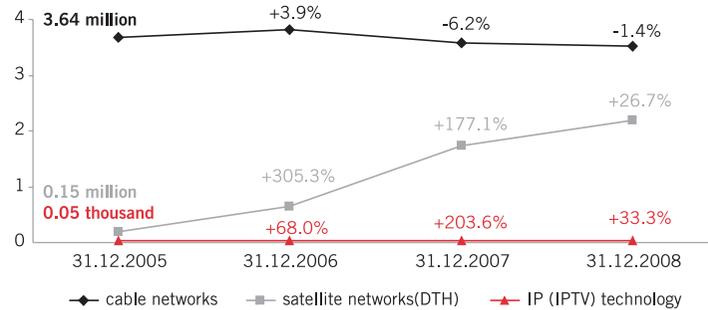
Chart 12.4. Structure of the number of subscribers to audio-visual programme retransmission services received on cable networks, by place of residence



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

One can notice that the number of subscribers to audio-visual programme retransmission services increased in respect of the DTH and IPTV categories. As for the services provided on DTH satellite networks, on 31 December 2008, the number of subscribers increased by approximately 27%, below the increase registered in 2007 (by 177%). The number of subscribers to services provided through the IP technology increased by 33% compared to 31 December 2007. According to the data reported to ANCOM by the providers of audio-visual programme retransmission services, the number of connections on cable support dropped by approximately 1.4% compared to 2007.

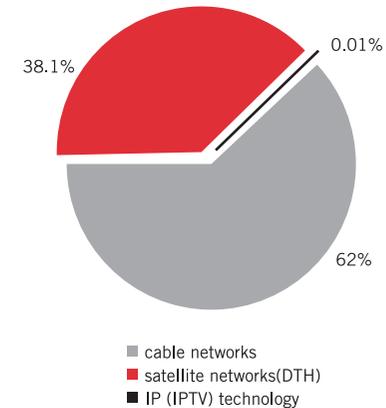
Chart 12.5. Half-yearly percentage evolution of the total number of subscribers to services of audio-visual programme retransmission, considering the support used



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

As per Chart 12.6, on 31 December 2008, the subscribers on cable support still hold the largest share within the total number of subscribers (62%), although less than on 31 December 2007 (68%), while the subscribers on DTH (direct-to-home) networks represent 38% of the total number, by 6% more than in 2007. The subscribers to services provided by means of the IP technology hold only a minor share, especially due to the fact that this service is a restrictive one, as regards both the quality and the area of provision, which is limited to Bucharest and Voluntari-Ilfov.

Chart 12.6. Structure of the number of subscribers to services of audio-visual programme retransmission, considering the support used

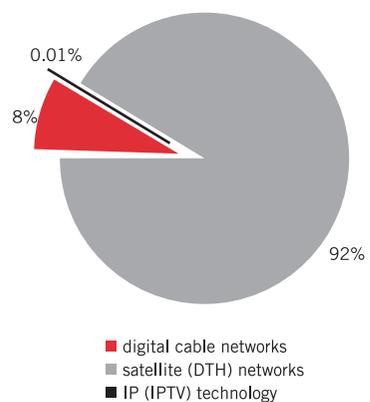


Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

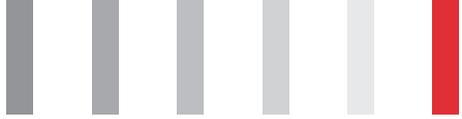
Taking into account the fact that the commercial offers for the services of digital TV programme (re)transmission were launched after 2005, the provision of these services by means of the digital cable support or of the IP technology being limited to a few areas, the number of subscribers who receive TV programmes in digital format (on cable, IP protocol or via DTH satellite solutions) keeps a low profile. Thus, at the end of 2008, there were more than 2.3 million subscribers, 92% of which subscribed to services provided via DTH satellite services.

PAID AUDIO-VISUAL PROGRAMME RETRANSMISSION SERVICES

Chart 12.7. Structure of the number of subscribers to audio-visual programme services received in digital format, considering the support used



Source: the Authority, according to the statistical data reported by the providers of electronic communications networks and services based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.



PAID AUDIO-VISUAL PROGRAMME RETRANSMISSION SERVICES





13

Postal services in
Romania

Postal services in Romania

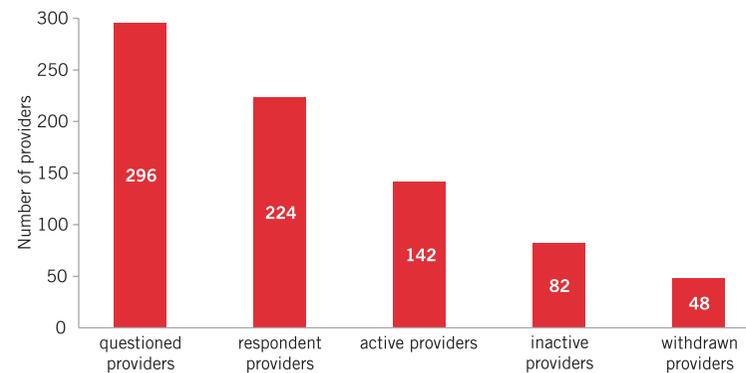
13.1 Postal service market

In 2008, the Authority elaborated the **Report on the 2007 Romanian postal service market**, based on the statistical data corresponding to the 2007 postal service sector, collected according to the provisions of Decision no.1301/2004 on reporting certain statistical data by the postal service providers.

All the postal service providers annually submit to the Authority, by March 15, the statistical data for the previous calendar year. The data are processed and interpreted in accordance with the national legislation in force, having regard to the requirements of the European Statistics Office (EUROSTAT) in the postal services field.

The reported data reveal that, in 2007, there were 142 active providers in the postal service market (i.e. 63.39% of the 224 that answered the questionnaire), whereas 82 providers (i.e. 36.61% of the 224 respondents) did not actually exercise the right to provide postal services.

Chart 13.1 Status of the postal service providers in 2007

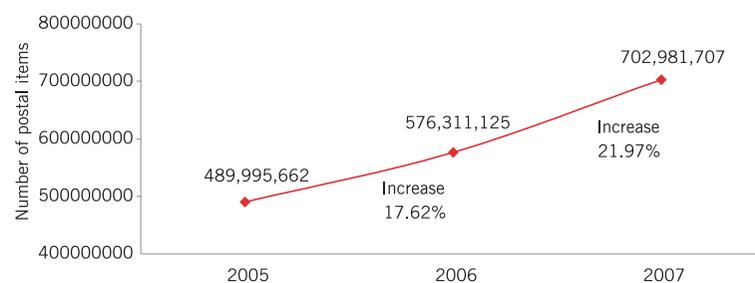


Source: the Authority, according to the statistical data reported by the postal service providers, based on the ANRC President's Decision no.1301/2004

The 2007 total postal traffic registered **702,981,707** postal items, **684,175,553** of which were domestic postal items, i.e. 97.32% of the total postal traffic, while **18,806,154** were cross-border postal items, i.e. 2.68%.

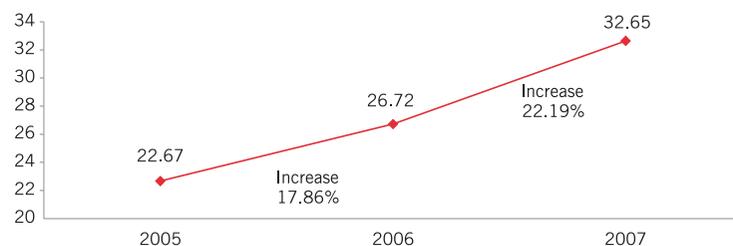
The comparative analysis of the 2005, 2006 and 2007 data show a continuously accelerated increase of the postal traffic by 17.62% in 2006 compared to 2005 and by almost 22% in 2007 compared to 2006.

Chart 13.2 Dynamics of the 2005-2007 postal traffic



The proportion between the 2007 total postal traffic (**702,981,707**) and Romania's population, i.e. 21,528,627 inhabitants, reveals an average of 32.65 postal items per inhabitant, increasing from an average of 26.72 in 2006 and 22.67 in 2005.

Chart 13.3 Dynamics of the average no. of postal items per inhabitant (total traffic/no. of inhabitants)



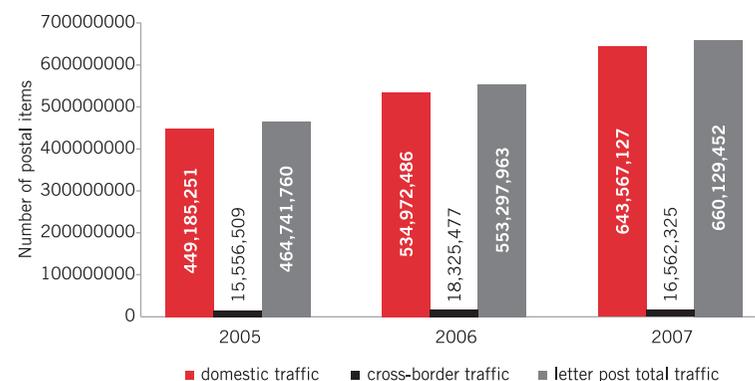
13.1.1 Structural analysis of the postal traffic

a) Letter post traffic

In 2007, the letter post traffic held 93.90% share in the total postal traffic (**702,981,707**) and registered **660,129,452** items. As well, the following amounts of letter post items were processed in 2007:

- **643,567,127** domestic postal items (i.e. 97.49% of the total letter post traffic), namely 94.06% of the total domestic traffic (**684,175,553**);
- **16,562,325** cross-border postal items (i.e. 2.51% of the total letter post traffic), namely 88.07% of the total cross-border traffic (**18,806,154**).

Chart 13.4 Overview on the 2005-2007 letter post traffic



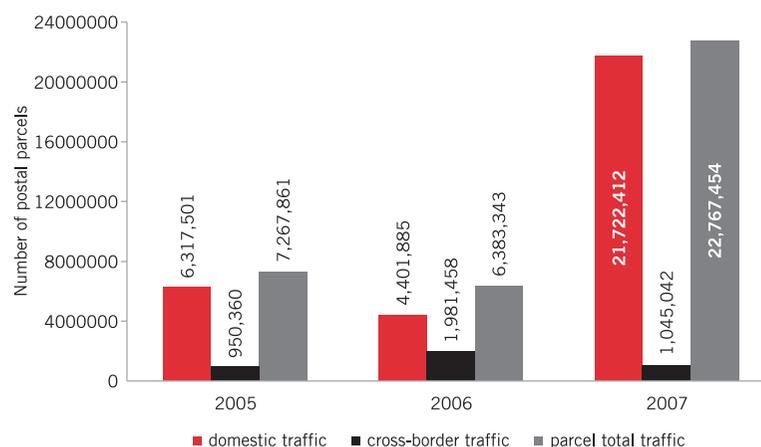
b) Parcel traffic

In 2007, **22,767,454** postal parcels were cleared and distributed, i.e. 3.24% of the total postal traffic (**702,981,707**).

As well, the following amounts of postal parcel items were processed in 2007:

- **21,722,412** domestic postal parcels (i.e. 95.41% of the total parcel traffic), namely 3.17% of the total domestic postal traffic (**684,175,553**);
- **1,045,042** cross-border postal parcels (i.e. 4.59% of the total parcel traffic), namely 5.56% of the total cross-border postal traffic (**18,806,154**).

Chart 13.5 Overview on the 2005-2007 parcel traffic



Source: the Authority, according to the statistical data reported by the postal service providers, based on the ANRC President's Decision no.1301/2004

c) Express services traffic

In 2007, the total Express traffic registered **20,084,801** postal items, i.e. 2.86% of the total postal traffic (**702,981,707**).

As well, the analysis of the statistical data on the Express services revealed that in 2007:

- the domestic traffic registered **18,886,014** postal items, i.e. 94.03% of the total Express traffic;
- the cross-border traffic registered **1,198,787** postal items, i.e. 5.97% of the total Express traffic.

Table 13.1 Dynamics of the Express services (no. of postal items)

Year	Domestic	Cross-border	Totale
2006	15,665,022	964,797	16,629,819
2007	18,886,014	1,198,787	20,084,801
Dynamics (%)	+ 20.56%	+ 24.26%	+ 20.78%

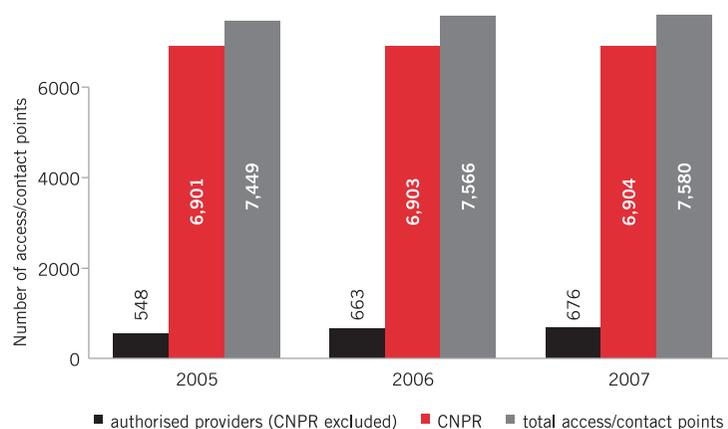
13.1.2 Allocation of postal resources

a) Postal coverage

The postal coverage is computed based on the number of access and contact points per 100 Km².

In 2007, there were **7,580** operational access and contact points in Romania and, proportionally to the country's surface, i.e. 238,391 Km², an index of 3.18 postal sub-units per 100 Km² was obtained, slightly increasing compared to the values registered in 2006 (when the index was 3.17/100 Km²) and 2005 (3.12/100 Km²).

Chart 13.6 Evolution of the access and contact points in the postal sector



Source: the Authority, according to the statistical data reported by the postal service providers, based on the ANRC President's Decision no.1301/2004

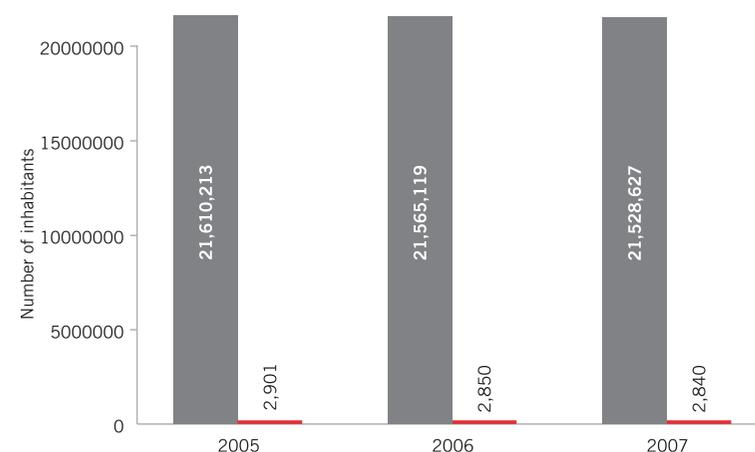
The larger coverage was achieved due to an increase by 1.96% of the number of access and contact points of the authorised providers, other than the National Company Romanian Post S.A. (CNPR) - which reported approximately the same data - compared to 2006, and by 23.36% compared to 2005.

b) Postal density

The postal density refers to the number of inhabitants served by an access and/or a contact point. In 2007, there were **7,580** access and contact points in Romania. Therefore, proportionally to Romania's population (i.e. **21,528,627** inhabitants as of 31 December 2007), an index of **2,840** inhabitants/postal unit

is obtained, compared to **2,850** inhabitants/postal unit registered in 2006 and **2,901** inhabitants/postal unit in 2005.

Chart 13.7 Evolution of the 2005-2007 postal density



Source: the Authority, according to the statistical data reported by the postal service providers, based on the ANRC President's Decision no.1301/2004

13.1.3 Postal services within the scope of Universal Service

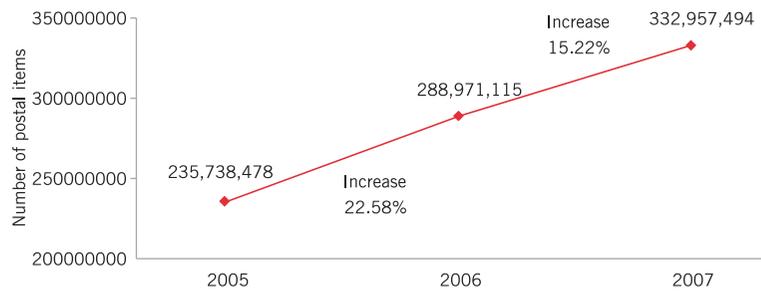
The postal services within the scope of Universal Service encompass:

- domestic and cross-border postal items up to including 2 kg;
- domestic and cross-border postal parcels up to 10 kg;
- parcels up to 20 kg, sent from outside Romania to an address located on its territory.

The postal services within the scope of Universal Service were provided in 2007 exclusively by CNPR, in its capacity as a Universal Service Provider designated by the Decision no.88/2004 on the designation of the Universal Service provider in the postal services field, with the subsequent amendments.

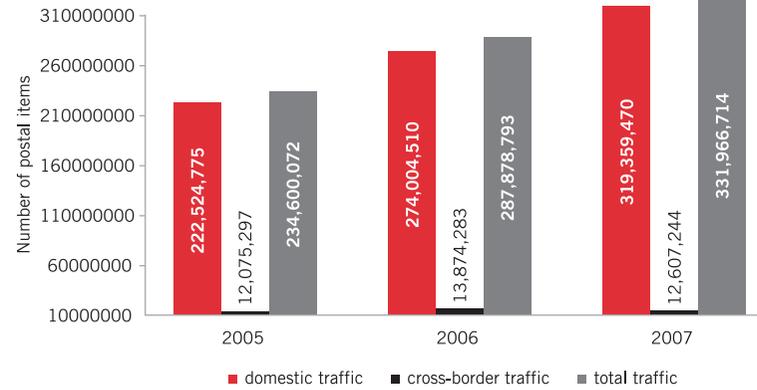
The 2007 traffic of the postal services within the scope of Universal Service registered **332,957,494** postal items, holding 47.36% of the total postal traffic, i.e. **702,981,707**.

Chart 13.8 Dynamics of the 2005-2007 total postal traffic within the scope of Universal Service



Source: the Authority, according to the statistical data reported by the postal service providers, based on the ANRC President's Decision no.1301/2004

Chart 13.9 The 2005-2007 traffic of letter post items within the scope of Universal Service



Source: the Authority, according to the statistical data reported by the postal service providers, based on the ANRC President's Decision no.1301/2004

Chart 13.10 The 2007 traffic of parcels within the scope of Universal Service



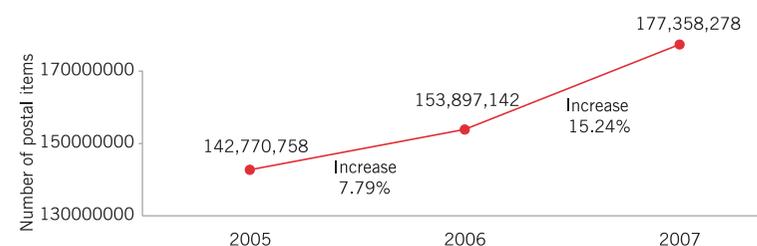
Source: the Authority, according to the statistical data reported by the postal service providers, based on the ANRC President's Decision no.1301/2004

13.1.3.1 Traffic of CNPR reserved postal services

In its capacity as a Universal Service provider, CNPR benefited, in 2007, from the exclusive right to provide services - within specific tariff and weight limits - consisting of clearance, sorting, transport and delivery of domestic items of correspondence, and services consisting in the distribution of items of correspondence sent from outside Romania to an address located in Romania. The weight and tariff limits that triggered the extension of the rights reserved to CNPR were 50 g, respectively RON 1.2 (including VAT).

The Universal Service Provider, CNPR, processed **177,358,278** items of correspondence, i.e. 53.27% of the Universal Service traffic (**332,957,494**) and 25.23% of the entire postal traffic achieved this year (**702,981,707**), by virtue of the reserved rights it benefited from in 2007.

Chart 13.11 Dynamics of the traffic of CNPR reserved postal services



Source: the Authority, according to the statistical data reported by the postal service providers, based on the ANRC President's Decision no.1301/2004

13.1.4 Postal services outside the scope of Universal Service

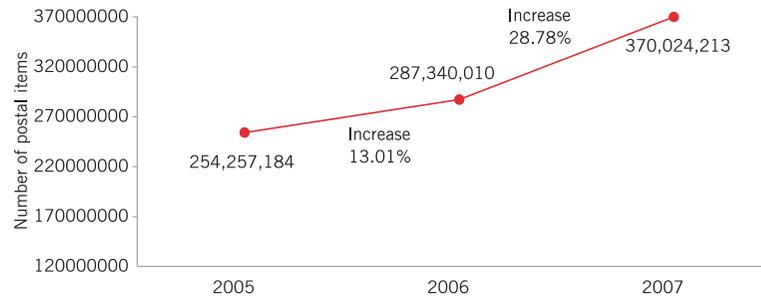
The postal services outside the scope of Universal Service encompass:

- domestic and cross-border postal items up to including 2 kg;
- domestic and cross-border postal parcels between 2 kg and 10 kg (including 10 kg);
- domestic and cross-border postal parcels between 20 kg and 50 kg (including 50 kg).

The 2007 postal traffic of services within the scope of Universal Service registered **370,024,213** postal items, i.e. 52.64% of the total postal traffic achieved this year (**702,981,707**) and consisted of:

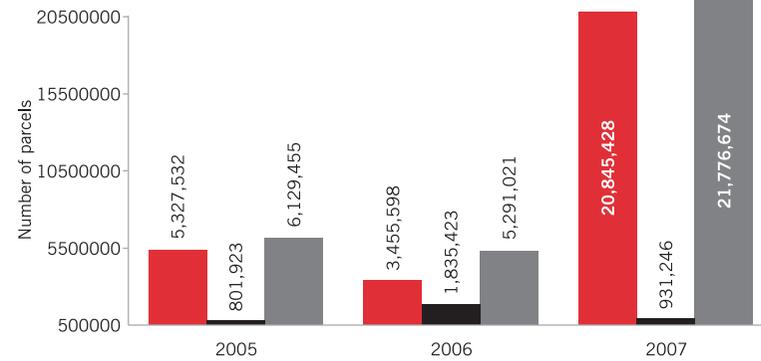
- **363,939,099** domestic postal items, i.e. 98.36% of this postal traffic;
- **6,085,114** cross-border postal items, i.e. 1.64% of this traffic.

Chart 13.12 Dynamics of the total postal traffic outside the scope of Universal Service, 2005-2007



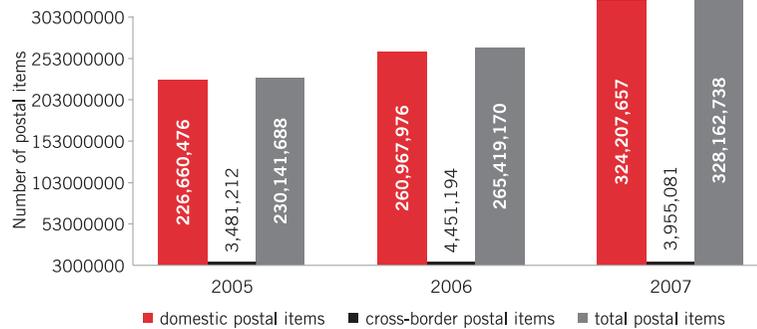
Source: the Authority, according to the statistical data reported by the postal service providers, based on the ANRC President's Decision no.1301/2004

Chart 13.14 Traffic of the postal parcels outside the scope of Universal Service, 2005-2007



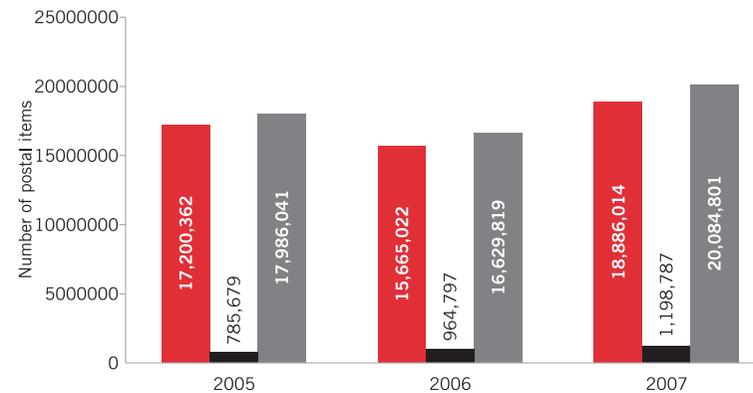
Source: the Authority, according to the statistical data reported by the postal service providers, based on the ANRC President's Decision no.1301/2004

Chart 13.13 Traffic of the letter post items outside the scope of Universal Service, 2005-2007



Source: the Authority, according to the statistical data reported by the postal service providers, based on the ANRC President's Decision no.1301/2004

Chart 13.15 Overview on the Express traffic, 2005-2007



Source: the Authority, according to the statistical data reported by the postal service providers, based on the ANRC President's Decision no.1301/2004

13.2 Quality and Standardization

The ANRCTI President's Decision no.1468/2005 on establishing the terms and procedure for assessing the compliance of CNPR with the quality objectives imposed by the Authority sets out the obligations of measuring the quality objectives in accordance with the EN13850:2003 standard.

Due to the legislative changes occurred in 2007, CNPR elaborated and submitted for approval to the regulatory authority a plan of measures meant to enable the observance in real terms of the obligations imposed by Decision no.1468/2004. The respective plan includes certain derogations from the provisions of Decision no.1468/2004, in line with the amendments and completions brought to the legislation.

According to the itemised planning of the measures related to the compliance

with the quality standards for the services within the scope of Universal Service, as well as on the assessment of their compliance, in 2008, the Authority carried out the process of awarding the public acquisition contracts for the services auditing the results of the real flow measurements, as well as for the services auditing the results of the measurements necessary for assessing the compliance with the quality objectives under the Decision no.1468/2005.

On behalf of the Authority, a technical expert participated in the tender process. In studying the respective offers, the experience and independence of the audit body and the methodological proposal were taken into consideration.

The outcome of the auditing processes will be displayed in the report on the assessment of the compliance with the quality objectives which CNPR has the obligation to send to the Authority, for approval, by 1 May 2009.





14

Dispute settlement



Dispute settlement

14.1 Disputes between providers

a. The dispute settlement activity in 2008

During 2008, the providers of electronic communications networks and services addressed the Authority for the settlement of two disputes. In the first dispute, the Authority declined competence in favour of the court, as the object of the complaint had no connection with the obligations imposed on the providers by the Government Emergency Ordinance no.79/2002, by the special legislation in the fields of electronic communications or by the Community regulations in the electronic communications field or imposed by the Authority in accordance with these provisions. In the second dispute, submitted for settlement at the end of 2008, a solution will be released during 2009.

Moreover, at the beginning of 2008, the Authority settled two disputes submitted in 2007. The average dispute settlement term in 2008 was 4 months.

Generally, the disputes concerned interconnection issues (the Authority was called to establish the terms under which the interconnection between the parties' networks should be effected: tariffs, interconnection-associated costs etc.).

b. Dispute settlement procedures

The providers may optionally and cost-free address the regulatory authority in view of settling the disputes under its competence. The procedure for settling the disputes between the providers in the electronic communications field was set out by ANRC President's Decision no.1331/2003 on the establishment of the procedure for the settlement of the disputes within the Authority's competence. According to this procedure, in accordance with the nature and complexity of the disputes, the Authority's President designates a commission of specialists responsible for settling the respective dispute. The commission conducts a preliminary analysis of the material provided by the parties and chairs the dispute settlement procedure. During the dispute settlement procedure, the commission

plays an active role, keeping in contact with the parties.

The Authority established two procedures for the settlement of disputes that rise between the providers in the electronic communications or in the information technology fields. Thus, the interested party may choose the mediation procedure, which is aimed at an amicable agreement, to the benefit of both parties. The Authority's contribution in this situation consists of the explanations it may provide regarding the scope of the legal provisions in the electronic communications sector related to the case. If this procedure results in the settlement of the dispute, the parties conclude a transaction. The mediation procedure must comply with the confidentiality principle and cannot exceed 30 days from the date of filing the complaint with the Authority. If the parties do not reach an agreement within this term, the dispute shall be settled by means of the contentious procedure.

As well, the interested party may initiate the contentious procedure directly, without undergoing the mediation procedure. The contentious procedure shall be initiated ex officio if mediation fails. Upon the thorough analysis of information and after hearing of all the opinions in the case, the Commission draws up a preliminary solution to be communicated to the parties together with the measures proposed in view of settling the dispute. Within 15 days from the communication of the preliminary solution, any of the parties may file a complaint to the Commission for reanalysing the solution proposed.

The term for settling a dispute is 4 months from the date of filing the complaint. Under exceptional circumstances, for the adequate settlement of the dispute, this term may be extended by Decision of the Authority's President. At any moment of the mediation procedure or of the contentious procedure, the parties may conclude a transaction on the object of the dispute. The decision may be challenged at the Court of Appeal of Bucharest – Administrative Contentious Section within 30 days from the communication date, without undergoing the

preliminary procedure provided in art.7 of the Administrative Contentious Law no.554/2004, with the subsequent amendments.

14.2 Disputes between users and providers

a. The dispute settlement activity in 2008

The most frequent complaints received from users during 2008 concerned the telephone services and the Internet access services, signalling problems related to the accuracy of the invoice, service quality, porting terms, repair terms, data specified in the detailed invoice, and the illegal status of the contractual terms.

b. The dispute settlement procedure

For the purpose of protecting the users' interest, according to the provisions of art.35 of Law no.304/2003 on the Universal Service and the users' rights regarding the electronic communications networks and services, republished, the regulatory authority must establish a *“transparent, simple and inexpensive procedure in order to accurately and promptly settle the disputes between end-*

users and providers of electronic communications services, occasioned by the enforcement of this Law [...]”. Hence, the Authority regulated the concrete procedure of settling the disputes between the users and the electronic communications providers, by the ANRC President's Decision no.1331/2003. The users may therefore address the Authority in view of settling the disputes between them and the electronic communications providers occasioned by the enforcement of Law no.304/2003, exclusively if the respective disputes have not been amicably settled between the parties.

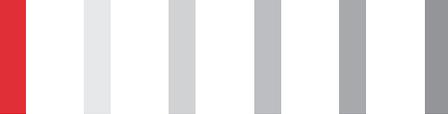
The Authority takes all the measures, including calling the parties for separate or joint meetings, in order to assess the actual situation and the applicable legal provisions. The parties involved in the dispute have the obligation to make all the diligences for amicably settling the dispute and to collaborate therefor with the Authority's personnel. Should the parties not reach an agreement within 60 days from receiving a complaint, the Authority communicates the parties, as a recommendation, its opinion on the possibilities of settling the dispute, grounded accordingly.





15

Consultation and
communication



Consultation and communication

15.1. 2008 – the year of the Authority's new visual identity

Following the process of transformation the Authority underwent (the change of name, the takeover of new attributions and the merger with IGCTI), a new visual identity was required, in line with the institution's evolution. The process of creating a new visual identity started in October 2007, by the launch of an open public tender in view of contracting brand consultancy services and elaborating the Authority's visual identity handbook. Two companies participated in the tender and, following the offer assessment, the contract was awarded to Brahms International SRL. The value of the contract amounted to RON 110,069, VAT excluded.

On 8 August 2008, the Authority launched its new visual identity, founded on a new logo consisting of the Authority's acronym and name, accompanied by the stylized representation of a paraboloidal antenna.

The new logo is the Authority's main visual identity element; it brings a modern design while preserving certain conceptual features of the old identity: technology and authority. This combination suggests that the emerging organisation is stronger and remains the arbiter of the communications market, perpetually result-oriented and focused on quality, as well as on people.

Concerning the new colour, the persisting red reinforces the values of the Authority's team - competence, integrity, flexibility, cooperation and trust – visually supporting the concept of an arbiter who sets the rules and watches their enforcement. The silver grey and the font are expressions of the institution's weightiness and authority.

15.2. Public consultation and communication with the industry

The Authority's website remains one of the most important tools that provide both the industry and the users with information on its activity. The application makes publicly available the main documents resulted from the Authority's activity: decisions, draft decisions submitted to public consultation, licences for the use of numbering resources, statistical data in the communications field and their evolution, as well as registers of the authorised providers of electronic communications and postal services.

The website is also the main mechanism for announcing the launch of **public consultations**, a key process in the adoption of the Authority's decisions with significant impact on the market.

Public consultations – launched by announcing and posting the drafts on the website – precede the meetings of the **Consultative Council**, an advisory body within which representatives of the providers and of their professional associations, users' associations, as well as other public institutions interested in the regulation activity in the communications and postal sectors may express their points of view.

In 2008, the Authority launched 24 public consultations on 59 draft normative or individual acts. Some of the normative acts, i.e. Decision no.585/2008 on the identification of the relevant markets for the services of call termination provided at fixed locations, were issued together with individual decisions that designated 38 providers as having significant power in the identified markets and imposed obligations meant to prevent the abuse of dominance. The drafts of these acts were submitted to public consultation together. 327 recommendations were received both in writing and, in the three meetings of the Consultative Council, 108 of these were deemed grounded and therefore the draft decisions were amended or completed correspondingly.

Table 15.1. Public consultation in 2008

1. Number of draft normative acts adopted in 2008	21*
2. Number of draft individual acts communicated in 2008	38
3. Number of withdrawn drafts	0
4. Number of non-normative drafts	4
5. Number of drafts publicly announced:	24
- on the Authority's website	24
- by posting at the Authority's headquarters	24
- in mass-media	24
6. Number of drafts transmitted to the residential users who submitted a request for information on a draft normative act	24
7. Number of drafts transmitted to business associations and to other legal associations	24
8. Number of persons designated in charge of relations with the civil society	3
9. Total number of recommendations received	327
10. Total number of recommendations included in decisions	108
11. Number of participants in the consultations with the industry	150
12. Meetings of the Consultative Council	3
13. Consultative sessions with the industry and working groups	3
14. Number of decisions issued by the Authority, challenged in court as regards the observance of the public consultation procedure in 2008	0
15. Number of law suits against the public administration, for breaking the provisions of the law on decisional transparency	0

**Decision no.25/2008 on completing the Decision of the president of the General Inspectorate for Communications and Information Technology no.686/2005 on approving the charging procedure and the list of tariffs for the use of radio frequency spectrum, annually owed to the General Inspectorate for Communications and Information Technology, was adopted upon a public consultation carried out between 19.11.2007 and 20.12.2007*



CONSULTATION AND COMMUNICATION

The electronic briefs transmitted by the Authority on a weekly basis (newsletter) or whenever necessary (press releases) play a significant role in the communication with the industry and the consumers. The Authority's briefs, drawn up in Romanian and English, are sent by electronic mail to approximately 2,500 registered users (representatives of the industry, of the users, of mass-media from Romania and abroad, of the European Commission and of other European regulatory authorities).

15.3. Communication with the end-users

15.3.1. Petitions and requests for public interest information

The Authority showed a constant concern for transparency and availability for dialogue both with the providers and with the users, ever since its settlement. The Authority understood the public's need for information, irrespective of the segment they belonged to, and promptly answered to their requests.

The more than 600 information requests the Authority received from the public in 2008 prove that the industry and the end-users are more and more aware of the regulatory activity and address this institution for information, explanations or counselling. The interested persons, natural or legal, mostly requested information and explanation on aspects related to the information technology field, one of the Authority's new attributions, and also explanations on the steps one should take in order to become an authorised provider or information on the telephone services available in Romania.

Furthermore, the Authority received 1,700 complaints, considerably more than in the previous years, i.e. 300 complaints a year, on average. Most of them signalled the reception of unsolicited commercial messages, but also deficiencies occurred in the provision of telephone services or Internet access services and issues related to the billing of such services.

Table 15.2. Requests for information solved in 2008

Requests for information solved in 2008	
Requests for information by domains of interest¹	1,602
Electronic communications	279
- network installation, design	3
- neighbourhood networks	1
- telephony	62
- Internet access services	1
- cable television	1
- authorisation (procedure, standard forms)	80
- monitoring tariff	4
- tariffs for the electronic communications services	9
- providers	33
- interconnection	4
- frequencies (licence, tariffs, standard forms)	81
Postal services (authorisation, tariffs, providers etc.)	29
Legislation	65
Market analyses	32
Electronic invoicing	58
Electronic archiving	7
Electronic signature	18
Radio operators	29
GSM equipments	61
General information on the Authority's contact data, organisation etc.	219
Other	807

Requests for information solved in 2008	
Solved requests	1,527
Requests not taken into consideration, under the law	16
Rejected requests	0
Re-directed requests	34
Written requests	559
- on paper	38
- by electronic means	521
Requests addressed on telephone	1,043
Requests addressed by natural persons	901
Requests addressed by legal persons	701
Administrative complaints	0
Complaints in Court	0
Total costs	0
Average answering timeframe	10 days
Minimum answering timeframe	instantly
Maximum answering timeframe	45 days
Answering timeframe for the requests addressed on telephone	instantly

¹ Certain requests refer to several domains of interest.

Table 15.3. Complaints solved in 2008

Complaints²	1,733
Complaints by domain of interest	
- fixed telephony	86
- mobile telephony	133
- Internet	103
- CATV	30
- postal services	10
- radio spectrum	19
- unsolicited message	76
- unsolicited commercial message	1,066
- harmfulness of the GSM equipment	28
- other	230
Object of the complaints	
- service billing/cost	116
- network/service operation/failure to operate	120
- installation/connection	45
- sending without asking the consent	1,140
- other	322

² Certain complaints refer to a number of domains of interest.

³ The information society providers are not included.

Petitions by network/service provider³	
- S.C. Romtelecom S.A.	31
- S.C. RCS & RDS S.A.	91
- S.C. UPC Romania S.R.L.	21
- S.C. Vodafone Romania S.A.	49
- S.C. Orange Romania S.A.	52
- S.C. Cosmote RMT S.A.	34
- S.C. Telemobil S.A.	3
- Others	118
Complaints addressed by natural persons	918
Complaints addressed by legal persons	815
Complaints not taken into consideration, under the law	206
Re-directed complaints	38

As well, in 2008, the Authority answered to 191 requests for public interest information addressed by foreign natural and legal persons, international regulatory authorities and bodies with responsibilities in similar fields. The foreign partners were mainly interested in number portability, radio spectrum issues, equipment authorisation, numbering, licence granting, the general authorisation regime, broadband transmission services, WIMAX systems, local loop unbundling, market analyses, mobile termination rates, postal services, universal service, interconnection, the notification procedure and the monitoring tariff.

15.4. Communication with mass-media

The Authority is aware of the importance of promptly providing the mass media representatives with accurate information, since – through this channel – the Authority disseminates information towards the industry and the consumers, in the

context of an increasingly diversified offer on the communications market.

Thus, in 2008, the journalists accredited by the Authority received 93 press releases and submitted 646 requests for information, reflected in more than 1,700 press materials.

Table 15.4. Information requests from mass-media, January – December 2008

Total number of requests	646
Requests by domains of interest (the most frequent)	
- economic regulation	29
- authorisation for electronic communications services	23
- interconnection	21
- statistics/market analyses	43
- postal services	7
- legislation/ legal issues	35
- numbering	71
- universal service	33
- cable television	24
- Internet	33
- telephony	45
- frequencies	38
- portability	102
- other	161

Solved requests	646
Unsolved requests	0
Withdrawn requests	0
Re-directed requests	0
Written requests	155
- on paper	0
- by electronic means	155
Requests addressed on telephone	491
Requests addressed personally	0
Total costs	no additional resources were necessary
Average answering timeframe	4.87 h
Maximum answering timeframe	30.3 h
Minimum answering timeframe	0 h
Answering timeframe for the requests addressed on telephone	instantly

Table 15.5. The Authority's activity reflected by the mass-media, January - December 2008

Total number of mentions in the media	1,244
- positive or neutral mentions	1,227
- negative mentions	17
Total number of mentions in the electronic press	525

15.5. Public information campaigns

15.5.1. Closing of the National Numbering Plan (PNN)

On 3 May 2008, the Authority started the procedure of closing the PNN, according to which all the telephone numbers dialled from Romania have a single national format (10 digits=02/03 + national destination indicative + local number, i.e. in Dambovită county – 02/03 45 xx xx xx for fixed telephony calls).

The objectives of the user information campaign on the closing of the National Numbering Plan were to inform all fixed and mobile telephony users on using one single format for dialling all the national telephone numbers - especially for calls initiated on Romtelecom's network - and on the change of the dialling manner (acknowledgement and appropriation of the new algorithm/dialling format), as well as to prevent the possible objections and negative perception regarding this change.

The transition to the new dialling was performed in two phases:

- **3 May 2008 – 31 July 2008** – the users were allowed to dial the telephone numbers in both formats; at the same time, the providers were actively informing the calling parties on the change of dialling, via voice or SMS messages;

- **1 August 2008 – 30 September 2008** – at each call initiated to a number in the local format, the subscribers were informed, by way of a voice message, on the new number format, but the call was no longer routed to destination.

In order to reach the short-term objectives – informing the users on the PNN change, as well as the long-term objectives – informing the users on the general number dialling, the Authority chose to elaborate and distribute 5 million brochures describing all the possible modalities of dialling the telephone numbers (fixed, mobile, short numbers). These brochures were distributed in the second phase of transition to the new dialling, i.e. 1 August – 30 September 2008.

Moreover, the Authority made available for the users, upon request, through a free telephone line, information on the implications of closing the PNN and posted a special page dedicated to this matter on its website.

15.5.1. Number portability

Starting 21 October 2008, the Authority introduced in Romania the facility of porting the fixed and mobile telephone services – a service that enables the subscribers to keep their telephone number while changing the provider.

In order to enhance the users' awareness on the existence and advantages of number portability, the Authority conducted between 21 October and 21 December 2008 a national information campaign which made use of all main mass-media channels – television, radio and Internet.

The campaign aimed at informing as many Romanian fixed and mobile telephony users on their possibility to change the provider while keeping their telephone number, and also at making the telephony users aware of the advantages of portability, as well as of the conditions under which they could port their telephone numbers.



The information campaign envisaged the natural and legal persons in their capacity as fixed and mobile telephony users and telephone number holders. Therefore, the campaign addressed a numerous and diverse public, but mostly the users prone to change, eager to get informed and to improve their contractual clauses.

In order to choose the company which was to provide the services of creation and production of advertising materials, the Authority launched a pitch in which nine advertisement companies, selected based on their previous experience in public information campaigns and social campaigns, were invited to participate (CAP, Cohn&Jansen/Ashley&Holmes, GMP Advertising, McCann Erickson, Mercury360, Papaya Advertising, Publicis, TBWA/MERLIN, Vitrina Advertising). Only five of these companies responded to the invitation to participate in the pitch: Cohn&Jansen/Ashley&Holmes, Mercury360, GMP Advertising, Vitrina Advertising and Papaya Advertising.

The agencies were required to provide a unitary creative concept, which could be materialised in advertisement materials for television, radio and Internet and which could transmit, as efficiently as possible and to a large public, the following message: “Portability enables you to change your telephony provider while keeping your telephone number”.

With a view to selecting the most suitable agency with maximum objectivity and transparency, the winner was decided following the assessments of a commission consisting of communication specialists of the Authority and of the main fixed and mobile telephony companies in Romania: Cosmote RMT, Orange Romania, Romtelecom, Telemobil, UPC Romania, Vodafone Romania. The contract amounting to EUR 42,800, VAT excluded, was awarded to Vitrina Advertising, which proposed a concept focused on the fact that the telephone number is part of the user’s identity and made eight video spots, one radio spot and a series of Internet interactive banners.

As well, in view of reaching the campaign goals, a website dedicated to portability, www.portabilitate.ro, was developed, launched and promoted.

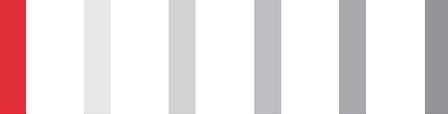
The campaign’s success was assessed based on the number of porting requests/ported numbers in the first three months from the launch of portability and on the number of visitors of the website www.portabilitate.ro in the first month. The impact obtained was higher than expected, 27,500 fixed and mobile telephone numbers being ported and approximately 38,000 porting requests being registered in the three-month interval from the launch of portability. At only one month from launch, the website dedicated to portability had registered 27,000 unique visitors and the highest growth rate as regards the traffic, according to www.traffic.ro.





16

International Relations
and PHARE Projects



International Relations and PHARE Projects

16.1 International events organised by the Authority

The 2008 edition of the international conference organised by the Authority started from the idea that the consumer's interest is the main concern in the elaboration of any regulatory paradigm, the consumer being the real engine of development in the electronic communications sector. During the debates, emphasis was laid on the policies and instruments that provide enhanced protection and freedom to the end-users, and empower them.

The already traditional international conference took place at Radisson SAS Hotel, on 21 October 2008, when the fixed and mobile number portability was launched in Romania. Number portability was one of the measures intended to foster competition and protect the users' interest. The large audience included representatives of the European Commission, of foreign national regulatory authorities, top managers of the Romanian communications operators – many of them being stakeholders at the European level –, as well as high-level representatives of the European industry and of the consumers' associations.

Furthermore, on 3 March 2008, the Authority hosted the working session of the IRG project team in charge of the mobile termination issues (MTR PT), and – between 26 and 27 March 2008 – organised the meeting of the FM PT46 working group, which deals with maritime radiocommunications issues within the Electronic Communications Committee (ECC) of the European Conference of Postal and Telecommunications Administrations (CEPT). On 8-9 May 2008, the Authority also hosted the Plenary Meeting of the Contact Network (CN) of the Independent Regulators Group (IRG), and, on 12 September, organised the working session of the IRG project team for end-user and universal service issues. The success of all these events was confirmed by the participants' appreciation.

16.2 International Relations

In 2008, the Authority approached international affairs, as in the previous year, in consideration of Romania's statute as a member of the European Union. Its main concern was setting the regulatory activities in line with the Community strategy while promoting the interests of the national market, including by establishing relationships with entities outside the EU.

The Independent Regulators Group (IRG) and the European Regulators Group for Electronic Communications Networks and Services (ERG)

A full member in the European Regulators Group for Electronic Communications Networks and Services (ERG) and in the Independent Regulators Group (IRG), the regulatory Authority of Romania continued to be the same active presence in the plenary meetings, in the Contact Network (CN), as well as in the working groups. Thus, the Authority's representatives participated in the elaboration of regulations, common positions, methodologies and reports, being constantly involved in promoting regulations that would benefit the European single market in the electronic communications sector, adapted to the specific of the Romanian marketplace. Furthermore, in view of promoting the end-users' interests, the Authority's representatives initiated a project for ensuring the transparency of tariff-related details. In recognition of the Authority's professionalism and involvement in the IRG and ERG activities, our institution's representative in the End-User Project Team (EU PT) was chosen co-chair of this PT, alongside Portugal. It is worth mentioning that, upon the initiative of the German Presidency, the IRG underwent the procedure required in view of acquiring legal personality under the Belgian law, as *Groupe des Régulateurs Indépendants a.s.b.l.*

Alongside its ERG partners, the Authority kept a close watch on the process of reviewing the regulatory framework in the electronic communications sector,

being confident that the new regulatory framework will enhance the functioning of the single market in this field, to the benefit of consumers throughout the European Union.

The Radio Spectrum Policy Group - RSPG

The Radio Spectrum Policy Group (RSPG) is a consultative group set up by the European Commission Decision 2002/622/EC. After taking over the competences in the radiocommunications field, the Authority represents Romania in this group. In 2008, the Authority's representatives took an active part in this body's working sessions, contributing to the elaboration of opinions on spectrum usage, meant to assist the European Commission in issues regarding the radio spectrum policy, the coordination of approaches in this field, as well as regarding the harmonisation of the terms for the efficient use of the radio spectrum, which contributes to the achievement and functioning of the internal market.

The Communications Committee (CoCom)

Since Romania's accession to the European Union on January 1, 2007, the Romanian regulatory authority takes part, as a full member, in the working sessions of the Communications Committee (CoCom), a European Commission's consultative body. In 2008, the discussions within CoCom continued on topics approached in the previous year, such as: review of the regulatory framework, stage of enforcement of Article 7 of the Framework-Directive 2002/21/EC (the notification procedure), Universal Service, implementation of the European single emergency number – 112, roaming, implementation of short numbers for harmonised services of social value, collection of broadband indicators, authorisation of mobile communications services on aircraft.

The Radio Spectrum Committee (RSC)

The Radio Spectrum Committee (RSC) was established by Decision 676/2002/EC on Radio Spectrum, as the body that assists the European

Commission in laying down the implementation of technical measures in view of ensuring harmonised conditions as regards the availability and the effective use of the radio spectrum. The Authority represents Romania in this group, after taking over the attributions in the radiocommunications field. The issues approached by RSC during 2008 included: draft decision on mobile communications services onboard aircrafts; implementation of community decisions; cooperation between the European Commission and the Electronic Communications Committee (ECC); the digital dividend, WAPECS, short-range devices, ultra-wide band.

The European Conference of Postal and Telecommunications Administrations (CEPT)

The Authority continued its active involvement in all the structures of the European Conference of Postal and Telecommunications Administrations (CEPT), the most important European technical body in the electronic communications sector. Thus, the Authority's management and specialists participated in the CEPT Plenary Meeting, in the plenary meetings of the Electronic Communications Committee (ECC), in the meetings of the conference preparatory group (CPG) of the World Radiocommunication Conference 2011 (WRC – 11), in the meetings of the Frequency Management Working Group (WG FM), of the Working Group Numbering, Naming and Addressing (WG NNA), of the Working Group on Spectrum Engineering (WG SE), of the Working Group Regulatory Affairs (WG RA), as well as in the working sessions of the project teams within these groups. Starting from 2007, the Authority holds the Presidency of the project team on Harmonised European Short Codes (PT HESC) within the Numbering, Naming and Addressing working group (WG NNA) of the ECC.

With competences in the postal services field, the European Committee for Postal Regulation (CERP) within CEPT reorganised its structure in order to better cope with the changes in the field, and sped up the works in all its structures. The Authority designated specialists for various working groups within the CERP and,

as foreseen, the activities evolve at a fast pace, in order to provide concrete results regarding the regulation of the postal sector as soon as possible, both to the European Commission and the EU Member States and to the other CEPT member states.

The UPU Congress and the European Committee for Postal Regulation within the CEPT

During 2008, Geneva hosted a major event for the postal services field, i.e. the 24th Congress of the Universal Postal Union (UPU), set up in 1874 by the Bern Treaty, Romania being a founding member. Romania hosted the previous congress, therefore it became a member in the UPU Board of Directors and even held the presidency of the Board of Directors between the congresses. The management and the specialists of the Authority took part in this event between 23 July and 12 August 2008. With competences in the postal services field, the European Committee for Postal Regulation (CERP) within CEPT reorganised its structure in order to better cope with the changes in the field, and sped up the works in all its structures. The Authority was represented in the two annual plenary meetings held by CERP and also designated specialists for various working groups within the CERP. As foreseen, the activities evolve at a fast pace in order to provide concrete results regarding the regulation of the postal sector as soon as possible, both to the European Commission and the EU Member States and to the other CEPT member states.

Other bodies

The bilateral relations with foreign regulatory authorities permanently held an important share within the Authority's activity, its specialists intensifying their collaboration with the fellow-experts in the EU Member States. In a wider perspective, the Authority continued its involvement in the actions of other important international organisations such as: the International Communication Union (ITU) – the ITU Council and a series of study groups (Romania is one of the ITU founders), the Universal Postal Union (UPU) – the Congress of the

Universal Postal Union (held in Geneva in July-August 2008), RAINWAT, the technical working groups of the HCM Agreement (Vilnius 2005), the French-speaking Regulators Network (FRATEL), the Latin American Forum of Telecommunications Regulators (REGULATEL) etc.

16.3 PHARE Projects implemented in 2008

1) The project **PHARE RO 2005/017-553.05.01 “Support to ANRC for the implementation of a Central Database System for Number Portability”**: this supply project belongs to the envelope PHARE 2005, *Facilities for special actions*. The project, initiated in August 2007, had an initial 6-month implementation period. Following the extension of the analysis period and due to the complexity of the system testing process and to the necessity for the operators to create an automatic interface system, 3 months were added to the project implementation period, which ended on 31 May 2008.

The overall objective of this project was to create, install, test and put into operation a complex system consisting of a database and a set of communications functions and solutions, which would enable the implementation of fixed and mobile number portability in Romania. As well, the project provided a programme of technical training for the Authority's personnel, with a view to developing and successfully implementing the number portability procedures.

The main results of this project were:

Result 1

Delivery of the Central Database for Number Portability, including the set of communications functions and solutions (hardware, software and networking)

Result 2

Installation of the Central Database

Result 3

Testing of the Central Database

Result 4

Putting into operation the Central Database

Result 5

Ensuring the maintenance of the Central Database and the technical training programme for the Authority's personnel.

The number portability service was publicly launched by all the fixed and mobile telephony providers in Romania in October 2008.

According to the Technical Specifications of the Project, every month, during one year from the project completion (31 May 2008), the Contractor ensures the maintenance and the technical support, including the possibility of subsequently developing the respective software, based on the changes of the portability procedures decided within the working group established by the Decision regarding number portability.

2) The project PHARE RO 2005/017-553.05.01.01.04 "Improving the Institutional Capability of ANRC in the area of *ex ante* regulation"

Alongside the project **PHARE 2005/017-553.05.01**, this technical assistance project is part of the envelope PHARE 2005 *Facilities for special actions* component, the initial implementation period being of 12 months.

Following the assessment carried out in the inception stage of the project, the necessity of requesting an extension by 6 months of the implementation period for the purpose of best ensuring all the project activities in the reference terms arose, the initially provided implementation period being of 18 months.

Therefore, upon the European Commission's agreement on extending the project implementation period, the deadline was set as May 2009.

The overall objective of this project is maximising the end-users' benefits by promoting competition in the Romanian electronic communications market.

The specific objectives of this project are:

- define the relevant markets in the electronic communications sector susceptible to *ex ante* regulation, based on market studies and analyses;
- establish adequate regulatory measures;
- ensure assistance in the national and European consultation process regarding the relevant markets assessed, which must be conducted according to the obligations incumbent on Romania as a EU Member State, in accordance with the European regulatory framework for the electronic communications networks and services;
- ensure technical support and on-the-job training throughout the stages.

The project is structured in 4 main tasks:

Task 1 – Defining the relevant markets

Subtask 1.a – Defining the relevant product/service markets

Subtask 1.b – Defining relevant geographic markets

*Subtask 1.c – Identification of the relevant markets susceptible to *ex ante* regulation*

Task 2 – Market surveys and identification of relevant markets

Task 3 – Imposition of remedies/*ex ante* regulatory measures

Task 4 – National consultations and notifications with the European Commission and the other relevant regulatory authorities.

By means of this project, the Authority benefits from technical support in view of applying the specific *ex ante* regulatory tools in order to define and analyse the relevant markets in the electronic communications sector.

3) The project PHARE 2006/018-147.03.18 "Enhancing the Institutional Capability of ANRC in the area of Economic Regulation"



INTERNATIONAL RELATIONS AND PHARE PROJECTS

This project, which is part of the Programme for Community Support PHARE National 2006, is a special one since both the tender and the implementation procedure fall under the Romanian legislation.

The overall objective is to maximise end-users' benefits by promoting sustainable competition in the provision of telephony and broadband Internet access services.

The specific objective of this project is to enhance the Authority's institutional capability in the area of economic regulation by developing state-of-the-art technical, economic and financial information systems and providing training to its personnel, in order to enable the Romanian regulator to understand and improve the competitive and investment environment in all the markets for services provided on the access network of the provider with significant market power.

The project is structured as follows:

Activity 1. Develop a cost model for Romtelecom's access network

Activity 2. Review the costs incurred by Romtelecom in view of ensuring the accuracy and reliability of information

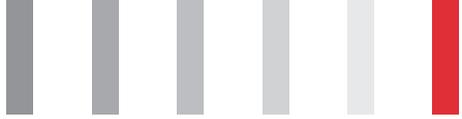
Activity 3. Develop an optimized cost model that will ground the final prices of the services provided over Romtelecom's access network

Activity 4. Develop cash-flow financial models to assess the incentives for investment and innovation

Activity 5. Training for the Authority's personnel

The implementation period of this project is 12 months, with an option for extension, if required.

This project will provide for maximizing the end-users' benefits by promoting sustainable competition in the provision of telephone and broadband Internet access services on the incumbent's (i.e. Romtelecom) access network.



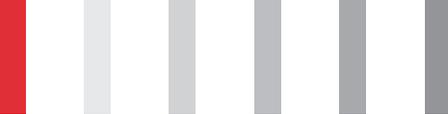
INTERNATIONAL RELATIONS AND PHARE PROJECTS





17

Human Resources



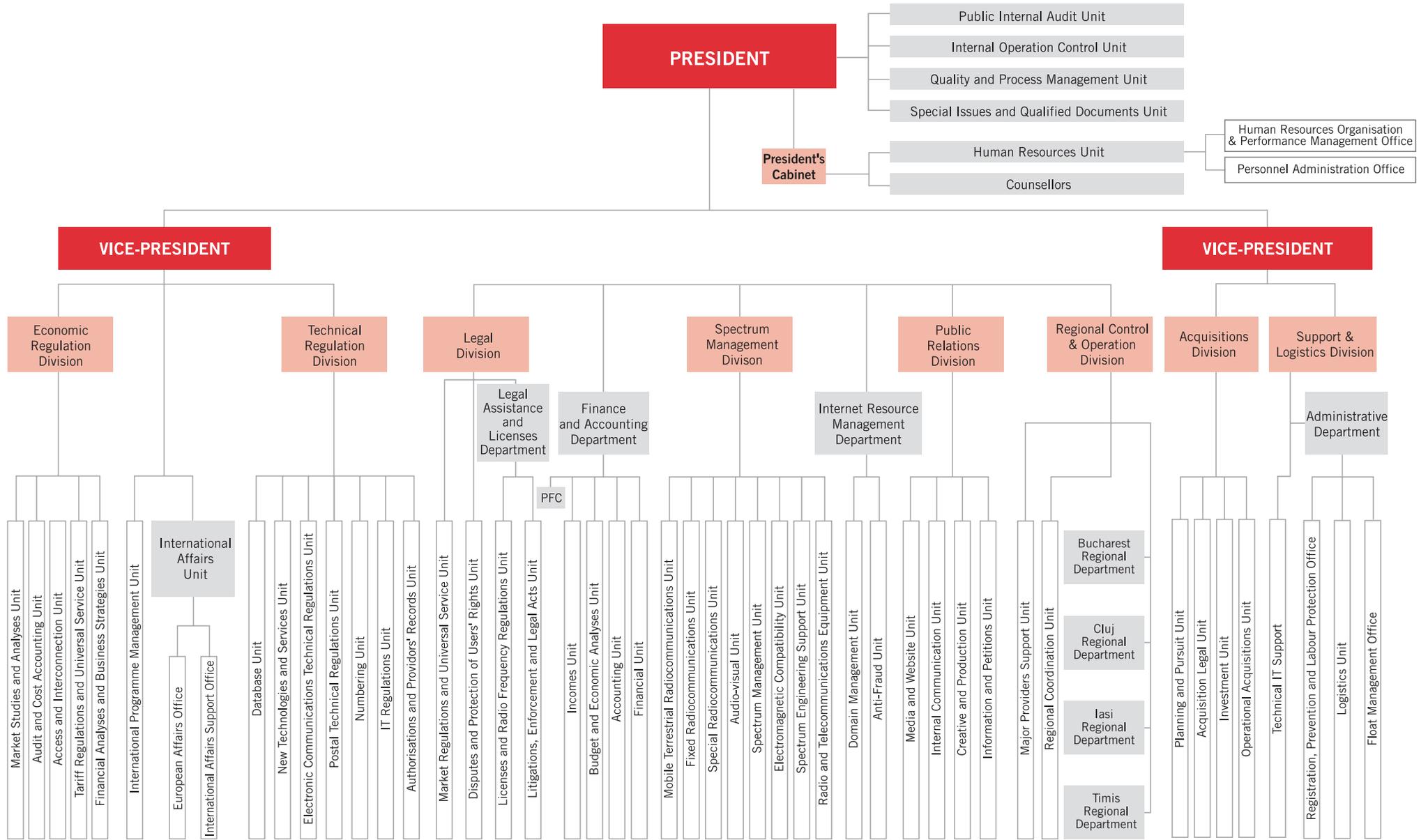
Human Resources

17.1. Personnel structure

In 2008, the Authority's activity was coordinated by a president and two vice-presidents, appointed by the Prime-minister of Romania for a 5-year period.

As the necessity of permanently redrawing the organisation chart according to the current modernisation tendencies in the European public administration arose, in 2008, the Authority registered a series of steps for the re-organisation of its internal structure, as well as for a new distribution of its attributions by compartments.

The Authority's headquarters comprise 8 divisions, 4 departments, 48 specialised units and 7 offices. 4 units and 3 offices out of the 48 specialised units, as well as 7 offices, are directly subordinated to the Authority's management. The activity in the territory is coordinated by 4 regional departments (Bucharest, Cluj, Iasi and Timis), without legal personality, that enforce the Authority's policy in the territory and ensure its representation at the regional level. The structure of the regional departments includes – besides the common compartments, such as units and offices – certain specific structures (EMC and equipment maintenance laboratories, county offices).

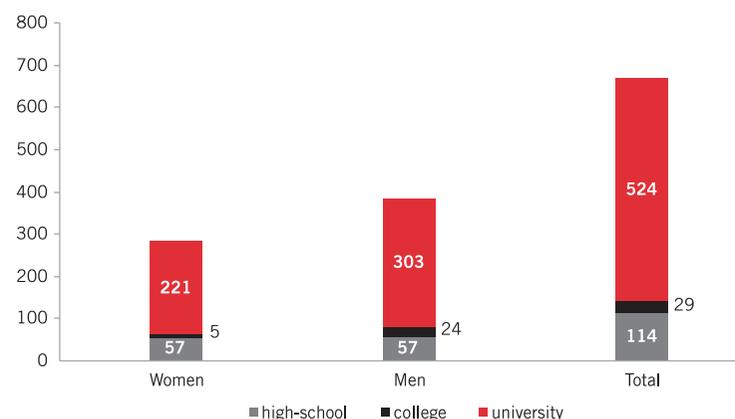


HUMAN RESOURCES

At the end of 2008, 290 of the 354 positions of the Authority's Bucharest-based headquarters were occupied, while 377 of the 457 positions available in its 4 regional departments were occupied, therefore the degree of occupancy reached 82%. During the recruitment and selection procedures the Authority conducted in 2008, 49 people were employed, out of which 37 at the headquarters and 12 – in the regional structures. During the recruiting and selection sessions, state-of-the-art and highly effective methods and specific techniques were used, in order to employ the best specialists on the Romanian market.

The human resources strategy fostered an adequate institutional capacity, according to certain fundamental guidelines: the availability of well-trained and sufficient personnel capable of facing the specific requirements of this dynamic field; strengthening the team spirit and the group cohesion; appropriate endowment of the working environment; creating the operational and legal support for ensuring the employees' health; financial independence and provision of sufficient resources for the optimum operation of the institution.

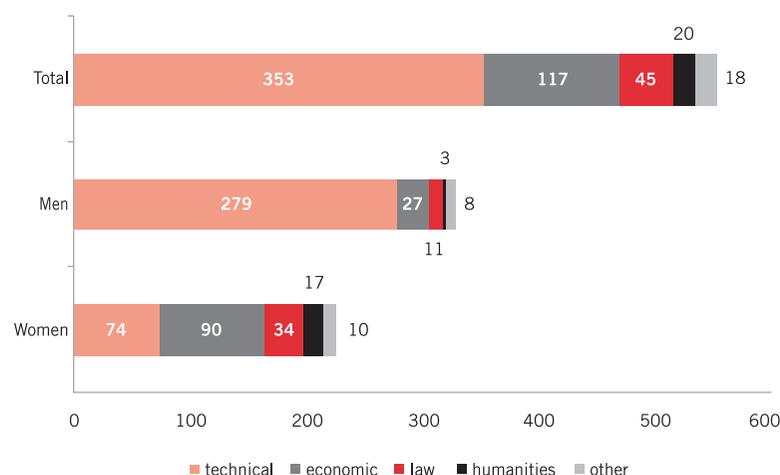
Chart 17.2 Personnel structure, by level of education



Source: the Authority

At the end of 2008, 83% of the 667 Authority employees held a higher education degree, most of them in technical fields (353), followed by economists (117), Law School graduates (45), and humanities majors (20). 18 people had other professional backgrounds.

Chart 17.3 Personnel structure, by background



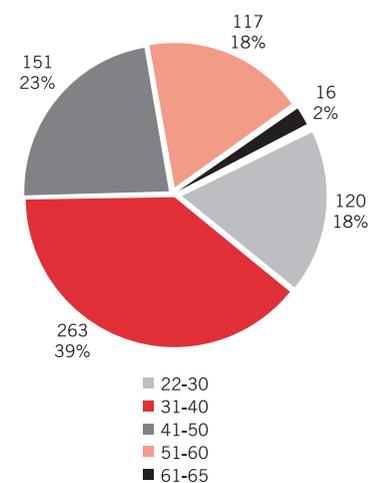
Source: the Authority

In order to best fulfil its mission, goal and institutional objectives, the regulatory Authority needs a balanced distribution of the human resources available, by the level of professional expertise and by the groups of individual competences acquired in accordance with the set of organisational requirements.

Thus, it is vital that the Authority's personnel have a high level of professional expertise and be prepared to effectively face the challenges in the Romanian IT&C market, anticipate the main development trends in this field and promote the Authority's image as a modern and efficient public institution on the national, European and international levels. This aim is reflected by the fact that, at the end of 2008, **the mature personnel, at the acme of their career** - the 31-40 age

segment, held the highest share of positions in the organisation (39%), closely followed by the 41-50 age segment (23%), as well as by the existence of a **(senior specialist group)** – the 61-65 age segment (2%). Conversely, the Authority also employs **young and dynamic personnel** who bring a valuable contribution of creativity and innovation in the organisational processes and activities and who – once trained and prepared – will ensure the existence of a homogeneous pool of high-class professional competences, as proven by the share of the 22-30 age segment, which amounted to 18% of all the employees, at the end of 2008.

Chart 17.4 Personnel structure, by age category



Source: the Authority





18

Financial data

Financial data

code 01		BALANCE SHEET AS OF 31.12.2008			lei
No.	INDICATORS	Row code	Balance account at the beginning of the year	Balance account at the end of the year	
A	B	C	1	2	
A	ASSETS				
I.	NON-CURRENT ASSETS				
1.	Intangible fixed assets (account 203+205+206+208+233-280-290-293*)	01	8,991,609	6,930,267	
2.	Technical installations, transport means, animals, plantations, furniture, birotics and other physical assets (account 213+214+231-281-291-293*)	02	70,293,514	119,428,626	
3.	Land and buildings (account 211+212+231-281-291-293*)	03	63,760,177	38,145,006	
4.	Other non-financial assets (account 215)	04	0	0	
5.	Non-current financial assets (long-term investments) - over 1 year (account 260+265+267-296)	05	54,877	54,877	
6.	Non-current debts – amounts to be received after more than 1 year (account 4112+4282+4612-4912-4962)	06	0	0	
7.	TOTAL NON-CURRENT ASSETS (row 01+02+03+04+05+06)	07	143,100,177	164,558,776	
	CURRENT ASSETS				
1.	Stocks (accounts 301+302+303+304+305+307+309+331+332+341+345+346+347 + 349+351+354+356+357+358+359+361+371+381+/-348+/-378-391-392-393-394-395-396-397-398)	08	4,829,190	5,188,630	

cod 01				Lei
No.	INDICATORS	Row code	Balance account at the beginning of the year	Balance account at the end of the year
2.	Current debts - amounts to be received after less than 1 year, Total (10+11+12) of which:	09	16,685,188	14,313,412
	Debts from commercial operations and pre-payments (account 232+234+409+4111+4118+413+418+425+4282+4611+473**+481+482+ +483-4911-4961+5187) of which:	10	16,534,433	14,162,657
	Commercial debts (ct.4111+4118+413+418+4611-4911-4961)	10bis	15,367,006	13,469,459
	Budgetary debts (account 431**+437**+4424+4428**+444**+446**+4482+463+461+464+465+4664+4665+ +4681+4682+4684+4687+469-497) of which:	11	150,755	150,755
	Debts of the general consolidated budget (461+463+464+465+4664+4665-497)	11bis	0	0
	Debts from operations with the European Community (account 4501+4511+4531+4541+4551+456+457+458)	12	0	0
3.	Short-term financial investments (account 505-595)	13	0	0
4.	Accounts in treasury and banks (row 15+17) of which:	14	255,261,728	305,010,608
	Accounts in treasury, cash, other values, treasury prepayments (account 510+5121+5125+5131+5141+5151+5153+5161+5171+520+5211+5212+ +5221+5222+523+524+5251+5252+5253+526+527+528+5291+5292+5299+531+ +532+542+550+551+552+553+554+555+556+557+558+5601+ +5602+561+562+5711+5712+5713+5714+5741+5742+5743+5744)	15	255,139,888	298,577,465
	of which: deposits (5153+5222+5602+5714+5744)	16	150,000,000	217,400,000
	Accounts in commercial banks	17	121,840	6,433,143

FINANCIAL DATA

cod 01				lei
No.	INDICATORS	Row code	Balance account at the beginning of the year	Balance account at the end of the year
	(account 5112+5121+5124+5125+5131+5132+5141+5142+5151+5152+5153+5161+5162+5172+5314+5411+5412+550+558+560) of which: deposits (ct.5153)	18	0	0
5.	Expenditures in advance (account 471)	19	61,615	46,327,786
	TOTAL CURRENT ASSETS (row 08+09+13+14+19)	20	276,837,721	370,840,436
	TOTAL ASSETS (row 07+20)	21	419,937,898	535,399,212
B.	DEBTS	22		
	NON-CURRENT DEBTS – amounts to be paid within a period longer than 1 year	23		
1.	Non-current payables (account 403+4042+405+269+4622+509) of which:	24	462,462	346,850
	Commercial debts (account 4042+4622)	24bis	462,462	346,850
2.	Long-term loans (account 1612+1622+1632+1642+1652+166+1672+168-169)	25	24,205,877	131,135,668
3.	Provisions (account 151)	26	0	0
	TOTAL NON-CURRENT DEBTS (row 24+25+26)	27	24,668,339	131,482,518
1.	CURRENT DEBTS – amounts to be paid within less than 1 year, of which:	28	1,662,884	1,595,298
	Commercial debts and pre-payments (account 401+403+4041+405+408+419+4621+473+481+482+483+269) of which:	29	1,242,132	1,203,369
	Commercial debts (account 401+403+4041+405+408+4621)	29bis	1,227,371	1,203,369
	Debts to budgets (account 440+441+4423+4428+444+446+4481+4671+4672 +4673+4674+4675)	30	420,752	391,929
	Debts to the European Community (account 4502+4512+452+4532+4542+4552)	31	0	0

cod 01					lei
No.	INDICATORS	Row code	Balance account at the beginning of the year	Balance account at the end of the year	
2.	Short-term loans - amounts to be paid within less than 1 year (account 5186+5191+5192+5194+5195+5196+5197+5198)	32	0	0	
3.	Long-term loans - amounts to be paid during the current financial year (account 1611+1621+1631+1641+1651+1671+168-169)	33	1,943,669	32,502,094	
4	Employees' salaries and due contributions (account 421+423+426+427+4281+431+437+438)	34	2,983,201	3,121,029	
5.	Other rights of other categories of persons (pensions, unemployment indemnity, grants) (account 422+424+429)	35	0	0	
6.	Revenues in advance (account 472)	36	0	0	
7.	Provisions (account 151)	37	0	0	
	TOTAL CURRENT DEBTS (row 28+32+33+34+35+36+37)	38	6,589,754	37,218,421	
	TOTAL DEBTS (row 27+38)	39	31,258,093	168,700,939	
	NET ASSETS = TOTAL ASSETS - TOTAL DEBTS = OWN CAPITALS (row 40= row 21 - 39 = row 47)	40	388,679,805	366,698,273	
C.	OWN CAPITALS	41			
1.	Reserves, funds (account 100+101+102+103+104+105+106+131+132+133+134 +135+136+137+139)	42	95,100,849	94,079,279	
2.	Reported result (account 117- credit item)	43	236,629,339	243,909,202	
3.	Reported result (account 117- debit item)	44	0	0	
4.	Patrimony result of the financial year (account 121 – credit item)	45	56,949,617	28,709,792	
5.	Patrimony result of the financial year (account 121 – debit item)	46	0	0	
	TOTAL OWN CAPITALS (row 42+43-44+45-46)	47	388,679,805	366,698,273	

EXECUTION ACCOUNT OF THE BUDGET OF PUBLIC INSTITUTIONS - EXPENDITURES

INDICATORS	Indicator code	Budgetary credits		Budgetary engagements	Legal engagements	Payments	Legal engagements to be paid	Effective expenditure
		Initial	Quarterly/ final					
A	B	1	2	3	4	5	6= 4-5	7
TOTAL EXPENSES (01+70+79+84)	85.10.	331,394,514	331,394,514	188,904,845	188,904,845	176,507,274	12,397,571	201,036,089
CURRENT EXPENSES (10+20+30+40+50+51+ +55+57+59)	01	250,124,415	238,624,415	156,283,426	156,283,426	151,895,436	4,387,990	153,913,407
TITLE I PERSONNEL EXPENSES (code 10.01+10.02+10.03)	10	79,233,815	79,233,815	59,560,328	59,560,328	55,744,295	3,816,033	55,842,954
Cash wage expenses (code 10.01.01 to 10.01.30)	10.01	60,382,420	60,382,420	45,769,962	45,769,962	42,740,166	3,029,796	43,066,838
Basic wages	10.01.01	28,962,700	28,962,700	24,414,803	24,414,803	22,379,934	2,034,869	22,661,779
Productivity bonus	10.01.02	519,600	519,600	2,129	2,129	2,129	0	0
Management indemnity	10.01.03	2,953,380	2,953,380	1,746,263	1,746,263	1,639,146	107,117	1,611,335
Seniority increment	10.01.04	5,035,540	5,035,540	3,502,531	3,502,531	3,216,771	285,760	3,264,290
Work conditions bonuses	10.01.05	0	0	0	0	0	0	0
Other bonuses	10.01.06	8,123,400	8,123,400	5,342,848	5,342,848	4,900,852	441,996	5,054,395
Extra-hours	10.01.07	250,000	250,000	120,424	120,424	106,217	14,207	111,687
Prize funds	10.01.08	4,541,800	4,541,800	4,316,102	4,316,102	4,299,912	16,190	4,299,911

INDICATORS	Indicator code	Budgetary credits		Budgetary engagements	Legal engagements	Payments	Legal engagements to be paid	Effective expenditure
		Initial	Quarterly/ final					
A	B	1	2	3	4	5	6= 4-5	7
Vacation bonus	10.01.09	1,155,000	1,155,000	955,050	955,050	941,156	13,894	961,374
Travelling expenses	10.01.13	723,000	723,000	204,543	204,543	204,225	318	204,643
Other cash wages rights	10.01.30	8,118,000	8,118,000	5,165,269	5,165,269	5,049,824	115,445	4,897,424
Wage expenses in kind (code 10.02.01 to 10.02.30)	10.02	1,500,000	1,500,000	1,124,476	1,124,476	1,124,023	453	1,122,779
Lunch tickets	10.02.01	1,500,000	1,500,000	1,124,476	1,124,476	1,124,023	453	1,122,779
Other wage rights in kind	10.02.30	0	0	0	0	0	0	0
Contributions (code 10.03.01 to 10.03.06)	10.03	17,351,395	17,351,395	12,665,890	12,665,890	11,880,106	785,784	11,653,337
Contributions to state social insurance	10.03.01	11,633,595	11,633,595	9,012,619	9,012,619	8,443,610	569,009	8,355,162
Contributions to unemployment insurance	10.03.02	1,193,195	1,193,195	469,646	469,646	455,020	14,626	403,835
Contributions to social health insurance	10.03.03	3,579,575	3,579,575	2,565,549	2,565,549	2,400,102	165,447	2,365,365
Contributions to professional work accidents and diseases	10.03.04	288,760	288,760	206,941	206,941	192,970	13,971	189,244

FINANCIAL DATA

INDICATORS	Indicator code	Budgetary credits		Budgetary engagements	Legal engagements	Payments	Legal engagements to be paid	Effective expenditure
		Initial	Quarterly/ final					
A	B	1	2	3	4	5	6= 4-5	7
Contributions for vacations and indemnities	10.03.06	507,110	507,110	403,718	403,718	380,987	22,731	339,731
Contributions to the Guarantee Fund for wage debts	10.03.07	149,160	149,160	7,417	7,417	7,417	0	0
TITLE II GOODS AND SERVICES (code 20.01 to 20.30)	20	111,541,600	85,956,600	24,591,395	24,591,395	24,027,522	563,873	23,634,475
Goods and services (code 20.01.01 to 20.01.30)	20.01	37,908,200	21,568,200	10,698,174	10,698,174	10,211,948	486,226	10,031,007
Office furniture	20.01.01	1,970,000	1,470,000	658,816	658,816	658,362	454	381,679
Cleaning materials	20.01.02	253,000	253,000	133,945	133,945	133,945	0	75,001
Heating, electricity and motive power/propelling force	20.01.03	2,461,000	2,461,000	1,121,100	1,121,100	1054607	66,493	1,024,365
Water, sewerage and waste	20.01.04	167,000	167,000	75,573	75,573	71,411	4,162	73,220
Fuel and lubricants	20.01.05	3,595,000	1,755,000	764,686	764,686	694,849	69,837	885,200
Spare parts	20.01.06	448,000	448,000	102,505	102,505	102,505	0	110,855
Transport	20.01.07	53,000	53,000	0	0	0	0	0

INDICATORS	Indicator code	Budgetary credits		Budgetary engagements	Legal engagements	Payments	Legal engagements to be paid	Effective expenditure
		Initial	Quarterly/ final					
A	B	1	2	3	4	5	6= 4-5	7
Post, telecommunications, radio, TV, Internet	20.01.08	18,027,200	5,027,200	2,691,788	2,691,788	2,549,173	142,615	2,537,764
Materials and services with functional character	20.01.09	3,908,000	2,908,000	921,466	921,466	920,311	1,155	1,011,440
Other goods and services for maintenance and operation services	20.01.30	7,026,000	7,026,000	4,228,295	4,228,295	4,026,785	201,510	3,931,483
Current repairs	20.02	2,313,000	2,313,000	249,803	249,803	244,369	5,434	247,336
Goods such as inventory objects (code 20.05.01 to 20.05.30)	20.05	2,088,000	2,088,000	447,733	447,733	446,400	1,333	24,792
Uniforms and equipment	20.05.01	4,500	4,500	0	0	0	0	0
Bedclothes and other bed accessories	20.05.03	0	0	0	0	0	0	0
Other inventory objects	20.05.30	2,083,500	2,083,500	447,733	447,733	446,400	1,333	24,792
Delegations, transfers (code 20.06.01+20.06.02)	20.06	6,920,000	5,420,000	2,019,407	2,019,407	2,018,729	678	1,990,321
Internal delegation, transfers	20.06.01	3,545,000	3,545,000	974,194	974,194	973,516	678	937,259

FINANCIAL DATA

INDICATORS	Indicator code	Budgetary credits		Budgetary engagements	Legal engagements	Payments	Legal engagements to be paid	Effective expenditure
		Initial	Quarterly/ final					
A	B	1	2	3	4	5	6= 4-5	7
Abroad delegations	20.06.02	3,375,000	1,875,000	1,045,213	1,045,213	1,045,213	0	1,053,062
Books, publications and documentary materials	20.11	381,000	381,000	107,249	107,249	106,949	300	56,815
Consultancy and expertise	20.12	6,022,000	3,022,000	406,434	406,434	382,937	23,497	386,489
Professional training	20.13	2,500,000	1,755,000	1,094,935	1,094,935	1,094,935	0	1,070,082
Work protection	20.14	495,400	495,400	235,532	235,532	219,596	15,936	210,584
Legal and extralegal expenses derived from representing state interests, according to the legal provisions	20.25	115,200	115,200	0	0	0	0	0
Other expenses (code 20.30.01 to 20.30.30)	20.30	52,798,800	48,798,800	9,332,128	9,332,128	9,301,659	30,469	9,617,049
Advertisement and publicity	20.30.01	5,000,000	2,000,000	1,717,587	1,717,587	1717587	0	1,717,587
Protocol and representation	20.30.02	1,650,000	1,650,000	392,816	392,816	392816	0	390,817
Non-life insurance bonus	20.30.03	915,000	915,000	358,279	358,279	358279	0	358,279
Rents	20.30.04	6,319,000	4,319,000	3,485,259	3,485,259	3462135	23,124	3,780,023
Forced execution of budgetary debts	20.30.09	42,800	42,800	154	154	154	0	154

INDICATORS	Indicator code	Budgetary credits		Budgetary engagements	Legal engagements	Payments	Legal engagements to be paid	Effective expenditure
		Initial	Quarterly/ final					
A	B	1	2	3	4	5	6= 4-5	7
Other expenses and services	20.30.30	38,872,000	39,872,000	3,378,033	3,378,033	3,370,688	7,345	3,370,189
TITLE III INTERESTS (code 30.01+30.02+30.03)	30	2,029,000	6,829,000	6,442,608	6,442,608	6,442,608	0	8,745,557
Interest related to the external public debt (code 30.02.01 to 30.02.05)	30.02	2,011,000	6,811,000	6,425,395	6,425,395	6,425,395	0	8,728,379
Interests related to the direct external public debt	30.02.01	0	0	0	0	0	0	0
Interests related to the external debts contracted by the credit principals	30.02.02	2,011,000	6,811,000	6,425,395	6,425,395	6,425,395	0	8,728,379
Interests related to guaranteed and/or direct sub-loaned external credits	30.02.03	0	0	0	0	0	0	0
Interests related to the local external public debt	30.02.05	0	0	0	0	0	0	0
Other interests (code 30.03.01 to 30.03.05)	30.03	18,000	18,000	17,213	17,213	17,213	0	17,178

FINANCIAL DATA

INDICATORS	Indicator code	Budgetary credits		Budgetary engagements	Legal engagements	Payments	Legal engagements to be paid	Effective expenditure
		Initial	Quarterly/ final					
A	B	1	2	3	4	5	6= 4-5	7
Interest related to treasury fund loans	30.03.01	0	0	0	0	0	0	0
Interest due to state treasury	30.03.02	0	0	0	0	0	0	0
Interest related to temporary loans from state treasury	30.03.03	0	0	0	0	0	0	0
Interest to deposits and cash assets kept in the state treasury account	30.03.04	0	0	0	0	0	0	0
Interest to leasing operations	30.03.05	18,000	18,000	17,213	17,213	17,213	0	17,178
TITLE VI TRANSFERS BETWEEN BODIES OF THE PUBLIC ADMINISTRATION (code 51.01+51.02)	51	55,800,000	65,085,000	65,084,175	65,084,175	65,084,175	0	65,084,175
Current transfers (code 51.01.01 to 51.01.43)	51.01	55,800,000	65,085,000	65,084,175	65,084,175	65,084,175	0	65,084,175

INDICATORS	Indicator code	Budgetary credits		Budgetary engagements	Legal engagements	Payments	Legal engagements to be paid	Effective expenditure
		Initial	Quarterly/ final					
A	B	1	2	3	4	5	6= 4-5	7
Transfers representing the share of the tariffs for the use of spectrum	51.01.22	55,800,000	40,585,000	40,584,175	40,584,175	40,584,175	0	40,584,175
Contribution to the state budget for the organisation and operation of the National Unique Emergency Call System	51.01.42	0	24,500,000	24,500,000	24,500,000	24,500,000	0	24,500,000
TITLE VIII.	57	1,282,000	1,282,000	499,133	499,133	491,049	8,084	500,459
SOCIAL WELFARE								
Social aid (code 57.02.01 + 57.02.04)	57.02	1,282,000	1,282,000	499,133	499,133	491,049	8,084	500,459
Cash social aid	57.02.01	1,020,000	1,020,000	367,233	367,233	359,149	8,084	368,559
Nursery tickets	57.02.03	108,000	108,000	0	0	0	0	0
Gift tickets granted for social expenses	57.02.04	154,000	154,000	131,900	131,900	131,900	0	131,900
TITLE IX OTHER EXPENSES (code 59.01 to 59.30)	59	238,000	238,000	105,787	105,787	105,787	0	105,787

FINANCIAL DATA

INDICATORS	Indicator code	Budgetary credits		Budgetary engagements	Legal engagements	Payments	Legal engagements to be paid	Effective expenditure
		Initial	Quarterly/ final					
A	B	1	2	3	4	5	6= 4-5	7
Civil repairs	59.17	238,000	238,000	105,787	105,787	105,787	0	105,787
CAPITAL EXPENSES (code 71+72+75)	70	79,070,099	79,070,099	19,685,049	19,685,049	11,675,468	8,009,581	29,624,151
TITLE X NON-FINANCIAL ASSETS (code 71.01+71.02)	71	79,070,099	79,070,099	19,685,049	19,685,049	11,675,468	8,009,581	29,624,151
Fixed assets (including capital repairs) (code 71.01.01 to 71.01.30)	71.01	79,070,099	79,070,099	19,685,049	19,685,049	11,675,468	8,009,581	29,624,151
Constructions	71.01.01	14,645,764	14,645,764	2,402,250	2,402,250	2,402,250	0	1,275,996
Cars, equipment and means of transport	71.01.02	47,978,191	47,978,191	15,977,958	15,977,958	8,051,743	7,926,215	21,578,752
Furniture, birotics and other tangible assets	71.01.03	1,343,584	1,343,584	185,053	185,053	147,346	37,707	1,013,635
Other fixed assets (including capital repairs)	71.01.30	15,102,560	15,102,560	1,119,788	1,119,788	1,074,129	45,659	5,755,768
TITLE XI FINANCIAL ASSETS	72	0	0	0	0	0	0	0

FINANCIAL DATA

INDICATORS	Indicator code	Budgetary credits		Budgetary engagements	Legal engagements	Payments	Legal engagements to be paid	Effective expenditure
		Initial	Quarterly/ final					
A	B	1	2	3	4	5	6= 4-5	7
TITLE XII DEVELOPMENT NATIONAL FUND	75	0	0	0	0	0	0	0
FINANCIAL OPERATIONS (code 80+81)	79	2,200,000	13,700,000	13,005,306	13,005,306	13,005,306	0	17,498,531
TITLUL XIII LOANS	80	0	0	0	0	0	0	0
TITLE XIV CREDIT REIMBURSEMENT (code 81.01+81.02)	81	2,200,000	13,700,000	13,005,306	13,005,306	13,005,306	0	17,498,531
Reimbursement of external credits (code 81.01.01 to 81.01.06)	81.01	2,200,000	13,700,000	13,005,306	13,005,306	13,005,306	0	17,498,531
Reimbursement of external credits contracted by the credit principals	81.01.01	2,200,000	13,700,000	13,005,306	13,005,306	13,005,306	0	17,498,531
Reimbursements of guaranteed and/or direct sub-loaned external credits	81.01.02	0	0	0	0	0	0	0

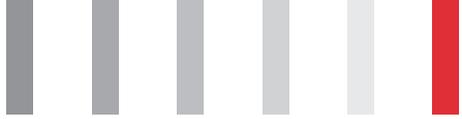
FINANCIAL DATA

INDICATORS	Indicator code	Budgetary credits		Budgetary engagements	Legal engagements	Payments	Legal engagements to be paid	Effective expenditure
		Initial	Quarterly/ final					
A	B	1	2	3	4	5	6= 4-5	7
Reimbursement of credits for the local external public debt	81.01.05	0	0	0	0	0	0	0
Exchange rate differences for the external public debt	81.01.06	0	0	0	0	0	0	0
Reimbursement of internal credits (code 81.02.01 to 81.02.05)	81.02	0	0	0	0	0	0	0
Reimbursement of guaranteed internal credits	81.02.01	0	0	0	0	0	0	0
Exchange rate differences related to the internal public debt	81.02.02	0	0	0	0	0	0	0
Reimbursement of credits for the local internal public debt	81.02.05	0	0	0	0	0	0	0

INDICATORS	Indicator code	Budgetary credits		Budgetary engagements	Legal engagements	Payments	Legal engagements to be paid	Effective expenditure
		Initial	Quarterly/ final					
A	B	1	2	3	4	5	6= 4-5	7
PAYMENTS MADE IN THE PREVIOUS YEARS AND RECOVERED IN THE CURRENT YEAR (code 85)	84	0	0	-68,936	-68,936	-68,936	0	0
TITLE XV PAYMENTS MADE IN THE PREVIOUS YEARS AND RECOVERED IN THE CURRENT YEAR (code 85.01)	85	0	0	-68,936	-68,936	-68,936	0	0
Payments made in the previous years and recovered in the current year	85.01	0	0	-68,936	-68,936	-68,936	0	0

EXECUTION ACCOUNT OF THE PUBLIC INSTITUTION BUDGET – INCOMES as of 31.12.2008

Indicators	Code	Initial budgetary provisions	Final budgetary provisions	Rights acknowledged			Payments received	Liquidation through other means than payments received	RON
				Total, of which:	previous years	current year			Payments to be received
				3=4+5	4	5			8=3-6-7
A	B	1	2	3=4+5	4	5	6	7	8=3-6-7
Total revenues		184,331,000	184,331,000	244,855,797	16,148,445	228,707,352	227,113,367	3,653,823	14,088,607
Other taxes on goods and services	12.10	0	0	2,801,221	2,801,221	0	108,134	0	2,693,087
Incomes from the share of turnover achieved in the electronic communications sector	12.10.08	0	0	2,801,221	2,801,221	0	108,134	0	2,693,087
Incomes from service provision and other activities	33.10	184,278,500	184,278,500	223,685,627	10,981,901	212,703,726	211,227,844	3,653,823	8,803,960
Incomes from service provision	33.10.08	184,278,500	184,278,500	223,685,627	10,981,901	212,703,726	211,227,844	3,653,823	8,803,960
Incomes from interest	31.10	0	0	16,307,682	799,723	15,507,959	15,649,412	0	658,270
Other incomes from revenues	31.10.03	0	0	16,307,682	799,723	15,507,959	15,649,412	0	658,270
Various incomes	36.10	52,500	52,500	2,060,100	1,565,600	494,500	126,810	0	1,933,290
Other incomes	36.10.50	52,500	52,500	2,060,100	1,565,600	494,500	126,810	0	1,933,290
Incomes from the capitalization of certain goods	39.10	0	0	1,167	0	1,167	1,167	0	0
Incomes from the capitalization of certain goods belonging to the public institution	39.10.01			1,167	0	1,167	1,167	0	0



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