

Preliminary public consultation on the identification of electronic communications retail market

According to the provisions under art.1(3) of Law no.304/2003 on the universal service and users' rights relating to the electronic communications networks and services, „*In the exercise of the attributions set out herein, the National Regulatory Authority for Communications, hereinafter referred to as ANRC, shall ensure the promotion of competition as well as the protection of the rights and interests of end users, in order for these to obtain maximum benefits in the environment of a competitive market, with concern to the diversity of offers, tariffs, and quality of services*”. In order to achieve the objectives provided by law, ANRC:

- identifies the relevant specific retail markets;
- analyses the relevant specific retail markets identified and designates, where such is the case, the operators with significant market power on these markets;
- imposes on the providers with significant market power one or more of the obligations provided under arts.15, 16 and 18 of Law no.304/2003, correspondingly.

The object of the present document is to present and submit to public consultation ANRC's proposals concerning electronic communications retail market segmentation, proposals that will represent the starting point for the retail market identification process.

In order to identify the relevant specific retail markets, the concrete conditions on the market, as well as the global assessment of the future evolutions in the structure and functioning of the market will be analysed, starting from the characteristics and evolution of the markets in the European countries with a regulatory framework based on similar principles.

Considering the fact that Romania adopted the new *acquis communautaire* in the field of electronic communications networks and services, the segmentation proposed by ANRC is in conformity with Annex 1 of Directive 2002/21/EC on a common regulatory framework for electronic communications networks and services, as well as with the European Commission's Recommendation *C(2003)497/11.02.2003 on relevant product and service markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic communication networks and services*. According to the above mentioned European regulations, the following markets are susceptible to be object of the enforcement of the regulatory measures:

1. *Access to the public fixed telephone network – residential customers;*
2. *Access to the public fixed telephone network – non-residential customers;*
3. *Market of local and/or national calls provided at a fixed location – residential customers;*
4. *Market of local and/or national calls provided at a fixed location – non-residential customers;*

5. *International telephone services provided at a fixed location – residential customers;*
6. *International telephone services provided at a fixed location – non-residential customers;*
7. *Provision of leased lines service (minimum set).*

At the same time, information owned by ANRC on the situation of the Romanian electronic communications market were taken into account. Therefore, according to the provisions under *Regulation on the identification of the relevant markets within the electronic communications sector*, approved by ANRC President's Decision no.136/2002, completed by ANRC's President Decision no.174/2003, the following segments of the retail markets will be researched by ANRC, with a view to establish the specific retail markets:

1. *Access to fixed telephone network;*
2. *Local calls provided at a fixed location;*
3. *National calls provided at a fixed location;*
4. *International calls provided at a fixed location;*
5. *Fix – mobile calls;*
6. *Dial-up and ISDN Internet access;*
7. *Broadband Internet access;*
8. *Leased lines services provision.*

For every market segment will be analysed the necessity to separate it according to the type of users: residential or non-residential customers.

In order to verify the correctness of the above mentioned proposals (the opportunity to include/exclude from the above list a number of market segments) and to finalise the retail markets identification project, ANRC intends to analyse the criteria that form the basis for market definition (the possibility to substitute the demand-side and the supply-side), based on market studies. Likewise, through the market studies, certain aspects will be clarified:

- definition of the "local call" concept;
- the opportunity to include in the same market segment the micro-enterprises and the SME, on the one hand, and other legal entities, on the other hand;
- the opportunity to include dial-up and ISDN calls for Internet access among the local calls provided at fixed location market;
- the possibility to substitute mobile and fixed telephone services;
- the opportunity to include VoIP services in the local, national and international calls market;
- the opportunity to identify a distinctive market for calls towards non-geographical numbers, enquiries services, etc.;
- the necessity to analyse the international calls market separately for each route;
- the degree in which the introduction of CS and CPS services by S.C. „Romtelecom” – S.A. will determine a real competition as concerns the fix-mobile calls.

For a correct identification of the relevant specific retail markets, ANRC requests to the providers of electronic communications networks and services to send relevant comments to the above proposals (any information considered to be relevant, justified

opinions, documents that present the technical characteristics and the applications of the services provided etc.).

Information may be transmitted to ANRC by mail to ANRC headquarters, in 14, Libertatii Blvd, Bucharest 5, may be filed in at ANRC's registration office or at the ANRC territorial office covering the area where your head office/domicile is located, or may be sent by fax to the numbers 021/307.54.02 or 021/307.54.08., with the reference "To the attention of the Analyses and Market Studies Section".