

**DISPLAY OF REASONS FOR THE PROJECTS OF  
DECISIONS OF THE PRESIDENT OF THE  
NATIONAL REGULATORY AUTHORITY FOR COMMUNICATIONS  
ON INTERCONNECTION WITH THE PUBLIC MOBILE TELEPHONY NETWORK  
OPERATED BY S.C. "COSMOROM" - S.A./S.C. "TELEMobil" - S.A.**

During the last years, the European Commission and the regulatory authorities from the E.U. Member States have expressed an increasing interest towards the market behavior of the public mobile telephony networks operators, especially with respect to the level of the call termination tariffs in mobile networks. Therefore, the majority of the regulatory authorities decided that these tariffs are unreasonably high compared to the afferent costs and searched for means to intervene in order to eliminate these malfunctions determined by the lack of effective competition on the market. For this purpose, to mobile networks operators designated as having significant power on the (wholesale) "interconnection market" have been imposed obligations of non-discrimination and unconditioned granting of interconnection, as well as the obligation to set out cost oriented tariffs. In order to impose to the operators designated as having significant market power on this market the obligation of cost oriented tariffs, the regulatory authorities imposed the progressive reduction of the tariffs until the development of cost calculation methods. In certain countries, as for example Great Britain, such model has already been finalized, providing information on the level of the efficient costs of the interconnection service for call termination.

The National Regulatory Authority for Communications (hereinafter referred to as *ANRC*) intends to ensure effective competition on the electronic communications market, taking all necessary measures in order to prevent the abuses of operators having significant power on the market. Therefore, *ANRC* imposes to mobile electronic communications networks operators S.C. "Cosmorom" - S.A. and S.C. "Telemobil" – S.A. obligations of transparency, provision of certain services and granting access to certain facilities with respect to interconnecting their public mobile telephony networks to the public electronic communications networks installed, operated, controlled or made available by other operators for call termination.

Imposing the obligation of transparency is absolutely necessary in order to create the conditions for the implementation of the non-discrimination principle, allowing the operators as well as the regulatory authority to monitor whether this principle is observed by the operators having significant power.

Non-discrimination involves the provision of equal contractual conditions under similar circumstances, to the own operations or the members of the same group as well as to the other operators.

Following the practice of the European Union member states, when *ANRC* decides not to impose certain *ex ante* regulatory measures to these operators (for example non-discrimination and setting out of cost oriented tariffs), shall take into account the countervailing effect that other operators with monopolistic positions on the adjacent markets may have over the freedom of S.C. "Cosmorom" – S.A. and S.C. "Telemobil" – S.A. to adopt a behavior against competition, under condition that they do not enjoy significant commercial strength and negotiation power.

Therefore, due to the bilateral character of the interconnection agreements, when the transparency obligation is imposed, *ANRC* considers that an occurring abusive

behavior of S.C. "Cosmorom" – S.A. and S.C. "Telemobil" – S.A. regarding the setting out of the interconnection tariffs may be discouraged by the countervailing power of the contractual partners.

Considering the existence of these barriers that may prevent S.C. "Cosmorom" – S.A. and S.C. "Telemobil" – S.A. from adopting an abusive behavior and applying the principle of minimum intervention, *ANRC* decided upon an *ex post* regulation with regard to applying the non-discrimination principle. The cost-benefit ratio of the regulatory process is therefore maximized.

Should the behavior of S.C. "Cosmorom" – S.A. and S.C. "Telemobil" – S.A. on the market prove that the countervailing power of the other operators is not sufficient for preventing abuses, *ANRC* reserves itself the option to accordingly revise the level and strength of the regulatory measures imposed to these operators.