



ANNUAL REPORT

ANCOM
National Authority for Management and
Regulations in Communications



Article 9 of the Regulation on the Organisation and Operation 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 own website, no later than the 30th of April each year, a detailed report regarding its activity during the previous year.”

The National Authority for Management and Regulation in Communications is the institution which establishes the rules for the Romanian communications market and watches their enforcement.

Our mission is to arbitrate the communications market in order to ensure a sustainable competition, to the users' 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 observe the following principles: necessity, opportunity, proportionality, obligatory character, technological neutrality, transparency, predictability, stability and efficient use of scarce resources.

CONTENTS

1. The Communications Regulatory Authority of Romania	7	4. Enhancing competition through the efficient management of scarce resources	26
1.1. Mission, vision, values	7	4.1. Objectives and priorities	26
1.2. Objectives and priorities for 2009	7	4.2. The general authorisation of the network and service providers and the rational and efficient administration of the scarce resources	26
1.3. Prospects for 2010	8	4.2.1. The general authorisation of the providers of electronic communications networks and services and of postal services	26
2. The Regulatory Activity – Protecting the End-Users while Fostering the Market Growth	9	4.2.1.1. The authorisation of the providers of electronic communications networks and services	26
2.1. End-user information and protection	9	4.2.1.2. Authorisation of the postal service providers	27
2.2. The electronic tariff guide	10	4.2.2. Spectrum management	28
2.3. Handset unlocking	11	4.2.2.1. Radiocommunications in the land mobile service	28
2.4. The First Year of Portability	11	4.2.2.2. Radiocommunications in the fixed service	30
2.5. The Single Emergency Call Number 112	13	4.2.2.3. Sound and TV radio broadcasting and electronic communications networks for the broadcasting/retransmission of audiovisual programme services	31
2.6. Universal Service	14	4.2.2.4. Radiocommunications in the fixed and mobile satellite services	32
2.6.1. Universal Service in the electronic communications field	14	4.2.2.4.1. Fixed satellite service	32
2.6.1.1. Implementing the National strategy for the implementation of Universal Service in the electronic Communications Sector in Romania	14	4.2.2.4.2. Mobile-satellite service	33
2.6.1.2. The directory enquiry service and the directory of subscribers	15	4.2.2.5. Maritime and inland waterways radiocommunications services	34
2.6.1.3. The Universal Service Fund	16	4.2.2.5.1. Radiocommunications in the mobile maritime and mobile-satellite maritime services	34
2.6.2. Universal Service in the postal services sector	18	4.2.2.5.2. Radiocommunications in the radiotelephone service on inland waterways	34
3. Competition – the key to sustainable development	19	4.2.2.6. Radiocommunications in the mobile aeronautical radiodetermination radionavigation, radiolocation services	34
3.1. Electronic communications – objectives and priorities	19	4.2.2.7. Radiocommunications in the aeronautical and maritime radionavigație aeronautică și maritimă, radiolocație	35
3.2. Electronic communications – main regulatory measures	19	4.2.2.8. Numerical identification of radio stations on vessels and aircrafts	35
3.2.1. Regulation of the retail markets	20	4.2.3. Certification of professional radio operators in the aeronautical and maritime radiocommunications services	36
3.2.2. Regulation of wholesale markets	20	4.2.4. Authorisation and certification in the radioamateur service, certification of radio operators in the land mobile service	36
3.2.2.1. Electronic communications services provided at fixed locations	20	4.2.5. Management of the numbering resources in the National Numbering Plan (NNP)	36
3.2.2.2. Other relevant markets susceptible to ex ante regulation under review	22	4.2.5.1. ANCOM's objectives regarding the management of the NNP resources	36
3.2.2.3. Electronic communications services provided at mobile locations	23		
3.2.2.4. Services of sound and TV programme broadcasting	24		
3.3. Major regulatory measures in the field of postal services	24		
3.4. Settling the disputes between providers	25		

4.2.5.2. Activities in the field of the management of the numbering resources provided in the NNP	37	5.2.4.2. The directory enquiry service and the subscriber directory	48
4.2.5.2.1. Allotments of numbering resources	37	5.2.4.3. Universal Service implementation in the postal services sector	48
4.2.5.2.2. Numbering resource vacation through the amendment or cessation of a LURN	37		
4.2.5.2.3. Transfers of numbering resources, amendments to the format of the allotted resources or to the licence provisions	38	6. Electronic communications and postal services market	49
4.2.6. Number portability management	40	6.1. Fixed telephony	49
4.2.7. Management of technical resources	41	6.1.1. Subscribers and access lines data	49
4.2.7.1. Management of the right to use SS7 national and international signalling point codes	41	6.1.2. Traffic volume data	50
4.2.7.2. Management of the right to use mobile network codes	41	6.2. Mobile telephony	51
4.2.7.3. Management of the right to use network identification codes	42	6.2.1. User data	51
4.2.7.4. Management of the right to use the routing numbers	42	6.2.2. Traffic volume data	51
4.3. Surveillance of the equipment market	42	6.3. Internet access services and leased lines	53
		6.3.1. Structure and dynamics of the broadband Internet access market	53
		6.3.2. Leased lines services	53
		6.4. Audio-visual programme retransmission services	54
		6.4.1. Market structure and dynamics	54
		6.5. Postal services	54
		6.5.1. Postal service market	54
		6.5.2. Total postal traffic in 2008	54
		6.5.3. Structural analysis of the postal traffic	55
		6.5.3.1. Letter-post traffic	55
		6.5.3.2. Parcel traffic	55
		6.5.3.3. Express traffic	56
		6.5.4. Analysis of postal networks	56
		6.5.4.1. Postal coverage and density	56
		6.5.5. Postal services within the scope of Universal Service in 2008	57
		6.5.5.1. Postal traffic within the scope of Universal Service	57
		6.5.5.2. Traffic of letter-post items within the scope of Universal Service	57
		6.5.5.3. Traffic of postal parcels within the scope of Universal Service	58
		6.5.6. Traffic of services reserved to CNPR	58
		6.5.7. Postal services outside the scope of Universal Service in 2008	58
		6.5.7.1. Traffic of letter-post items outside the scope of Universal Service	59
		6.5.7.2. Traffic of postal parcel items outside the scope of Universal Service	59
		6.5.7.3. Traffic of Express services outside the scope of Universal Service	59
5. Ensuring the regulation efficiency by monitoring and controlling the market	44		
5.1. The 2009 main objectives	44		
5.2. Monitoring the enforcement of the specific regulations in the field of electronic communications and postal services, as well as of those relating to the users' information and education	45		
5.2.1. Control actions conducted on the authorised providers	45		
5.2.1.1. Control actions conducted on the telephony providers	45		
5.2.1.2. Control actions conducted on the data transmissions and Internet access providers	46		
5.2.1.3. Control actions conducted on the providers of audio-visual programme retransmission services	46		
5.2.1.4. Control actions conducted on the postal service providers	47		
5.2.1.5. Control actions conducted on the providers using radio frequencies	47		
5.2.2. Monitoring of the radio frequency spectrum	47		
5.2.3. Monitoring the evolution of the electronic communications and postal services market	48		
5.2.4. Monitoring the Universal Service implementation in the electronic communications and postal services sector	48		
5.2.4.1. Installation of telecentres	48		

7. Communication	60		
7.1. The objectives of 2009	60		
7.2. Main communication activities in 2009	60		
7.2.1. Public consultation and communication with the industry	61		
7.2.2. User information, education and advice	61		
7.2.3. Communication with mass-media	61		
8. International Relations and PHARE Projects	65		
8.1. The 2009 objectives	65		
8.2. European projects and partnerships	65		
8.2.1. The Independent Regulators Group (IRG) and the European Regulators Group for Electronic Communications Networks and Services (ERG)	65		
8.2.2. The Radio Spectrum Policy Group (RSPG)	66		
8.2.3. The Communications Committee (CoCom)	66		
8.2.4. The Radio Spectrum Committee (RSC)	66		
8.2.5. The technical assistance programme TAIEX	66		
8.2.6. Fulfilment of the obligations as a Member State of the European Union	66		
8.3. International projects and partnerships	67		
8.4. PHARE projects implemented in 2009	68		
8.4.1. Project PHARE RO 2005/017-553.05.01.01.04 “Improving the Institutional Capability of ANRC in the area of ex ante regulation”	68		
8.4.2. Project PHARE 2006/018-147.03.18 “Enhancing the Institutional Capability of ANRC in the area of Economic Regulation”	68		
8.5. Financing from structural funds	69		
8.5.1. Project “Online application for comparing the communications offers dedicated to end-users”	69		
8.5.2. Project “Applicative electronic system for online training”	70		
9. Human resources	71		
9.1. The year 2009 – a new vision in the human resources sector	71		
9.2. Streamlines in the human resources management	72		
9.2.1. ANCOM institutional enhancement and career management of its personnel	72		
9.2.2. Continuous professional training of the ANCOM employees	72		
9.3. ANCOM – the employer that supports young future specialists	72		
10. Financial data	73		
11. Abbreviations	83		
12. List of the Authority's President Decisions adopted in 2009	84		
13. Contact	86		

THE COMMUNICATIONS REGULATORY AUTHORITY OF ROMANIA

1.1 Mission, vision, values

The National Authority for Management and Regulation in Communications (ANCOM) is the institution that protects the interests of the communications users in Romania, by promoting competition in the communications market, managing scarce resources, encouraging efficient investment in infrastructure and innovation. Through its activity, the Authority aims that all the inhabitants of Romania enjoy quality communications services, at fair prices, while the operators develop through innovation.

The ANCOM team cherishes professionalism and is dedicated to accomplishing all its tasks in a professional manner, respectful of their profession, knowledge and partners. They all act responsibly, thoroughly understanding that their actions will effect over years upon tens of millions of users. ANCOM employees are aware that untainted integrity is the foundation of trust, respect the values they have settled for and the mission entrusted to them.

The principles guiding ANCOM in its regulatory activity are: **necessity, opportunity, proportionality, obligatory character, technological neutrality, transparency, predictability, stability and the efficient use of resources.**

1.2 Objectives and priorities for 2009

2009 was a milestone year in the history of the Authority, which – on 19 March 2009 – was transferred from the subordination of the Government under the control of the Parliament of Romania, following its reorganisation as the National Authority for Management and Regulation in Communications (ANCOM), an autonomous public institution. The Emergency Ordinance no.22/2009 on the establishment of the National Authority for Management and Regulation in Communications adopted on 11 March 2009, legally laid down this transition, setting up new independence safeguards, the institution's set of main objectives and attributions and ending the series of institutional changes undergone by the Authority. An internal reorganisation followed, in order to optimize the activity and the team structure, according to the new attributions.

Meanwhile, the Authority continued pursuing its objective, i.e. promote competition in the communications market, by measures such as the cost-orientation of the tariffs for interconnection with the mobile operators and the initiation of the cost-orientation procedure for the tariffs charged by the National Radiocommunications Company for retransmission of audio-visual programmes. At the same time, the Authority went on reviewing the communications markets, enabling it to remedy competition-related problems. In 2009, ANCOM reviewed the market analyses for the markets of origination services provided at fixed locations and of transit on the public telephone networks as

well as the retail markets of telephone services provided at fixed locations (access and calls) and continued the proceedings of reviewing the markets for services of access to the local loop and bitstream access services and for leased line services.

As regards the management of the scarce resources within the Authority's scope of competence, in 2009, ANCOM took steps towards establishing a new procedure for the allotment of national short numbers for services of general interest and towards drawing up proposals for amending and completing the National Table of Frequency Allocations (NTFA). During 2009, ANCOM was actively involved in the elaboration and implementation of several national strategies, the most important of which being the strategy for the transition from analogue to digital terrestrial television.

The objective of maximising the end-users' benefits and empowering them to take full advantage of the competition in the communications market triggered the adoption of a decision regarding the information of the end-users, the designing of an online tariff comparison application and the start of the implementation of a new strategy in the field of Universal Service.

1.3 Prospects for 2010

In ANCOM's activity, the top priority for this period is and will remain the increase of broadband penetration in Romania, provided its low 2008 figure, which stood at 50% of the EU average penetration rate.

Moreover, with a view to ensuring a stable, more transparent and predictable regulatory framework, ANCOM will undertake, in 2010, a comprehensive market analysis, assessing the development of this market and the status of the objectives provided in the Regulatory Strategy for the Electronic Communications Sector during 2007-2010, thus enabling the drawing up of the Regulatory Strategy for the Electronic Communications Sector during 2011-2015.

For the purpose of promoting competition, ANCOM will continue the analysis of the relevant markets in the communications sector and will complete the review of the

bitstream markets, of the markets for leased line services and of the markets for the services of interconnection with a view to call termination, at fixed locations, on the public electronic communications networks.

Concerning the radio spectrum, ANCOM envisages implementing the steps required to accomplish the transition from analogue to digital terrestrial television and amending, completing and updating the secondary legislation in the radio spectrum field, by adopting a new procedure for requesting and granting licences for the use of the radio frequencies and a new procedure for authorising the broadcasting or retransmission of audio-visual programme services.

In order to directly and promptly meet the end-users' needs, ANCOM will continue developing and implementing the Universal Service mechanisms, by establishing the terms and organising the procedures for designating the Universal Service providers to provide access to the public telephone network, at fixed locations, and access to public pay telephones.

For a better protection of the users of Internet access services, ANCOM will define a set of quality parameters to be monitored in relationship with the end-users and will submit, to the competent ministry, certain draft amendments to Law no.196/2003 on preventing and fighting against pornography. Furthermore, ANCOM will conduct a new information campaign targeted at the telephony users, regarding number portability, and will issue a series of information leaflets for the benefit of the communications users.

ANCOM will cooperate with the Ministry of Communications and Information Society (MCSI) in view of improving the national legal framework in the field of postal services and the national legal framework in the field of electronic communications, by transposing the directives of the New Telecom Package into the national legislation. The transposition should be initiated as soon as 2010, so that Romania could comply with the 18-month term provided for implementation.

Moreover, upon the request of the communications industry, the Authority will intensify its dialogue with the industry representatives, so as to identify the most adequate ways of stimulating investment in the deployment of the communications infrastructure and in the new technologies.

THE REGULATORY ACTIVITY – PROTECTING THE END-USERS WHILE FOSTERING MARKET GROWTH

2

In its activity, ANCOM aims at protecting the interests of the communications users in Romania, by promoting competition in the market, managing scarce resources, encouraging efficient investment in infrastructure and stimulating innovation. Thus, the Authority protects the end-users both indirectly, ensuring the smooth development and fostering competition in the communications market, and directly, by means of decisions that pursue the end-users' better information, considering that an enhanced degree of user information contributes to their empowerment in relationship with the providers and to their improved capacity of better protecting their own interest. At the same time, a higher quality and level of information for the users bears a greater significance, insofar as it stimulates and sustains competition in the communications market.

Thus, ANCOM's regulatory steps envisage the growth of the local communications market, based on consistent competition principles, with an eye to protecting the interest of the communications end-users, their access to quality communications services at affordable tariffs, as well as their possibility to make their choice based on accurate and complete information, which should lead to a consumer behaviour based on rational decisions and should contribute to enhanced social welfare.

2.1 End-user information and protection

During 2009, the Authority adopted several measures designed to improve the end users' level of information on the communications services. Thus, in May 2009, Decision no. 77/2009 on the obligations of informing the end-users, incumbent on the providers of publicly available electronic communications services entered into force. Its purpose is ensuring the users' access to clear, detailed and updated information regarding the tariffs and usage terms of the electronic communications services.

ANCOM's decision thus provides several obligations of informing the end-users, such as that according to which the operators have to post, in their shops or working points, as well as in those of their dealers, a poster containing information on the terms for obtaining and using the services offered to the end-users. Moreover, the decision provides that users be informed on the complaints handling procedure, which must be detailed in a document made available upon request or at the moment of concluding the contract.

According to this decision, the operators' sales personnel must communicate the customer, orally or, upon request, in printed or electronic format, prior to concluding the contract, at least the following pieces of information: the chosen tariff plan, including its total amount for the whole initial contract period, specifying the included services

– monthly subscription (number of minutes/credit included, as the case may be), extra-options, connection installation, terminal equipment purchased, as the case may be, taxes included; the tariffs applicable for access and for national calls, the tariffs applicable during peak hours/off-peak hours (indicating the respective intervals) and the terms for using the included minutes/credit; the minimum contract duration, as well as the terms of early termination and the applicable penalties, as the case may be.

One of the provisions of this decision stipulates that, during the contract term, the end-user has the right to request and to receive an itemised bill including information regarding at least the charging period, the tariffs charged, the free offerings/discounts from which the respective subscriber benefited, the full list of the calls initiated and received, alongside their duration.

If the contract for the provision of publicly available telephone services is automatically extended, and its subsequent cancellation by the subscriber involves the payment of certain penalties, the operators will have the obligation to notify their subscribers – by means of the invoice or of an SMS message – on the contract expiry date and on the deadline by which the subscriber may request the cancellation of the contract. This notification must be sent to the subscriber at least 15 days and maximum 45 days before the contract expiry.

In the last quarter of 2009, ANCOM conducted 1,110 inspections at the working points of 28 providers of telephony services or their dealers, in order to verify compliance with the obligations of informing the end-users imposed by this decision, finding that more than 90% of the inspected shops had implemented the requirements of the ANCOM decision.

In most of the 88 non-compliant shops, the poster by which the operators must make publicly available information on the conditions for connecting to and using the services did not correspond to the required characteristics (or was missing), the obligation of providing, prior to concluding a contract, information materials in printed or electronic format regarding the chosen tariff plan, the applicable tariffs for access and for national calls, as well as the minimum contract duration, the terms for early contract termination and the applicable penalties, was not observed or the customers were not handed out a copy of the Framework-Contract and of the General Terms for service provision or of the Complaints Handling Procedure.

Following these assessments, ANCOM sent 88 notifications on the intention to apply sanctions to the 20 operators who did not comply with the provisions of Decision no.77/2009. The Authority started sending the notifications on 21 December 2009,

the operators having the obligation to solve the assessed problems within 30 days from the notification date. Otherwise, the applicable fines range from 10,000 RON to 100,000 RON, for the providers with a turnover of up to 5,000,000 RON, or amount to up to 2% of the turnover, or, in case of repeated breach, to up to 5% of the turnover, for the providers with a turnover of more than 5,000,000 RON. All the breaches assessed were remedied within the term imposed by ANCOM.

Furthermore, based on Decision no.77/2009, all the providers of publicly available electronic communications services have the obligation to make available to the subscribers, by means of itemised bills, a minimum set of information regarding the services provided according to the concluded contracts. The itemised bills made available by the providers of electronic communications services will enable the end-users to assess the charging manner for the services they use and to understand and check the content of the bills received from the providers.

2.2 The electronic tariff guide

Moreover, based on Decision no.77/2009, the providers will have to make available to ANCOM the information required for the Authority to develop an Internet portal, which should allow the comparison of the tariffs and of the terms offered by the providers of mobile telephony, fixed telephony and broadband Internet access, by means of an interactive "price calculator" application. This interactive tariff guide will prompt the user with a set of consumption options based on which it makes a comparative analysis of the offers on the market, ranking the most advantageous prices, as per the users' choice. The tariff guide will thus enable the users to make the most adequate choice. Given the increasingly complex tariff packages and schemes of the communications services (multiple tariff plans, tariffs for various on-net/off-net calls, towards fixed/mobile networks, during peak/off-peak hours, depending on destination, to favourite numbers etc.), and the considerable growth of the number of providers and of the commercial offers in the recent years, which makes it ever harder for the users to reach an informed decision on the provider and offer which is the most adequate to the respective consumer behaviour, the interactive tariff guide will help the end-users by presenting a clear and concise analysis of the offers, as a ranking.

Thus, the application will help the user choose the tariff scheme that is best suited to his/her communication needs, thus bringing about a decrease in the costs/more ef-

ficient expenditures on telephone/Internet services and enhanced overall satisfaction regarding the use of communications services.

For the purpose of building the interactive guide, the providers of publicly available electronic communications services will have the obligation to make available to ANCOM their commercial offers in the format established by the Authority, for each of the three categories of services (fixed telephony, mobile telephony and broadband Internet access), as well as to introduce the corresponding information, in electronic format, for each category of services, in the application database, by means of a web interface. The algorithm will be established by an open and transparent process, in collaboration with the operators and with the users, who will have the possibility to express their views during a public consultation.

In its attempt to reduce the applications costs, ANCOM elaborated a project entitled **"On-line application comparing the communications offers for the end-users"**. The draft project is one of the necessities identified at the institution level, for which ANCOM drew up and submitted the documentation with a view to obtaining the financing within the Sector Operational Programme "Enhancing Economic Competitiveness", Axis III "Information and Communications Technology for the Public and Private Sectors", Major Intervention Domain 2 "Developing and increasing the efficiency of public e-services", Operation 1 **"Supporting the implementation of e-government solutions and ensuring broadband connections, where necessary"**.

The project, bearing the code SMIS 14183, was submitted for assessment to the Ministry of Communications and Information Society at the end of October 2009, at the end of 2009 being still under analysis. Taking into account the duration of the assessment process, the tariff guide will become publicly available during 2011. All the rights of usage and the licence of this application will belong to ANCOM.

2.3 Handset unlocking

Another step to the consumers' benefit adopted in 2009 refers to unlocking the terminals encoded on a providers' own network. Thus, at the beginning of 2009, the Authority launched for public consultation a draft decision on establishing the conditions under which the providers of electronic communications services were to unlock the telephone terminals encoded on their network. Through this measure, the Authority

aimed at ensuring sheer freedom of choice for the Romanian users, offering them the possibility to keep not only their telephone numbers while switching providers, by introducing number portability, but also their handsets, in case of choosing the services of another provider.

Following this public consultation, ANCOM, together with the Association of Mobile Operators in Romania (AOMR) and its members, have laid down and signed a Code of Practice establishing the minimum standard terms for releasing the terminals locked on the mobile networks in Romania. The Code took over most of the provisions included in the regulation proposed by ANCOM, while allowing the establishment of each operator's own procedures.

The Code of Practice was signed by Cosmote, Orange, Telemobil, Vodafone, Romtelecom and RCS&RDS. According to its provisions, each signatory operator selling mobile terminals encoded on its network undertook the obligation to inform its customers – at the moment of sale – whether the handset they purchase is locked on the network or not, as well as on the unlock fee and on the unlocking conditions, and to offer the customers the possibility of requesting the release of the mobile terminal on the very date of the purchase or at a later moment. Terminal release requests must be accompanied by the invoice or by the guarantee certificate of the respective terminal.

In practice, ANCOM received complaints from the users on cases of breach of the Code provisions regarding the unlocking fee.

2.4 The First Year of Portability

Number portability is a service designed for the telephony users, introduced in Romania on 21 October 2008, which allows the subscribers to keep their telephone numbers when they switch providers. Portability brings along three major gains: the users' freedom of choice, the development of competition and lower tariffs. One can port fixed and mobile telephony numbers, as well as numbers for Premium Rate services and numbers within the 0800 or 0900 range. Only numbers of the same category (fixed-to-fixed, mobile-to-mobile) can be ported. The users can learn more about number portability and the steps required in order to port their number from the Authority's dedicated page www.portabilitate.ro, where they can also use a search engine to find whether a number has been ported and on which network.

The first year of portability in Romania (21 October 2008 – 21 October 2009) witnessed a total of 157,041 ported numbers, 67% (105,745) of which were mobile telephony numbers, while 51,291 numbers were ported in the fixed telephony segment.

Five 0800-numbers (freephone numbers) were ported: four to the network of Romtelecom and one to New Com Telecomunicatii. Statistics show that, on average, during the first year of portability, more than 13,000 users have ported their telephone numbers every month.

The statistical data for mobile telephony reveal that subscription users port their numbers more frequently than those who use a prepaid card. Thus, out of the total number of mobile telephony users who had ported their number by 21 October 2009, 75% were postpaid subscribers and 25% were prepaid subscribers. Most of the fixed telephone numbers have been ported in Bucharest (13,077), in Cluj (4,067), Prahova (3,170), Timis (2,724), Bacau (2,176), Brasov (2,068) and Galati (2,035). Out of the total number of users who chose the portability option by 21 October 2009, 1,395 mobile telephony users and 361 fixed telephony users had ported their number several times. Out of the total amount of ported numbers, approximately 800 returned to the initial provider.

According to the latest statistic, as of end 2009, there were 195,920 ported numbers, 130,167 of which were mobile telephony numbers and 65,753 were fixed telephony numbers.

Exhibit 2.1 Monthly evolution of the amount of ported numbers in 2009

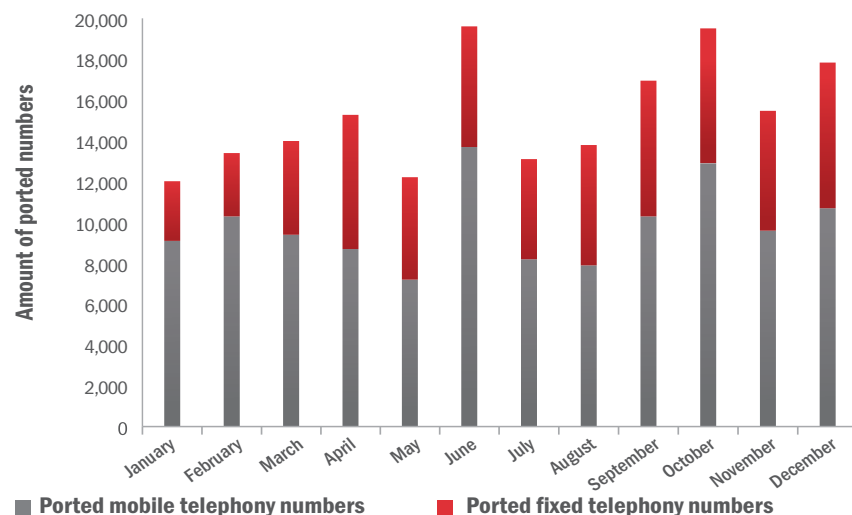
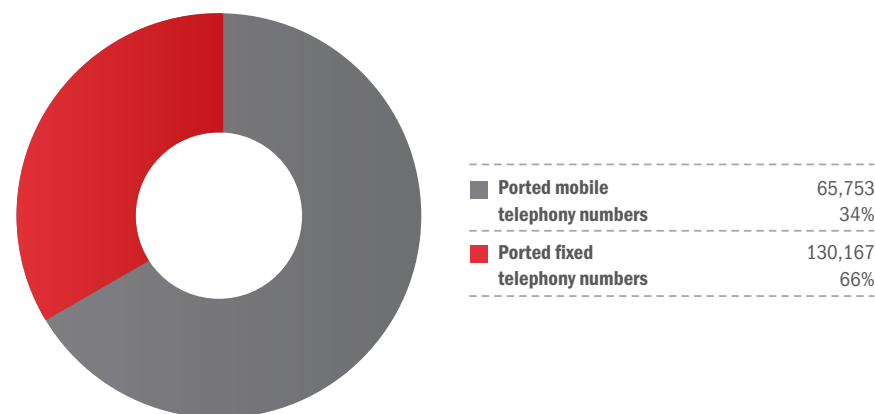


Exhibit 2.2 Distribution of ported numbers, by service type (mobile/fixed) as of 31 December 2009



In 2009, the maximum amount of ported numbers a donor provider could process per day increased to 700 for mobile telephony numbers and to 450 for fixed telephony numbers. Reportedly, none of these limits was exceeded, but, if the number of requests will exceed the said processing capacities, ANCOM will envisage a new extension of these limits.

The Authority deems that portability has reached its goal from the very first year of availability, and this goal cannot be measured in the amount of ported numbers, but in the benefits of the users that the providers are trying to attract or keep by more advantageous offers, better service quality and lower tariffs.

In order to ensure a high level of certainty in operation and to improve certain functionalities of the central database for number portability, ANCOM initiated, at the end of 2009, the acquisition procedure with a view to extending the database for the number portability system. This will enable heightening the speed of accessing the database and will shorten the message processing interval, both by redistributing the tasks among a greater number of hardware equipment and by reusing equipment dedicated to processing certain types of messages (received messages, sent messages). Moreover, reports will be generated more rapidly, by means of a dedicated server, the back-up solution will be improved and a management solution will be implemented for the entire hardware equipment in the system.

2.5 The Single Emergency Call Number 112

112 is the single European emergency call number, reachable from fixed and mobile phones, free of charge, whenever life is endangered or people's health, public or private property, the environment or public order are threatened and immediate intervention is required from the specialised agencies, i.e. the Ambulance, the Police, the Gendarmerie, the Fire Brigade, the Inspectorate General for Emergency Situations/SMURD.

During 2009, ANCOM initiated a series of actions intended to ensure access to 112 under the best conditions, in accordance with the requirements of the European Commission, taking into account that the operation of the emergency services is important for several domains, such as electronic communications, public health or public order.

Following the earthquake of 25 April 2009, the Authority assessed that the mobile telephony networks had been congested, registering an increase by 50% of the calls towards the operator of the single emergency number 112 during the hour following this event, compared to the preceding hour. Immediately after the earthquake, ANCOM performed a series of investigations at the main telephony operators in order to check whether these had observed the obligation of prioritizing their users' calls to 112.

ANCOM's investigation aimed at identifying and assessing the prioritization mechanisms for emergency calls implemented by Cosmote, Orange, RCS&RDS, Romtelecom, Telemobil, UPC and Vodafone, that together provide services to more than 99% of the telephony users in Romania. During the investigation, the ANCOM specialists checked whether the prioritization mechanisms were in place and functioned for each relevant network segment: the access radio interface - exclusively for mobile public networks -, the internal switching and transport network, the interconnection links for call transfer to Romtelecom's network and, as regards Romtelecom, to the Unique National System for Emergency Calls (SNUAU).

The investigation revealed that, on 25 April 2009, there were various mechanisms and procedures implemented on the operators' networks in order to optimize the processing of calls to 112. The operators had taken steps with a view to simplifying the logic of handling emergency calls (optimising the processing time), for the purpose of prioritizing calls to 112 among the ordinary calls as regards the allocation of resources and of reserving resources for emergency calls. The investigation also showed that the number and the effectiveness of the implemented mechanisms varied from one provider to another, based on the network type and on the equipment used, as well as the fact that

these mechanisms cannot thoroughly solve the problem of unsuccessful calls in case of network congestion due to an upsurge in the number of calls.

ANCOM continues monitoring the diligence the operators of electronic communications networks and services are taking in order to ensure the prioritized, uninterrupted transmission of emergency calls to the SNUAU. The monitoring procedure provides that the operators send the Authority regular reports regarding the traffic towards 112. These reports must specify the traffic data read on the peak day and hour established by ANCOM, taking into consideration each network's traffic structure for the past year. Based on these data, the accepted service level, as well as the share of calls to 112 out of the total traffic can be calculated and ANCOM is thus able to request adjustments on the operation parameters of the prioritization mechanisms.

ANCOM sent the Ministry of Communications and Information Society the results of the investigation alongside its proposals, including the proposal of amending the legal provisions in force, so that the law could make a difference between the procedures applicable in case of routing the emergency calls to 112 under ordinary circumstances and the situations that may be deemed emergencies, i.e. trigger a sudden and abnormal increase of the traffic volume processed, including traffic to 112, over a short period. These cases must be clearly defined and even ranked by magnitude, while the applicable procedures must be adequate to the identified case and initiated when an emergency arises. Moreover, ANCOM recommended developing plans for ensuring the continuous operation of each operator's services and the consolidation of these plans at the national level, through the Ministry of Communications and Information Society, the performance of regular exercises (once every two years) to test the viability of these plans, and also the development of public education programmes on the behaviour expected from the users of communications services in emergency situations.

Furthermore, in 2009, ANCOM assessed the impact of the "SMS Assault" on 112 pranksters, a measure initiated in 2008 by a working group of MCSI, STS, ANCOM and the representatives of the largest telephony operators. It consisted of sending SMS warnings to those who repeatedly originated unjustified calls to 112 and was enforced during a three-month period (20 March – 20 June 2009), as part of a pilot project intended to test the effectiveness of this measure.

Based on the statistics provided by the operator of the Unique National System for Emergency Calls (SNUAU) at the end of the three months, ANCOM assessed the impact of this measure. ANCOM's statistics revealed that this measure had not had the expected impact. The apparently drastic downfall of prank calls (from 495,819 in Feb-

ruary, to 355,477, between 20 March and 20 April 2009, and to 315,837, between 21 April and 20 May 2009) may be due to the oddness of the implemented measure, but it also goes along with the fluctuation of the total number of calls to the SNUAU. The analysis of the statistical data indicates that the effect of this measure is likely to even out over time, since those who repeatedly originate hoax calls to 112 come back even more recklessly after the first "SMS assault" month.

Following this analysis, ANCOM deemed necessary to define and implement a set of additional measures for fighting prank calls to 112. Therefore, the regulator proposed, during the first meeting of the National Committee for Coordinating the SNUAU Activity, a set of progressive measures including solutions that involve the caller's warning/detering, access restriction or a fine, to be applied gradually, depending on the results.

As well, in 2009, on the international level, the ANCOM experts coordinated a technical report on the technical solutions for obtaining caller location information in case of calls to 112 initiated from various types of electronic communications networks. The document is available at: <http://www.erodocdb.dk/Docs/doc98/official/pdf/EC-CREP143.PDF>

2.6 Universal Service

2.6.1. Universal Service in the electronic communications field

The Universal Service is a minimum set of electronic communications services, made available, upon request, to all end-users, at affordable prices and at a certain quality level, irrespective of their geographic location on the territory of an EU Member State. The Universal Service is a right of all the European Union's citizens and the state needs to intervene where the access to the minimum set of communications services is not ensured by the market mechanisms.

2.6.1.1. Implementing the National Strategy for the Implementation of Universal Service in the Electronic Communications Sector in Romania

During the fourth quarter of 2009, ANCOM completed the first stage in the activity of implementing the new National Strategy for the Implementation of Universal Service in the Electronic Communications Sector, which consisted of conducting a survey with

a view to identifying the localities where electronic communications networks need to be rolled out.

According to this survey, in Romania, there were significant gaps between the rural and the urban areas as regards the penetration of the communications networks. Approximately 80% of the total fixed telephony subscribers were living in the urban area and almost 100% of the total population and households benefited from mobile telephony coverage. As regards the fixed telephony, 3.35% of the inhabitants of Romania living in 2,710 rural localities had no access to the fixed telephone network. At the end of 2009, there were two villages in Romania (i.e. a total number of 140 inhabitants, living in 45 households) that did not benefit from mobile telephone services.

The study undertaken by ANCOM also shows that the mobile telephony providers are an alternative to the provision of the Universal Service obligations. However, taking into consideration the provisions of the new regulatory framework, which allows for introducing the broadband Internet within the scope of Universal Service, the GSM coverage is not sufficient anymore. Thus, it is necessary to extend the broadband networks in order to meet the requirements for the provision of access to a telephone network, at fixed locations. Based on the conclusions of the study, ANCOM will launch, during 2010, a series of public consultations on the most suitable methods to implement the Universal Service and to ensure that all Romanian citizens benefit from telephone and Internet access services.

As the new European Directive on Universal Service grants to the Member States flexibility in defining the Internet functional access, following the abovementioned consultations, ANCOM will establish the bandwidth which enables such access, in accordance with the national needs and specificity of the content currently available on the Internet. As soon as the technical aspects are clarified and the ANCOM decisions on Universal Service are amended, the Authority will designate, during 2010, one or more Universal Service providers to ensure a connection capable to uphold the provision of telephone services (including emergency calls) and of functional access to the Internet, taking into consideration the principles of efficiency, non-discrimination, technological neutrality and minimum market distortion.

2.6.1.2. The directory enquiry service and the directory of subscribers

Starting from 31 October 2009, the directory enquiry service and the directory of subscribers became available to the users in Romania, thus ensuring the end-users' right of access to directory enquiry services and to directories of subscribers, which had been

established by the European Universal Service Directive, transposed into the national legislation by Law no.304/2003 for Universal Service and the users' rights regarding the electronic communications networks and services, with the subsequent amendments and completions.

The directory enquiry service and the directory of subscribers are services included in the scope of Universal Service that aim at facilitating the end-users' access to details such as the telephone or fax number or numbers of the business or residential users of pre- or post-paid publicly available telephone services.

In January 2009, following the public consultation on the documentation in view of designating the Universal Service providers who were to make available for the end-users a directory enquiry service and a directory of all the telephony providers' subscribers, the Authority decided to amend the ANRC Decision no.1074/2004 on the implementation of Universal Service in the electronic communications sector, with the subsequent amendments and completions, in order to allow for organising two separate tender procedures simultaneously. Thus, the operators were enabled to submit offers either for the provision of the directory enquiry service, or for the provision of subscriber directories, while having the possibility to be designated for the provision of both services, based on the most advantageous offer.

In March 2009, ANCOM launched two tender procedures, for the designation of the Universal Service providers for a directory enquiry service and for an online subscriber directory, following which the Authority received five offers: two for the designation of the Universal Service provider to make available to the users a directory enquiry service (from Infoclick and Mediasat) and three for the designation of the Universal Service provider to make available an online directory of subscribers (from Infoclick, Mediasat and Borg Design). ANCOM designated the company InfoClick in association with Newsphone Hellas SA Atena Grecia – Bucharest Branch as a Universal Service provider both for creating and managing a subscriber directory and for providing a directory enquiry service.

With a view to designating the provider of the directory of subscribers, ANCOM assessed criteria such as the amount borne by the requester out of the total costs incurred with obtaining, from the operators, of all the information required for creating and updating the database, previous experience in making available to the end-users directories of subscribers, the provision of a printed subscriber directory, the number of users that can access the online subscriber directory simultaneously, the provision of a directory of foreign telephony providers' subscribers, the provision of a subscriber directory in a

foreign language, the provision of an SMS directory enquiry service and the provision of a voice directory enquiry service.

The offers for the directory enquiry service were assessed based on criteria such as: the amount borne by the requester out of the total costs incurred with obtaining, from the operators, of all the information required for creating and updating the 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.

InfoClick was designated as a Universal Service provider for a period of 2 years from the moment of making available to the end-users the directory of subscribers and the directory enquiry service. At the end of this designation period, the Authority is to assess the status of the market for these services to check whether the directory enquiry services and the directories of subscribers could be offered by means of the market mechanisms.

InfoClick has the obligation to develop and administrate the complete database, which should include the fax and telephone numbers, as well as certain identification data of the users of publicly available telephone services in Romania (including prepaid card users) who give their consent thereto. The online directory of subscribers is publicly available, on www.118800.com.ro.

All the telephony providers that assign telephone numbers to their subscribers (monthly subscription- or prepaid card users) have the obligation to make available to the Universal Service Provider and to the other providers of directory enquiry services the databases with the details of their own users who have consented to being listed in such a directory, in compliance with the provisions of Article 11 of Law no.506/2004 on processing personal data and the protection of privacy in the electronic communications sector. The method of obtaining the users' consent varies from one operator to another: some prefer the opt-in model, others the opt-out model, respectively some request their subscribers to explicitly ask for the inclusion of their data in the directory, while others include all the subscribers in the directory if these do not choose otherwise. The users have the right to decide on the introduction of their identification data, free of charge, in the directory of subscribers, as well as on the categories of data to be included in the respective directory. This decision can be changed at any moment.

For the assessment of the minimum quality indicators, the Universal Service provider must send ANCOM a half-yearly statement on the values of these indicators, within 15 days from the end of each semester. The Universal Service provider has the right to ask for the compensation of the net cost of providing the service within the scope of Universal Service, as the case may be. In this situation, the amount that ANCOM can compensate shall not exceed the difference between the costs incurred with obtaining the information required for creating and updating the complete database, from the telephone service providers - who assign numbers to their subscribers - and the amount InfoClick is committed to covering from its own sources. The compensation of the net cost shall be requested at the end of each fiscal year during the designation period.

In case of failure to comply with the obligations imposed in the designation decision, the Universal Service provider will undergo the sanctions provided by the legislation in the electronic communications field. Moreover, where the ANCOM control personnel assesses, by a statement-of-facts, that the directory of subscribers and the directory enquiry service have not been made available to the end-users under the terms provided in the Terms of Reference and in the technical proposal included in the documentation of the tender by which InfoClick was designated as a Universal Service provider, InfoClick will not be entitled to the compensation of the costs incurred with the service provision.

2.6.1.3. The Universal Service Fund

The Universal Service Fund was set up in 2004. 2009 was the first year when the providers of electronic communications networks and the providers of publicly available telephone services did not contribute to this fund.

ANCOM manages the financial resources of the Universal Service Fund, highlighting them distinctly within its income and expenditure budget.

Table no. 2.1 The provisions of the ANCOM budget as regards the amounts collected for 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
2009	0

Table no.2.2 Total amount of the Universal Service Fund, based on the imposition decisions imposed by ANCOM

Year	Amount, pursuant to the imposition decisions (RON)
2004	59,704,957*
2005	25,899,285
2006	30,804,478
2007	0
2008	0
2009	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 no. 2.3 Total amount of the payments received to the Universal Service Fund

Year	Amount received (RON)		Disputed amounts (RON)
	Current year	Previous years	
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	
2009	0	179,106.00	
TOTAL	98,375,443.30	15,519,295.26	

Table no. 2.4 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
2009	12,340,672.17
TOTAL	49,076,723.14

Table no. 2.5 Beneficiaries of the amounts paid from the Universal Service Fund

Year	Beneficiary	Amount (RON)	Reason
2004	-	0 lei	-
2005	S.C. Orange Romania 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 Romania 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
2007	S.C. Romtelecom S.A.	7,352,635.08 lei	Subscription subsidies
	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

2009	National Radiocommunications Company S.A.	3,477,490.29 lei	Telecentres
	S. C. Accessnet International S.R.L.	6,605,730.88 lei	Telecentres
	S.C. Rartel S.A.	648,954.00 lei	Telecentres
	S.C. Vodafone Romania S.A.	1,608,497.00 lei	Telecentres

2.6.2. Universal Service in the postal services sector

The Universal Service in the postal services sector ensures the right of each European 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 the European Union's territory, at affordable tariffs.

At the beginning of February 2009, ANCOM initiated the procedure of designating one or several Universal Service providers in the postal services sector to provide, until 31 December 2012, the services within the scope of Universal Service, thus ensuring the users' right to benefit from uninterrupted provision of the postal services within the scope of Universal Service, at certain quality standards, at any location on the territory of Romania, at affordable tariffs.

The winner was designated based on the guaranteed coverage of the national territory, including: the density of the access and contact points of the postal networks operated by itself or by other postal service providers with which it has concluded contracts therefor; its experience in providing the postal services within the scope of Universal Service, for which the designation was requested, or other postal services; the technical, economic and financial capacity; the capacity of ensuring an even tariff level for the services within the scope of Universal Service provided countrywide, the net cost incurred in the provision of the postal services within the scope of Universal Service for which the designation was requested, as well as on other relevant data submitted by the requester.

CNPR required the designation as a Universal Service provider, by submitting a designation request following the publication of the Authority's intention to designate a Universal Service provider in the postal services sector. Another company, Posta Atlas-sib Curier Rapid, also submitted a designation request. The evaluation commission, however, established that the latter does not hold sufficient technical, material and human resources to ensure the provision, in each Romanian locality, of any of the services within the scope of Universal Service. Therefore, ANCOM submitted to public

consultation a draft decision for the designation of CNPR as a provider of Universal Service in the postal sector starting from 26 April 2009. Subsequently, the Decision on the designation of the National Company Romanian Post (CNPR) as a Universal Service provider in the postal sector, was adopted.

CNPR has the obligation to make available, throughout the country, between 26 April 2009 – 31 December 2012, the following services: clearance, sorting, transport and delivery of domestic and cross-border correspondence items, domestic and cross-border printed matter and domestic direct mail items weighing up to (including) 2 kg, clearance, sorting, transport and delivery of domestic and cross-border parcels weighing up to (including) 10 kg, distribution of the parcels weighing between 10 kg and (including) 20 kg sent from abroad to an address located on the territory of Romania, as well as the provision of the service for registered items and value added items for all the above-mentioned services.

3

COMPETITION – THE KEY TO SUSTAINABLE DEVELOPMENT

3.1 Electronic communications – objectives and priorities

Reviewing the relevant markets susceptible to ex ante regulation, reflecting to the greatest possible extent the specific of the electronic communications sector in these analyses, contributing to the development of a harmonised European regulatory framework for communications, as well as the operational and effective implementation of the remedies imposed based on the existing obligations were the objectives and priorities of ANCOM's 2009 activities for enhancing the competitiveness of the Romanian sector.

In 2009, in order to ensure and promote competition in the fields of electronic communications, audio-visual communications and postal services, ANCOM and the Competition Council signed a new collaboration protocol that brings together the efforts of the two institutions for a really competitive communications market, where all the players observe the rules, to the benefit of the end-users. The document establishes how the two institutions are to coordinate their efforts for a level enforcement of the general legislation in the field of competition, as well as of the specific legislation in the communications field.

Among the instruments envisaged in the implementation of this protocol, we mention the setup of joint expert teams, the initiation of market research actions that would be useful for both institutions, i.e. market surveys and analyses, or the dissemination - on a large

scale - of the legislation, steps and actions taken regarding the competition environment and the functioning of the electronic communications, audio-visual communications and postal services sectors.

3.2 Electronic communications – main regulatory measures

With a view to promoting competition and maximising the end-users' benefits, in 2009, the Authority reviewed the measures regarding the identification, analysis and regulation of the following relevant markets:

- in the retail segment: the market of access services and, respectively, the market of calls provided at fixed locations;
- in the wholesale segment: the market of call origination services provided at fixed locations on the public telephone networks and, respectively, the market for services of switched national transit of calls on the public telephone networks.

Furthermore, the Authority finalised the regulatory measures for the relevant market for the services of call termination at mobile locations and, respectively, for the relevant markets for analogue broadcasting of public audio-visual programme services.

3.2.1 Regulation of the retail markets

In 2009, ANCOM reviewed the relevant markets for the services of access and of calls provided at fixed locations. Following the analyses conducted, ANCOM identified - as a relevant market susceptible to ex ante regulation - the market for the services of access provided at fixed locations on the public telephone networks, and designated Romtelecom as a provider with significant power in this market.

The market for the services of access to the public telephone networks provided at fixed locations matches market no.1 in the Recommendation 2007/879/EC regarding the relevant markets of products and services in 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 communications networks and services (EC Recommendation).

In the market for access to the public telephone networks at a fixed location the following obligations incumbent on Romtelecom were upheld:

1. The obligation to offer carrier selection and preselection services. Thus, Romtelecom has the obligation to offer its users the possibility to use the services of any provider of telephone services it is interconnected with, in the following ways:

a) on a call-by-call basis, upon dialling an individual carrier selection code allotted to the service provider who is to carry the signal, without affecting the information content, from the Provider's network to the destination network;

b) by preselection, offering the possibility to change the preselected option at each call, upon dialling an individual carrier selection code allotted to the service provider specified at letter a). Carrier preselection is a facility offered to the subscribers, which allows them to choose that all of, or certain categories of calls be carried by the preselected service provider (following the conclusion of a contract), without requesting the user to dial a carrier selection code at every call or to use another method of routing the calls from the preselected provider to the destination network.

2. The obligation not to bind the provision of the service of access to the acceptance of additional services. Thus, the Authority deemed necessary to uphold the following obligations of Romtelecom:

a) not binding the provision of the service of access to the acceptance of additional services, that are independent from the requested service, or to the purchase of service packages including the services of access at fixed locations;

b) offering the end-users the possibility to purchase the service of access at fixed locations separately from any service package offered or any other additional options available to which this service belongs, irrespectively from the technology used, at tariffs that should not compel the end-users' to accept additional performances.

Moreover, the following obligations of Romtelecom were withdrawn:

- the obligation not to apply predatory pricing or excessive tariffs,
- the obligation to observe the price cap formulas,
- the obligation regarding the separate accounts.

Concerning the services of calls provided at fixed locations, at the retail level, the markets corresponding to these services have been removed from the EC Recommendation. In view of the provisions of recital 17 of the EC Recommendation - according to which, for the relevant markets not included in the Recommendation, which had previously been analysed and on which remedies were imposed upon the providers with significant market power, the regulatory authorities have the obligation to review the respective markets, with a view to upholding, amending or withdrawing the imposed obligations - ANCOM assessed the fulfilment of the "three criteria test". Since, in the product relevant markets corresponding to the services of calls provided at fixed locations, the three criteria are not cumulatively met, ANCOM considered that no ex ante regulations are required. Thus, the following obligations previously imposed on Romtelecom in the markets for the services of calls provided at fixed locations, at the retail level, were withdrawn:

- the obligation not to apply predatory pricing or excessive tariffs,
- the obligation to observe the price cap formulas,
- the obligation to forbid the binding of the service provision to the users' accepting additional performances, with no connection with the requested service,
- the obligation regarding the separate accounts.

3.2.2 Regulation of wholesale markets

3.2.2.1. Electronic communications services provided at fixed locations

By [Decision no.995/2009 on the identification of relevant markets in the electronic communications sector for the services of call origination provided at fixed locations, for the services of switched call transit, as well as for the services of access, at fixed locations, to the public telephone networks](#), ANCOM identified the following wholesale markets as being susceptible to ex ante regulation:

1. The market for the services of call origination, at fixed locations, on the public telephone networks;
2. The market for the services of national switched transit of calls on the public telephone networks.

Based on the analysed criteria - large market share and its evolution over time, the existence of high and non-transitory barriers to market entry, absence of the buyer countervailing power - Romtelecom was designated, by Decision no.1014/2009, as a provider with significant power in the market for the services of call origination, at fixed locations, on the public telephone networks and in the market for the national switched transit of calls on the public telephone networks, undergoing the following obligations:

1. Obligation to allow the access and use of specific network elements and of the associated infrastructure. The Authority imposed, on the operator designated as having significant market power, the obligation to interconnect the public telephone network it operates, with a view to call origination at fixed locations and/or to the switched call transit, insofar as the requests are reasonable and technically feasible.

Romtelecom's obligations regarding the maximum terms for negotiation and for the implementation of the interconnection agreements were upheld, in order to prevent situations where this company could delay the conclusion or the implementation of interconnection agreements for the purpose of acquiring a competitive advantage on the retail market. These terms, which had been expressed - prior to the adoption of the new imposition decision, as calendar days - were set as working days, symmetrically with the obligations imposed on the operators with significant power in the markets for call termination at mobile locations on the public telephone networks.

Moreover, Romtelecom must continue providing collocation services for the equipment of the operators interconnected for the purpose of call origination at fixed locations and/or of switched call transit.

Taking into account the ubiquity of this operator's network and the fact that it has the most developed network of access at fixed locations, ANCOM upheld Romtelecom's obligation to provide the interconnection links.

2. The transparency obligation. The Authority decided to uphold Romtelecom's obligation to publish a reference offer for interconnection with the fixed public telephone network it operates (RIO). Alongside definitions and general terms, the RIO

must include at least the minimum set of interconnection services, together with the conditions, including on the tariffs for the origination and transit services, under which these will be offered to the operators, as detailed in the ANRC President's Decision no.147/2002. The RIO must be sufficiently detailed to allow interconnection at all the network points where this is technically feasible and to ensure that the operators cannot be compelled to pay for resources that are not necessary to the requested service.

Furthermore, RIO must contain detailed information regarding the set of parameters relevant for the quality of the services offered to the operators, detailed information and technical specifications on the network they operate, so that these could efficiently choose the access points for interconnection and be able to plan the development of its own networks or services, as well as thorough information on the location of the sites where collocation is possible, the collocatable space, the available space and the reserved space in each building.

The amendments to the RIO must be sent to ANCOM either 25 working days prior to the date of adopting the respective amendments, or 7 months prior to the date of adopting them, in case of structural or extensive changes. ANCOM may impose amendments to the RIO so that the obligations provided in ANRC President's Decision no.147/2002 could be enforced.

Moreover, if Romtelecom offers an operator more favourable interconnection conditions than those provided in the RIO, these conditions must be offered to all the other operators, on non-discriminatory bases.

3. The non-discrimination obligation. The Authority imposed Romtelecom the obligation to apply equivalent conditions, under equivalent circumstances, to all the entities who request or already benefit from equivalent services, and to make available to third parties services and information under the same conditions, including in respect of quality, as those offered for its own services or for the services provided to its branches, subsidiaries or partners.

4. The price control obligation, including the obligation of cost-orienting the tariffs. The Authority decided upholding Romtelecom's price control obligation, by calculating the tariffs based on the long-run incremental costs of service provision, deeming that the use of this costing standard would send adequate economic signals for promoting long-term investments, would allow the operator to recover its costs, while promoting efficient interconnection means, transparency and non-discrimination.

For these services, the Authority currently uses a LRIC model developed in 2005, which serves as a basis for cost-orienting the tariffs. Nevertheless, pursuant to the provisions of the European Commission Recommendation 2009/396/EC, as the origination and transit services, alongside the termination ones, use the same transport network, the regulatory treatment of the termination services would directly impact the other regulated services contribution (origination at fixed locations and transit) to recovering the costs of the transport network. Therefore, the Authority considered that a new costing model needs to be developed for calculating the costs of Romtelecom's transport network.

The new costing model will be developed by the end of 2011, in accordance with the provisions and terms recommended by the European Commission. Meanwhile, the Authority decided to continue enforcing the results of the existing costing model, introducing tariff ceilings irrespective of the traffic distribution over a reference period, thus:

Service	Interconnection level	Maximum tariff (eurocents per minute)
Origination	Local	0.84
	Regional	0.97
	National	1.06
Transit	Simple	0.05
	Double	0.16

5. The obligation of separate accounting. Taking into account the fact that ANCOM deemed necessary upholding this obligation, Romtelecom must draw up and publish, annually, the following data regarding the provision of interconnection services (while observing the confidentiality of commercial information and other legal obligations):

- Profit and Loss Account;
- Status of the average capital employed, including the profitability of the average capital employed (detailing the calculation methodology and the value of the parameters used);
- Reconciliation between the Profit and Loss Account, respectively a statement on the average capital employed, consolidated, elaborated within the separate finan-

cial statements and the Profit and Loss Account, respectively the balance sheet, included in the annual financial statements drawn up in accordance with the International Financial Reporting Standards (if audited) or the statutory annual financial statements (if the annual financial statements drawn up in accordance with IFRS are not audited);

- Description of the costing methodology, including references to the cost standard, allocation and assessment methodologies, the treatment of indirect costs;
- A note regarding the non-discrimination obligation (presentation of cross-subsidies, detailed enough to ground compliance with the non-discrimination obligation);
- Opinion of the independent auditor;
- Description of the regulated accounting principles and policies.

Furthermore, the obligation of purchasing the interconnection services for the purpose of call termination at fixed locations offered by other providers of electronic communications networks, at tariffs at least equal to those based on the reciprocity principle, was withdrawn.

3.2.2.2. Other relevant markets susceptible to ex ante regulation under review

During the first round of market analyses, the Authority identified the markets for the unbundled access to the local loop and, respectively, the wholesale markets for the leased line services as relevant markets susceptible to ex ante regulation, imposing specific obligations on Romtelecom, starting with 2004.

In 2009, the Authority conducted specific activities of re-assessing the necessity and, respectively, of re-defining certain relevant markets susceptible to ex ante regulation with regard to the services of access to the local loop (including to infrastructure elements), the services of broadband access (including bitstream access to the local loop) and, respectively, the leased line services, as well as analyses of the competition environment in the relevant markets identified, with a view to identifying the existing providers with significant market power and to establishing regulatory remedies for the identified competition problems, starting from the retail markets the inputs of which are the services offered in the wholesale markets. The results of this analysis were published and are to be launched for public consultation in March 2010 and, subsequently, to European consultation.

Moreover, in order to acquire information regarding the costs of the services of access to the local loop, as well as to assess the investment and innovation opportunities for the access networks, the Authority developed, together with a consortium of consultants,

a LRIC model for Romtelecom's access network. The results of this modelling exercise were made publicly available along with the market analyses. They are especially useful for ANCOM's decisional process, as regards the obligation of cost-orienting the tariffs for full or shared access to the local loop, i.e. the tariff due by the alternative operators to Romtelecom for using its access connection to the end-users.

3.2.2.3. Electronic communications services provided at mobile locations

Based on market analyses, in 2002, the following providers were designated as having significant power in the market for the services of call termination at mobile locations and were imposed corresponding obligations: Vodafone Romania (former Mobifon), Orange Romania, Telemobil and Cosmote Romanian Mobile Telecommunications (former Cosmorum).

Upon reviewing these markets, the Authority designated, in 2009, five providers with significant power in the market for the services of call termination at mobile locations on the individual networks of: Cosmote Romanian Mobile Telecommunications, Orange Romania, RCS&RDS, Telemobil and Vodafone Romania. Thus, ANCOM imposed or upheld on the operators with significant power the following obligations, proportionally with the identified problems:

1. Obligation of allowing the access to and use of specific network elements and the associated infrastructure. The Authority imposed on the operators designated as having significant market power the obligation to allow access to their own networks for the purpose of providing call termination services at mobile locations, to the extent that the requests are reasonable and technically feasible. In accordance with the provisions of the individual decisions on the identification of the operators with significant market power and the imposition of obligations on these operators, network access is ensured together with all the services required for providing publicly available electronic communications services by the interconnected operator.

Furthermore, the five operators were imposed obligations regarding the maximum terms for negotiating and implementing interconnection agreements, with a view to preventing situations where these could delay the conclusion or implementation of interconnection agreements for the purpose of acquiring a competitive advantage in the retail market. Thus, the maximum term for negotiating and concluding an interconnection agreement cannot exceed 45 working days from the date when the provider of mobile public telephone networks receives a request therefor, while the maximum term for implementing an interconnection agreement, for all the five providers with significant

market power, will be 65 days from the date of concluding the contract.

Additionally, ANCOM clarified the specific problems regarding the termination of the outgoing traffic (originated in Romania) and of the incoming traffic, transited through an electronic communications network operating in Romania towards the network of the mobile operator where the calls are terminated, with emphasis on:

- a) the obligation to provide call termination services at mobile locations refers to all categories of calls, irrespective of their national or international origin, and
- b) the obligation to provide call termination services at mobile locations on the operator's own networks applies both in case there is a direct interconnection agreement between the provider originating the calls and the provider of mobile public telephone networks terminating the calls, and in case the calls are transmitted by means of the transit services provided by a third party.

2. The transparency obligation. The Authority imposed, on all the mobile public telephony providers designated as having significant market power, the obligation to publish on their websites a reference offer for interconnection with the mobile public telephony network each of them operates (RIO), within 90 working days from the date of communicating the designation decision, excepting S.C. RCS & RDS S.A., whose obligation to publish the RIO started on 1 January 2010.

Moreover, all the five operators were imposed the obligation to publish the tariffs of all the services required for interconnection with the public telephone networks they operate, the tariffs for using the associated facilities, as well as the name and addresses of all the switches where interconnection with their individual networks is feasible, with a view to terminating calls at mobile locations.

3. The non-discrimination obligation. The Authority imposed, on each provider designated as having significant power, the obligation to apply equivalent interconnection terms under equivalent circumstances to all the entities who request or already benefit from interconnection with the public telephone network it operates, with a view to terminating calls at mobile locations and to making available to third parties services and information under the same conditions - including as regards quality and excepting the conditions regarding the tariffs charged - as those ensured for its own services.

4. The price control obligation. The Authority upheld the obligations of orienting the tariffs on the incurred costs, imposed on S.C. Vodafone Romania S.A and, respectively, S.C. Orange Romania S.A. Furthermore, taking into account the lack of incentives for the reduction of tariffs to efficient levels, ANCOM imposed obligations regarding the

price control also on the other providers designated as having significant market power. Thus, the Authority established the following obligations to be imposed on the five operators, based on the results of a new costing model, developed in 2006:

Provider	First stage Maximum tariffs (average 24 hours) Eurocents/minute			Second stage
	As from 01.04.2009	As from 01.01.2010	As from 01.07.2010	Estimated date: 2011
S.C. Vodafone Romania S.A.	5.03	5.03	5.03	Glide path towards symmetrical tariffs, cost-oriented based on a costing model, according to an European harmonised methodology.
S.C. Orange Romania S.A.				
S.C. Cosmote RMT S.A.	6.4	5.67	5.03	
S.C. Telemobil S.A.				
S.C. RCS & RDS S.A.	7.21	6.4	5.67	

Aware of the need to adopt coherent regulatory practices and to enforce the national legislation harmonised with the EU regulations, with a view to adopting a harmonised regulatory policy as regards the principles and methods used for calculating the efficient costs of the services of call termination on the mobile public networks, in 2009, the Authority decided that a new costing model is necessary. The new costing model is to be built by the end of 2011, in accordance with the terms and provisions recommended by the European Commission.

Furthermore, ANCOM decided to withdraw the separate accounting obligations imposed on Vodafone Romania and Orange Romania and, respectively, not to impose such obligations on the other providers identified as having significant market power.

3.2.2.4. Services of sound and TV programme broadcasting

By Decision no.154/2009 on the identification of relevant markets for analogue terrestrial broadcasting transmission services provided for the purpose of delivering public audio-visual programmes, ANCOM identified the following wholesale relevant markets as being susceptible to ex ante regulation:

1. The market for analogue terrestrial broadcasting transmission services provided for the purpose of delivering public TV programmes;
2. The market for analogue terrestrial broadcasting transmission services provided for the purpose of delivering public audio programmes in the FM frequency band;
3. The market for analogue terrestrial broadcasting transmission services provided for the purpose of delivering public audio programmes in the AM frequency band.

Based on the analysed criteria – the large market share and its evolution in time, the existence of high and non-transitory barriers to market entry, the lack of countervailing buyer power – the National Company Radiocommunications – S.A. (SNR) was designated, by Decision no.169/2009, as a provider with significant power on the identified markets. ANCOM imposed on SNR the obligation to charge, for the provision of analogue terrestrial broadcasting transmission services provided for the purpose of delivering public audio-visual programmes, cost-oriented tariffs, calculated according to a costing model based on the method of the fully allocated costs, using the historic costs as a costing standard, and built in accordance with the provisions of a relevant regulation adopted by ANCOM.

Within 6 months from the adoption of Decision no.169/2009, ANCOM elaborated and submitted to public consultation a draft regulation on building a costing model based on the method of fully allocated costs, which should enable the calculation of the actual costs of the regulated services, by ensuring the implementation of objective and transparent criteria in allocating the costs of SNR according to the services provided by this company. The draft regulation will be adopted in March 2010, upon the completion of the European consultation and will serve as a basis for cost-orienting the tariffs of SNR, starting with 2011.

3.3 Major regulatory measures in the field of postal services

Currently, the provision of postal services is regulated, mainly, by the Government Ordinance no.31/2002 on postal services, approved, with amendments and completions, by Law no.642/2002, with the subsequent amendments and completions, and by the Decision of the President of the National Regulatory Authority for Communications and Information Society no.2.858/2007 on the general authorisation regime for the provision of postal services, with the subsequent amendments and completions.

The legal provisions in force both in Romania and at the European level split postal services into two categories: postal services within the scope of Universal Service and postal services outside the scope of Universal Service.

The ANRCTI President's Decision no.2858/2007 sets the conditions under which the postal service providers benefit from the general authorisation regime (aiming at a detailed regulation of the provision of postal services), as well as the authorisation procedure for the entities who intend to provide postal services. This decision was amended and completed by the ANCOM President's Decision no.891/2009, with a view to the harmonisation with the commercial and community regulation, to fostering competition in the postal services market and to removing certain restrictions regarding the provision of strictly elements of postal services (the "double counting" of the providers and of the market indicators is thus avoided).

ANCOM also adopted, during 2009, two decisions designed to contribute to the proper functioning of the postal services market:

- Decision no.127/2009 on reporting certain statistical data by the providers of postal services;
- Decision no.293/2009 on designating the National Company "Romanian Post" S.A. as a Universal Service provider in the field of postal services.

As well, as one of its priorities regarding the Romanian postal services sector during 2009, ANCOM permanently monitored the quality level of the postal services provided by the designated Universal Service provider. This step aimed at efficiently identifying the measures required with a view to increasing the level of compliance with the quality indicators imposed on the provider by the normative acts in force.

3.4 Settling the disputes between providers

ANCOM's jurisdiction-administrative procedure of dispute settlement is optional and cost-free, observing the provisions of the ANRC President's Decision no.1331/2003. Thus, depending on the nature and complexity of the dispute, the ANCOM President designates the specialists to take part in the settlement commission. The Commission makes a preliminary analysis of the materials submitted by the two parties and conducts the dispute settlement procedure. During the dispute settlement, the Commission has an active role, permanently communicating with the parties.

During 2009, ANCOM received 14 complaints from the providers of electronic communications networks and services. 3 of these were solved in 2009 by means of the contentious procedure, 3 plaintiffs withdrew their complaint and 2 other disputes were, at the end of 2009, in a final stage of settlement. The rest of the complaints are to be settled during 2010, having been submitted at the end of 2009.

In 2009, disputes were settled within an average term of five months.

Generally, the providers' claims referred to interconnection issues, i.e. the call termination service irrespective of origination, the tariffs charged for the termination, on the individual networks, of the calls originated on the networks of other operators, the level of the administrative tariff for the cascading reimbursement method offered by Rom-telecom for the interconnection service provided for the purpose of switched transit, the provision of the capacity required for using interconnection under normal conditions and the tariffs for the interconnection-associated services.

4

ENHANCING COMPETITION THROUGH THE EFFICIENT MANAGEMENT OF SCARCE RESOURCES

4.1 Objectives and priorities

ANCOM's main concern is that the management of the limited resources within its scope of competence (the radio spectrum and the numbering resources) ensure the growth of the electronic communications market and enhance competition, while allowing the implementation and roll-out of new technologies. Moreover, ANCOM pursues to provide for serving the social, public and national defence interests, as well as for ensuring maximum benefits for the users of limited resources, may they be providers of electronic communications networks or services, private operators or end-users.

To this end, the Authority permanently envisages:

- the efficient and effective use of the radio spectrum;
- the identification and vacation of additional frequency bands for new services and for the development of the existing ones;
- making available the harmonised frequency bands for pan-European services;
- increasing the number of applications that allow the free use of frequencies;
- ensuring the adequate numbering resources for the provision of electronic communications services;
- the effective and efficient use of the numbering resources;
- a more efficient number porting process.

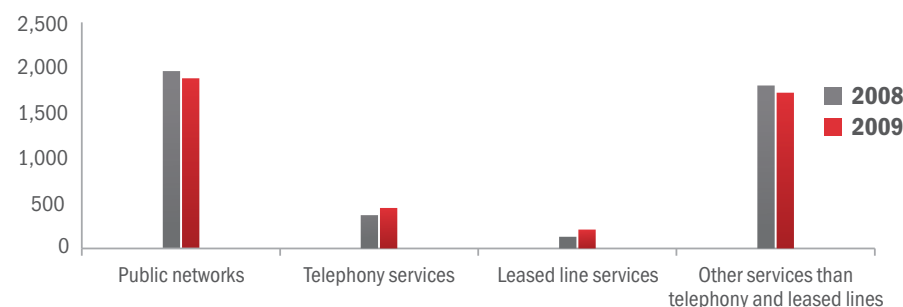
4.2 The general authorisation of the network and service providers and the rational and efficient administration of the scarce resources

4.2.1 The general authorisation of the providers of electronic communications networks and services and of postal services

4.2.1.1 The authorisation of the providers of electronic communications networks and services

At the end of 2009, a number of 2,044 operators were authorised to provide public electronic communications networks or publicly available electronic communications services, i.e. fewer than in the previous year, as expected, due to the market stabilisation, as well as to the general downturn triggered by the global economic context, by 6.4 % less compared to the level registered in 2008. Among these, 1,965 providers had the right to provide public electronic communications networks, 451 – publicly available telephone services, 193 – leased line services, 1,445 – Internet access services, 783 – data transmission services, and 258 – professional mobile radiocommunications services.

Exhibit 4.1 Evolution of the number of providers of publicly available electronic communications networks and services



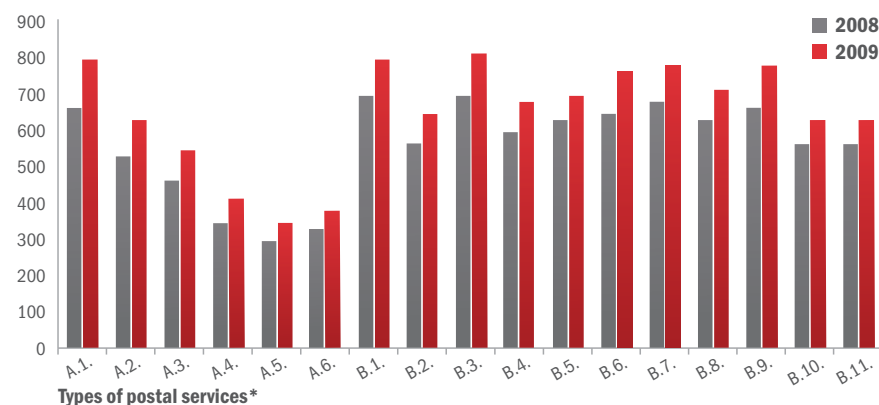
The general authorisation regime applicable to the providers of electronic communications networks and services was not amended during 2009, but ANCOM completed the analysis initiated in 2008 for the purpose of establishing the guidelines for reviewing the ANRC President's Decision no.1333/2003 on the general authorisation regime for the provision of electronic communications networks and services, with the subsequent amendments.

Following the completion of this analysis, ANCOM concluded that the review of ANRC President's Decision no.1333/2003 will focus on a more efficient authorisation procedure, on further clarifying the general authorisation regime, on the harmonisation with the legislation in the electronic communications field, as well as with that in fields ancillary to the activity of ANCOM, as well as on updating and increasing the accuracy degree of the Authority's information on the providers. The reviewing activity was initiated, a draft decision on this issue being estimated to be launched for public consultation in the first quarter of 2010.

4.2.1.2 Authorisation of the postal service providers

The rising trend in the number of postal service providers registered during 2008 - due to the simpler general authorisation procedure, to the removal of individual licences and of the barrier to market entry for natural persons - continued in 2009, although at a lower pace. Thus, at the end of 2009, there were registered 904 postal service providers, by 14.5 % more in comparison to the level registered in 2008, 858 of which were authorised to provide postal services within the scope of Universal Service and 845 – postal services outside the scope of Universal Service.

Exhibit 4.2 Evolution of the numbers of postal service providers, by types of services



*) Types of postal services

Type	Postal services
A1	Clearance, sorting, transport and delivery of postal items up to 2 kg (items of correspondence, printed matter)
A2	Direct mail dealing with postal items up to 2 kg
A3	Clearance, sorting, transport and delivery of postal parcels up to 10 kg
A4	Distribution of postal parcels up to 20 kg sent from abroad to an address located on the territory of Romania
A5	Service for registered items dealing with postal items up to 2 kg, or postal parcels up to 10 kg, respectively postal parcels weighing between 10 and 20 kg sent from abroad to an address located in Romania
A6	Service for insured items dealing with postal items up to 2 kg, or postal parcels up to 10 kg, respectively postal parcels weighing between 10 and 20 kg sent from abroad to an address located in Romania
B1	Services dealing with postal items above 2 kg (items of correspondence, printed matter)
B2	Direct mail service dealing with postal items above 2 kg
B3	Services dealing with domestic postal parcels weighing between 10 and 50 kg
B4	Services dealing with postal parcels weighing between 10 and 50 kg sent from Romania to an address located abroad
B5	Services dealing with postal parcels weighing between 20 and 50 kg sent from abroad to an address located on the territory of Romania

B6	Pay-on-delivery
B7	Change of destination
B8	Special delivery
B9	Confirmation receipt
B10	Express service
B11	Document exchange

One of the most important results of this growth in the number of postal service providers was ensuring a better territorial coverage with diversified postal service offers.

ANCOM's experience as regards the enforcement of the provisions of **ANRCTI President's Decision no.2858/2007 on the general authorisation regime for the provision of postal services** also revealed that amendments and completions were needed with a view to clarifying the general authorisation regime, including the status of the sub-contractors of the postal service providers, and, not the least, to improving the efficiency of the authorisation procedure.

Thus, following a review and public consultation process, the **ANCOM President's Decision no.891 on amending and completing the ANRCTI President's Decision no.2858/2007 on the general authorisation regime for the provision of postal services** entered into force on 14 November 2009. This decision adopts measures for strengthening competition in the postal services market and clarifying specific provisions on ensuring the provision of certain segments of a postal service exclusively by the providers of postal services, thus creating the framework for avoiding the "double counting" of the providers and of the market indicators, as well as for the liberalisation of externalising some activities involved in the provision of postal services.

It is also worth mentioning that, from a legal point of view, the amendments and completions triggered by the evolution of the legislation in the commercial field, especially of the legislation regarding the authorisation of natural persons, individual enterprises and family enterprises, as well as the amendments and completions required by the harmonisation with the EU legislation were adopted.

4.2.2 Spectrum management

The radio spectrum is a limited natural resource, required in view of providing electronic communications networks and services; therefore the effective management of

this resource has a strategic importance for ensuring its optimum usage, in view of best serving the public interest.

An important objective in ANCOM's spectrum management activity in 2009 was drawing up the draft amendments to the National Table of Frequency Allocations (NTFA), the document planning the use of the radio spectrum at a national level, to be adopted by the Ministry of Communications and Information Society. The proposed amendments envisaged:

- implementing in the NTFA the relevant provisions for Region 1 (where Romania is included) and for CEPT, from Art.5 of the ITU Radio Regulations, edition 2008, regarding the allocations of frequency bands and the associated foot-notes;
- harmonising the NTFA with the European Table of Frequency Allocations and Utilisations, the edition reviewed by the ERC 25 Report of CEPT, at Baku, in 2008;
- implementing in the NTFA the Directives of the European Parliament and of the Council and the Decisions of the European Commission regarding the harmonisation of the radio spectrum;
- implementing the provisions of the NATO Joint Civil/Military Frequency Agreement (NJFA);
- implementing in the NTFA the decisions adopted within the Inter-departmental Commission on amending the usage status of certain frequency bands, expressed in the Commission Notices and approved by the minister of communications and information society.

4.2.2.1 Radiocommunications in the land mobile service

As regards the radiocommunications in the land mobile service, ANCOM manages the non-governmental frequency bands allocated to this service through the NTFA. The Authority pursues three major objectives in the management of the non-governmental radio spectrum allocated to the land mobile service:

- 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 the professional mobile radiocommunications for private use, serving the

internal needs of the organisations, in 2009, the Authority issued:

- **217 new licences for the use of radio frequencies** for providing private use radiocommunications – professional mobile radiocommunications (PMR);
- **238 frequency assignment authorisations**, which are annexes to the licences for the use of radio frequencies for 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 which 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 supplying public utilities on a national level, transport, public construction and civil works, agriculture, safety and security of persons and of private property, public protection, public health, public management services etc.

As regards the provision of networks and/or services of radiocommunications in the terrestrial mobile service, the Authority also issued, in 2009:

- **44 temporary licences for the use of radio frequencies** for providing public access mobile radiocommunications (PAMR) networks and services and professional mobile radiocommunications (PMR) networks;
- **50 radio frequency assignment authorisations**, which are annexes to the occasional licences for the use of radio frequencies for providing public access mobile radiocommunications (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 (PAMR) networks and services are operators that provide mobile communications services to certain professional user categories or dedicated groups of users.

In ensuring the ongoing management of the licences for the use of radio frequencies and of the frequency assignment authorisations, in 2009, the Authority amended, upon the holders' requests, 592 licences for the use of radio frequencies for providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications (PAMR) networks and services, as well as 688 frequency assignment authorisations, which are annexes to the licences for the use of radio frequencies, of which:

- **200 licences for the use of radio frequencies** for providing professional mobile

radiocommunications (PMR) networks and public access mobile radiocommunications (PAMR) networks and services – amended by the Authority's Executive Division for Radio Spectrum and Numbering Administration.

- **256 frequency assignment authorisations**, which are annexes to the licences for the use of radio frequencies for providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications (PAMR) networks and services – amended by the Authority's Executive Division for Radio Spectrum and Numbering Administration.
- **167 licences for the use of radio frequencies** for providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications services (PAMR) networks and services – extended by the Bucharest Regional Division.
- **235 frequency assignment authorisations**, which are annexes to the licences for the use of radio frequencies for providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications (PAMR) networks and services – amended by the Bucharest Regional Division.
- **64 licences for the use of radio frequencies** for providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications (PAMR) networks and services – extended by the Cluj Regional Division.
- **86 frequency assignment authorisations**, which are annexes to the licences for the use of radio frequencies for providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications (PAMR) networks and services – amended by the Cluj Regional Division.
- **63 licences for the use of radio frequencies** for providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications (PAMR) networks and services – extended by the Iasi Regional Division.
- **44 frequency assignment authorisations**, which are annexes to the licences for the use of radio frequencies for providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications (PAMR) networks and services – amended by the Iasi Regional Division.
- **98 licences for the use of radio frequencies** for providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications (PAMR) networks and services – extended by the Timisoara Regional Division.
- **67 frequency assignment authorisations**, which are annexes to the licences for the use of radio frequencies for providing professional mobile radiocommunications (PMR) networks and public access mobile radiocommunications (PAMR) networks and services – amended by the Timisoara Regional Division.

In view of ensuring the ongoing management of the frequency assignment for the base stations in the cellular mobile communications networks, the Authority processed 420 notifications on the technical and operational parameters of the base stations owned by holders of licences for the use of frequencies for 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 (2008 edition) regarding the co-ordination of frequencies in border areas and of other agreements or international protocols in which Romania is a party, which refers to the radio spectrum usage in the land mobile service;
- internal 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 allotted to the land mobile service;
- prevent harmful interferences in the land mobile networks operating in border areas.

During 2009, the activities conducted in view of the objectives above resulted in:

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

Moreover, the Authority answered the frequency assignment requests transmitted, through the Ministry of Foreign Affairs, by foreign diplomatic missions accredited to Bucharest, on the occasion of the high-level official visits to Romania, issuing **42 temporary frequency assignments** therefore, in the land mobile service, during 2009.

As regards the international activity in the field of spectrum management in the land mobile service, the Authority 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 (reviewed in 2008, by correspondence), 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, supporting Romania's position as regards the co-ordination of frequencies in border areas in the land mobile service.

4.2.2.2 Radiocommunications in the fixed service

At the beginning of 2009, a comparative selection procedure was underway, for granting two national licences in the 3600–3800 MHz band, for BWA (broadband wireless access) systems, each licence providing for the allotment of one national 2x28 MHz channel (duplex). The procedure was initiated in November 2008, the term for submitting the offers being the end of February 2009. The procedure was to be completed and the winners designated in March 2009. But in the above-mentioned selection procedure, no offer was submitted within the due term.

As a result, ANCOM organised between 25 May and 17 June, a public consultation in order to identify the most adequate measures to be taken regarding the future use of the 3.6 – 3.8 GHz band. The questionnaire aimed at revealing the operators' opinions, as well as the standpoints of the other interested parties in the Romanian electronic communications market, regarding the opportunity of granting the rights to use the radio spectrum for the BWA systems in the abovementioned band, as well as the selection procedure by which these rights should be granted.

The questionnaire was addressed both to the electronic communications operators, holders or non-holders of licences for the use of the radio frequencies with a view to providing electronic communications networks and services by means of the radio spectrum and to other parties interested in the subject, i.e. manufacturers and providers of equipment operating in the abovementioned bands.

Based on the respondents' answers, ANCOM forwarded a few conclusions to MCSI:

- elaborate a new strategy for the 3.6-3.8 GHz band in the second semester of 2011. This strategy should enable the granting to public operators of 2x28 MHz sub-

- bands, on a national level, by a competitive selection procedure;
- re-launch a public consultation on this matter during the first half of 2011 in order to assess the views of the electronic communications industry and market regarding the process;
- reserve the whole 3.6 – 3.8 GHz band, as the spectrum is freed, for civil and commercial applications destined to the end-users, according to the European Commission Decision no.2008/411/CE of 21 May 2008.

In accordance with the procedure for licensing the right to use radio frequencies, in 2009, the Authority granted:

- **18** licences for the use of radio frequencies and 44 frequency assignment authorisations – for permanent radio transmissions;
- **8** licences for the use of radio frequencies and 8 frequency assignment authorisations – for experimental radio transmissions;
- **57** prior agreements, containing frequency assignments for complex voice/data radiorelay lines;
- **17** prior agreements for modulation lines corresponding to sound or TV radio broadcasting transmitters.

Furthermore, during 2009, the Authority processed notifications for 1,858 radiorelay lines in the radio network infrastructure owned by the cellular mobile telephony operators (3,716 radiocommunications stations – together with as many frequency assignments registered in the National Register of Frequency Assignments). These infrastructure networks ensure the transport of the traffic generated on the cellular mobile telephone networks using various technologies: GSM900, DCS1800, CDMA450, CDMA410, IMT-2000/UMTS (3G), as well as on the public multipoint networks for data transmissions (FWA, BWA).

4.2.2.3 Sound and TV radio broadcasting and electronic communications networks for the broadcasting/retransmission of audio-visual programme services

Having regard to the entrance into force, in 2007, of the Agreement concluded during the Regional Radio Conference RRC06 held in Geneva, in 2006 (RRC06), as well as the objective of completing the digital switchover by 1 January 2012, the Authority continued its involvement in the implementation of digital terrestrial broadcasting services.

During 2009, the ANCOM representatives participated in the working group set up by the Ministry of Communications and Information Society for the purpose of elaborating the

Strategy Paper concerning the overall transition from analogue to digital television, a document approved by the **Government Decision no.1213/26.10.2009**. Furthermore, the Authority representatives participated in establishing the review proposals to the **Audiovisual Law no.504/2002** with a view to introducing digital radio broadcasting services, a law amended by **Law no.333/2009 regarding the approval of the Government Emergency Ordinance no.181/2008 on amending and completing the Audiovisual Law no.504/2002**.

Upon the adoption of the two legislative acts, the Authority was entrusted with granting the licences for the use of radio frequencies in the digital terrestrial television system, which are to be awarded by a selection procedure whose type, terms and fees are to be established by Government Decision.

Although the current national and European context imposed a focus on the digital switchover, most of the Authority's regular activity in the field focused on the management of FM audio broadcasting bands.

Thus, during 2009, CNA organised a contest for granting **13 new audio-visual licences** for the provision of a thematic service of radio programmes for children. The Authority provided the frequencies, the associated technical data and the technical approvals for the participating companies.

For the purpose of improving the efficiency of the use of the 87.5-108 MHz band, and considering the ANCOM activity in the Working Group FM45, the Authority supported the development of a digital audio broadcasting experiment in Bucharest, in the HD Radio system, in 96.9MHz Gold FM.

Similarly, with an experimental character, the Authority allotted frequencies in the 87.5-108 MHz band for sound transmission in the drive-in cinema system, in Bucharest, Cluj and Alba Iulia.

Moreover, the Authority answered the radio broadcasters' needs, promptly solving the numerous requests for amending the broadcasting parameters, so that the coverage be optimised, and that the public have access to a greater diversity of programmes.

In view of the publication of Law no.333/2009 for amending the Audiovisual Law, which abolished the obligation of the operators of electronic communications networks used for the re-transmission of audio-visual programmes to obtain a technical functioning authorisation, the necessity of establishing some technical terms in line with the ones specified in the relevant European standards for ensuring an adequate signal

quality on these networks, as well as for ensuring the compatibility with the services that use the radio spectrum appeared. These conditions were included in the draft decision regarding the general authorisation regime for the provision of electronic communications networks and services.

Among others, the Authority focused on the activity of managing the spectrum for the retransmission of audio-visual programmes by means of the Multipoint Multichannel Distribution System (MMDS) systems. In view of the development of fibre optic communications, 2009 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 2009, **40** such licences were withdrawn upon request, as compared to the **83** - in 2008, and to the **111** licences withdrawn during 2004 - 2007.

In 2009, the Authority's Audio-visual unit issued:

Video

- **7** new broadcasting licences
- **63** amended broadcasting licences, out of the **244** existing broadcasting licences; and settled
- **663** requests for digital television coordination received from other administrations
- **78** agreements on amending the technical parameters

Audio

- **46** new broadcasting licences
- **234** amended broadcasting licences, out of the **747** existing broadcasting licences; and settled
- **992** requests for digital television coordination received from other administrations
- **149** agreements on amending the technical parameters

MMDS

- **14** new broadcasting licences and **15** new radio frequency assignment authorisations for providing electronic communications networks;
- **42** amended licences for the use of frequencies and 14 amended radio frequency assignment authorisations for providing electronic communications networks.

4.2.2.4 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 (both of ships and of vehicles), meteorology (weather forecast and natural phenomena studies), scientific (Earth' and other planets', stars' and galaxies' studies) and military applications.

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 ("the Global Village"), high adequacy to the customers' specific needs and maximum security by using state-of-the-art encrypting technologies.

4.2.2.4.1 Fixed satellite service

At the end of 2009, ANCOM managed **25 licences for the use of radio frequencies in the fixed satellite service** (8 of which - for public or private satellite networks, providing for the transmission of voice, data and Internet services and the rest - for individual VSAT terminals) and **1,643 radio frequency assignment authorisations for HUB stations and Very Small Aperture Terminals (VSAT)** belonging to the architecture of such networks. VSAT solutions are the ideal answer to the communications needs of the big companies (national or trans-national) and of other organisations, offering them the possibility to operate, under economic efficiency terms, their own broadband communications network, independently from the terrestrial communications infrastructure or the geographic location.

Another important segment of fixed satellite communications is the uploading to the satellite of sound and/or TV radio broadcasting, 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. The transmission of television programmes via satellite requires the use of geostationary satellites (35,880 Km above the Earth) and features important advantages, compared to conventional television: full territorial coverage, higher quality reception as compared to terrestrial reception, availability of a wider range of audio-visual programme services. By the end of 2009, the Authority had granted **31 licences for the use of**

radio frequencies for satellite stations destined to uploading sound and/or TV radio broadcasting programmes, serving 126 radio and television programme services.

Moreover, at the end of 2009, millions of Romanian users benefited from satellite television services provided by the operators of direct-to-home (DTH) individual platforms.

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 the DTH is implemented, these platforms could provide for data transmissions at a rate up to 10 Mbps (MHP - Multimedia Home Platform), 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 subscriber's receiver is provided with a hard disk able to record anything he/she wants, the information preserving the original quality, due to the digital format in which it is recorded.

ANCOM manages the licences for the use of radio frequencies granted in 2005-2006 to 5 DTH operators, enumerated below, in the order of their requesting and granting of licences: RCS&RDS (Digi TV), Focus Sat Romania (Focus Sat), Digital Cable Systems (Max TV), DTH Television Grup (Boom TV) and Romtelecom (Dolce TV).

For nomadic 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 was managing, at the end of 2009, 47 frequency assignment authorisations for the 13 operators holding licences for the use of frequencies for the purpose of SNG applications. Furthermore, during 2009, the Authority issued 4 temporary licences for the use of frequencies for Digital Satellite Newsgathering (DSNG) stations owned by foreign operators, used for occasional, temporary transmissions towards studios outside Romania, of reportages, news, cultural/sports events and of other audio-visual productions from studios situated in Romania.

4.2.2.4.2 Mobile-satellite service

An important component of the communications via satellite is represented by communications in the mobile-satellite service. In the last decade, new satellite systems have been launched, especially non-geostationary satellites, which offer a wide range of services for individual users. These new systems are identified as providers of Satellite Personal Communications Services (S-PCS), i.e. voice, SMS, data communications, ensuring global or regional coverage. S-PCS communications are described in other terms, such as: GMPCS (Global Mobile Personal Communications by Satellite) or S-PCN (Satellite-Personal Communication Networks).

At the end of 2009, the Authority was managing three licences for the use of radio frequencies with a view to providing Satellite Personal Communication System (S-PCS) to the public, on the territory of Romania, held by 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 the evolution of mobile communications via satellite. Initially, this had been designed as a system meant to satisfy, by means of geostationary satellites, the needs for communications over long distances of the vessels 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 2009, the Authority had granted 20 licences for the use of frequencies for users holding 52 mobile terminals in various INMARSAT terminals.

4.2.2.5 Maritime and inland waterways radiocommunications services

4.2.2.5.1 Radiocommunications in the mobile maritime and mobile-satellite maritime services

During 2009, ANCOM continued its complex activity of keeping up with the dynamic evolution in the fields of mobile maritime and mobile-satellite maritime services.

The activity followed several major directions:

- analysis of the method of improving the security of vessels and harbours against possible terrorist or piracy attacks, proposing specific amendments to the regulations in force and allotting additional spectrum resources;
- harmonisation with the rules imposed by the European project IRIS 2, through the introduction of AIS terminals both on vessels 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);
- gradual removal of the radar equipment from the systems of surveillance and management for the traffic on Danube, a Romanian proposal well received at the European level, exactly through the introduction of Inland AIS equipment;
- analysis of the proposals regarding the implementation of revolutionary technologies for tracking containers on container vessels and the specialised terminals, in the context of the opening of such a terminal in Constanța Harbour, as far as the equipment using the radio spectrum is concerned;
- improving the use of the frequencies in the radio band covered by Annex 18 of the ITU RR with a view to ensuring an increase in the number of potential users and reducing the harmful interferences, through various methods: splitting duplex channels, using "gap" bands, digitalization;
- enhanced efficiency in using the radio spectrum allotted to maritime radiocommunications in general, taking into account the fact that this type of radio spectrum is harmonised at a global level.

In 2009, the Authority permanently aimed at a non-discriminatory approach that would bring benefits both to the Romanian ship-owners and to the providers of maritime radio equipment.

The steps taken by the Authority, in accordance with the requirements of the Radio Regulations of the International Telecommunication Union, ensured that the vessels were endowed with the proper radio equipment and that they observed the adequate

procedures for effectively sending and receiving security, distress, emergency and search and rescue radio communications to/from the authorities on shore or from other vessels.

In 2009, the Authority manifested its permanent concern for the maritime radiocommunications equipment 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 equipment of which operate in the Digital Selective Calling System -, on distress radio location systems, search & rescue transponders, Automatic Identification System (AIS) receivers, rescue boat radio equipment and automatic identification systems.

4.2.2.5.2 Radiocommunications in the radiotelephone service on inland waterways

The Romanian Authority is a member of the RAINWAT (Regional Arrangement for INland WATERways) European Committee, 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. The Regional Arrangement was concluded under the aegis of the International Telecommunication Union (ITU), on grounds of Article 6 of the ITU RR. Having yielded good results in the coordination and management of the Committee activity, at the beginning of 2009, the Authority was reconfirmed at the RAINWAT Presidency for the next two years.

In 2009, ANCOM issued 81 licences for the use of frequencies and 108 frequency assignment authorisations for the mobile maritime and mobile-satellite maritime services, for the radiotelephone service on inland waterways and with a view to conducting experiments on testing vessels.

4.2.2.6 Radiocommunications in the mobile aeronautical and mobile-satellite aeronautical services

Throughout 2009, ANCOM managed the mobile aeronautical and mobile-satellite aeronautical services, in compliance both with the requirements imposed by the ITU RR and with Annex 10 of the ICAO civil aviation convention. The Authority's activity was aimed at improving the efficiency of the radio spectrum allotted to the mobile aeronautical and mobile-satellite aeronautical services by assessing the possibilities of introducing digital communications (the concept COM-DLA-Datalink Applications in Europe), of the

channel spacing 8.33 kHz 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 under the Romanian flag (cruise line, low cost or private) 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 from/to other aircrafts, in accordance with the requirements of the ITU RR.

Thus, the Authority monitored and inspected aeronautical mobile-satellite systems, radiocommunications equipment – both analogue and digital (VDL) –, emergency position indicating radio beacons, weather radars and radionavigation equipment.

In 2009, the Authority issued 21 licences for the use of frequencies and 63 frequency assignment authorisations for the mobile aeronautical and mobile-satellite aeronautical services.

4.2.2.7 Radiocommunications in the aeronautical and maritime radiodetermination-radiolocation, radiolocation services

Any type of radiolocation equipment based on the ground (for weather measurements or for maritime or air traffic management) or the equipment used for ensuring the navigation security through the discovery and acquisition of fixed or mobile locations (may they be maritime, aeronautical or on inland waterways) belongs to the radiodetermination service.

During 2009, ANCOM continued the surveillance and gathering of data on the experiments regarding the dGPS-IALA correction beacons in our country, 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. Data collection is particularly important in the complex authorisation process for such specialised equipment.

The authority also granted special attention to the surveillance of the radar tracing and managing systems already installed and operating alongside the navigable channel of the Danube, as well as those systems under the procedure of establishing the installation sites and the coverage areas. The resulting data will enable

ANCOM, apart from their usefulness in the authorisation procedure, to finalise the procedures for cross-border coordination with the administrations of the countries situated along the maritime and flowing Danube.

In 2009, ANCOM also started collaboration with the national entities involved in the implementation in Romania of the elements of the IRIS 2 traffic management and coordination programme on the trans-European inland waterways channel no.7.

4.2.2.8 Numerical identification of radio stations on vessels and aircrafts

During 2009, the Authority managed, with maximum efficiency, the base of numerical and alpha-numerical identification allocations 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, is set out in special provisions of the ITU RR.

The Authority reports, on a regular basis, the identifications allocated to stations on the vessels long the inland waterways to the RAINWAT Committee website, www.rainwat.bipt.be, which hosts the European ATIS code base.

Moreover, ANCOM also reports on a regular basis the identifications allocated to maritime vessel stations to the ITU maritime database (MARS), and ensures a contact point in case of a request from the naval/aeronautical search and rescue organisations.

During 2009, the Authority continued managing the identities for the vessel, aircraft and coast stations located on the ground and for the aeronautical stations, by enhancing the ANCOM procedure of generating the ATIS code for the vessels belonging to RAINWAT member states that enter the inland waterways covered by this arrangement and setting up two online data bases.

Thus, the ANCOM website hosts a database for the vessels under the Romanian flag and accessible exclusively to the Search and Rescue Centre of the Romanian Naval Authority of Constanta. The second database is available online to the control personnel, providing all the data required for identifying the holders of licences for the use of frequencies and of frequency assignment authorisations, with a view to maximising the efficiency of the control activity.

4.2.3 Certification of professional radio operators in the aeronautical and maritime radiocommunications services

Radio operators are the key element in ensuring radiocommunications in general and especially in accomplishing search and rescue missions. Therefore, ANCOM took, in 2009, due diligence with a view to providing for a high competence standard.

The Authority had permanently in focus the fact that the radio operator category includes various types of personnel on duty on vessels or aircrafts, as well as the personnel of the radio stations on ground, on the shore or on coastline. The types of radio operator 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 maritime and aeronautical authorities, which cannot conduct their activities in accordance with the legal provisions in force unless they hold a radio operator certificate, valid and adequate to the radiocommunications service concerned.

Thus, the Authority set a series of objectives for the certification activity:

- review the protocols concluded with the training centres, with a view to achieving maximum efficiency in the training, examination, and certificate issuance process;
- safeguard a thoroughly open and fair competitive market in the field of training the candidates for various types of radio certificates, in order to ensure unhindered access of the centres to training the radio operator candidates;
- permanently monitor and verify compliance with the regulations in force both at the national and international level, by the operators certified by ANCOM;
- take steps in view of maintaining the Authority's procedures in line with the requirements of the ITU RR, taking into account the fact that the holders of such certificates conduct operations worldwide, on vessels or aircrafts, irrespective of the flag under which these may be registered and that the holders' professional manner of operation is ultimately representing our country.

In 2009, ANCOM issued, for the mobile aeronautical and mobile-satellite aeronautical services, mobile maritime and mobile-satellite maritime services, as well as for the radiotelephone service on inland waterways, **1,100 professional radio operator certificates**.

For the next year, the Authority envisages applying audit procedures for the training centres with which agreements have been concluded, ensuring that radio station operators are highly qualified, as provided by the ITU RR.

4.2.4 Authorisation and certification in the radioamateur service, certification of radio operators in the land mobile service

The certification and authorisation activity in the radioamateur service continued at a dynamic pace in 2009, the Authority continuing the enforcement of the guidelines established at the level of ITU and CEPT. Therefore, the Authority took diligence in view of the 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, by means of ANCOM.

Moreover, the Authority continued exploring, at the CEPT level, the possibility to define a database for the European harmonised examination topics, using the International Amateur Radio Union (IARU) experience, which synthesized the examination methods adopted in various countries, internationally recognised as experienced in the field. This process will go on during the next years, until the establishment of a database of topics used within CEPT for examining the candidate radioamateurs.

During 2009, the Authority's regional divisions granted **498 radioamateur certificates**. Furthermore, **489 authorisations** were issued in the radioamateur service.

In 2009, there were approximately 4,000 authorised radioamateurs in Romania.

Moreover, the Authority's regional divisions issued, in 2009, **1,468 radio operator certificates in the land mobile service**.

4.2.5 Management of the numbering resources in the National Numbering Plan (NNP)

4.2.5.1 ANCOM's objectives regarding the management of the NNP resources

During 2009, the Authority's activities in the field of the management of numbering resources aimed at making available adequate numbering resources for all the providers of publicly available electronic communications services, pursuant to the principles of transparency and non-discrimination, as well as at the reasonable and efficient management of the numbering resources.

4.2.5.2 Activities in the field of the management of the numbering resources provided in the NNP

The activities performed in 2009 in the field of the management of the numbering resources provided in the NNP included:

- allotment of numbering resources
- vacation of numbering resources upon the waiver or dissolving of some providers of publicly available electronic communications services
- transfers of licences
- amendments to the format of the numbering resources previously allotted, upon the request of the licence holder
- issuance of licences following a transfer of the right to use the numbering resources
- licence amendments ex officio

The right to use certain numbering resources in the NNP is granted by a Licence for the use of numbering resources (LURN).

4.2.5.2.1 Allotments of numbering resources

In 2009, ANCOM registered **31 requests** for the allotment of numbering resources, granting **29 licences**. Among these:

- **5 operators requested for the first time** the allotment of numbering resources; 4 licences were granted, subsequently.
- **26 operators requested the allotment of additional numbering resources**, apart from the already allotted ones (one request had been submitted in 2008); **25 licences were issued, subsequently. Following the procedure amendments introduced by the ANRCTI President's Decision no.2896/2007, the licences granted as a response to these requests were considered to provide for numbering resources that were added to the ones in the previous licence.**

The difference between the total number of 31 requests received and the total number of 29 LURN granted is due to two instances where the request – although in compliance with the procedural requirements – either was to be solved by the issuance of a LURN in 2010, or was cancelled by the requester.

Following the settlement of the abovementioned requests, the volume of the numbering resources allotted in 2009 in the various domains of the NNP is detailed in the tables below:

Table 4.2 Numbering resources allotted by blocks

NNP domain		Allotted numbers
Z=2 10-digit geographic numbers		20,000
Z=3 10-digit geographic numbers		350,000
Z=3 6-digit geographic numbers		10
Z=3 Non-geographic numbers (location-independent)		390,000
Z=7		3,000,000
Z=8	0800	4,000
	0801	1,000
	0805	-
	0808	-
	0870	-
Z=9	0900	-
	0903	1,000
	0906	-

Table 4.3 Numbering resources allotted by unit (national short numbers and carrier selection codes)

Categories	Numbers/codes allotted
10xy code	-
16xy code	1
118xyz national numbers	1

4.2.5.2.2 Numbering resource vacation through the amendment or cessation of a LURN

During 2009, certain numbering resources were vacated, upon the Authority's receiving requests for partial or full waiver of the LURN submitted by certain holders, as well as due to the cessation of the right to provide the electronic communica-

tions services for which the respective numbering resources were granted.

Thus, with a view to settling the full or partial waiver requests submitted by the LURN holders, ANCOM issued 25 decisions on the full or partial waiver of the right to use the numbering resources.

Among these, ANCOM registered 19 partial waiver cases for 16 holders (three of these were issued 2 licences each) and 6 full waiver cases for 6 LURN holders.

In the partial waiver cases, the Authority issued also 14 amended licences, providing for the use of the numbering resources which the LURN holders forecasted to use. One of these licences was granted in order to settle a waiver request for which a decision had been issued prior to 31 December 2008.

In two cases of partial waiver, decisions were issued according to the requests, but ANCOM is to issue licences upon receiving information on the numbering resources the holders intend to keep.

There was only one case of cessation of the right to use the publicly available electronic communications services for which the numbering resources had been granted, settled by a decision of full waiver of the LURN.

Thus, the following numbering resources were vacated:

Table 4.4 Numbering resources vacated by blocks

NNP domain		Vacated numbers
Z=2 10-digit geographic numbers		-
Z=3 10-digit geographic numbers		2,022,000
Z=3 non-geographic numbers (location-independent)		-
Z=7		-
Z=8	0800	3,000
	0801	1,000
	0805	1,000
	0808	5,000
	0870	4,000

Z=9	0900	4,000
	0903	3,000
	0906	3,000

Table 4.5 Numbering resources vacated by unit (national short numbers and carrier selection codes)

Categories	Numbers/codes vacated
10xy code	11
16xy code	8
118xyz national numbers	27

4.2.5.2.3 Transfers of numbering resources, amendments to the format of the allotted resources or to the licence provisions

In 2009, the Authority assessed also 9 numbering resource requests that did not affect their total volume of allotted numbering resources:

a) LURN assignments

6 assignment requests were submitted. The procedure was completed in 5 cases, the Authority issuing 5 decisions on the cessation of the right to use the respective numbering resources, as well as 12 licences (4 amended LURNs for some of the assignors and 8 licences for the assignees). The sixth assignment request was still under the settlement procedure, at the end of 2009.

b) amendments to the format of a block of allotted numbering resources

In 2009, the Authority settled two requests of some LURN holders, on amending the format of previously allotted blocks. To this end, ANCOM issued two decisions on the cessation of the right to use the vacated numbering resources and granted two amended licences, specifying the replacements.

c) transfer of the right to use the numbering resources

The Authority settled one request for transferring the rights and obligations provided in four licences held by one provider to another provider of electronic communications services, following the notification of a merger by takeover. In this case, one decision

was issued, laying down the transfer of the rights and obligations in respect of the numbering resources and four new licences were consequently issued for the new holder.

d) issuance ex officio of licences for the use of numbering resources

According to the ANRCTI President's Decision no.2896/2007 on the procedure of issuing and granting licences for the use of numbering resources, with the subsequent amendments, ANCOM may amend the provisions of a LURN ex officio, in case the circumstances under which the respective LURNs had been issued changed.

During 2009, such a situation occurred, as several LURN holders that had obtained the right to use certain national numbers within the 118xyz range for directory enquiry services following the initial lottery procedure conducted on 28 November 2008, requested the extension of the deadline for the activation of the respective numbers (6 months from the allotment date), provided by the ANRCTI President's Decision no.321/2007 on the allocation and use of national short numbers for European harmonised services.

ANCOM deemed that these requests were not justified, taking into account the complexity of the process of obtaining the databases with the subscribers of the individual providers of publicly available electronic communications services, as well as the duration of the activities of promoting the directory enquiry services.

Therefore, following a public consultation, the initial provisions were amended by the issuance of the ANCOM President's Decision no.379/2009, which extended the deadline by 6 months.

Since the activation deadline was among the obligations specifically provided in the LURN for the use of the 118xyz numbers, **7 licences had to be amended ex officio**.

At the end of 2009, 100 providers held LURNs, as follows:

LURN table

LURN	Providers
10-digit geographic numbers, starting with 02	9
10-digit geographic numbers, starting with 03	77
7-digit geographic numbers, starting with 02	1
7-digit geographic numbers, starting with 03	1
Location-independent numbers, starting with 037	27
Mobile non-geographic numbers, starting with 07	6
Non-geographic numbers for various services, starting with 08:	
freephone numbers (starting with 0800)	48
shared cost services (starting with 0801)	11
bursty traffic services (starting with 0805)	13
indirect access to services (starting with 0808)	41
access to data transmission and Internet access services (starting with 0870)	12
Non-geographic numbers for Premium Rate services, starting with 09:	
entertainment, games and contests (starting with 900)	27
various information (general, business, marketing, useful etc.), entertainment, games and contests (starting with 903)	29
adult entertainment (starting with 906)	23
National short numbers for the provision of directory enquiry services, within the 118xyz range	9
National short numbers for European harmonised services, within the 116xyz range	1
Two-step dialling carrier selection codes, within the 10xy range	35
One-step dialling carrier selection codes, and carrier preselection codes within the 16xy range	44

Total amount of NNP resources allotted by 31.12.2009:

Table nr. 4.6 Numbering resources allotted by blocks

NNP domain		Allotted numbers
Z=2 10-digit geographic numbers		11,290,000
Z=2 7-digit geographic numbers		3,330
Z=3 10-digit geographic numbers		17,298,000
Z=3 6-digit geographic numbers		10
Z=3 non-geographic numbers (location-independent)		2,860,000
Z=7		53,000,000
Z=8	0800	151,000
	0801	110,000
	0805	13,000
	0808	144,000
	0870	61,000
Z=9	0900	36,000
	0903	38,000
	0906	32,000

Table 4.7 Numbering resources allotted by unit (national short numbers and carrier selection codes)

Categories	Numbers/codes allotted
10xy codes	35
16xy codes	44
116xyz national numbers	2
118xyz national numbers	18

4.2.6 Number portability management

Whereas 2008 brought the launch of the number portability service, ANCOM's objective for 2009 was the permanent monitoring of this service based on the experience

acquired, and the continuous improvement of its quality parameters. The final target is turning number portability into an accessible instrument, which could be easily and correctly used both by the end-users and by the providers of electronic communications services.

The administrative processes related to number portability are managed by means of an information system administrated by ANCOM. The Authority collects and stores information regarding the ported numbers and enables the providers to exchange data on the porting process. The information system consists of a database that stores information in a well-established format, as well as of a set of functions that trigger operations on the data and ensures communications with the information systems of the electronic communications service providers, either through secured point-to-point interfaces, or through a secured web application. Moreover, the Central Database (CDB) is connected to a publicly available website that ensures information regarding the ported numbers. By means of this website (www.portabilitate.ro), the users can find information on number portability and on the steps to be taken when they wish to port their telephone number, while a search engine can indicate whether a number has been ported, as well as the network where it has been ported to.

The CDB enables ANCOM to permanently monitor the porting processes and take steps, following regular analyses, in order to identify and solve the problems occurred, as well as to prevent their recurrence. Based on the experience achieved in the first year of the number portability service, ANCOM identified several solutions for improving the functionality of the information system and for remedying some practical problems. In 2009, the Authority initiated the process of developing the Central Database, as regards both the software porting solution and the hardware infrastructure.

The CDB administered by ANCOM registers 67 electronic communications providers who use geographic and non-geographic numbers for services provided at fixed locations and 6 electronic communications providers who use non-geographic national numbers for services provided at mobile locations. Among these, by the end of 2009, 26 providers of services at fixed locations and 5 providers of services at mobile locations had used the CDB, as acceptor providers.

At the end of 2009, the total number of numbers ported since the launch of this service reached 195,920. Of these, 130,167 were numbers for services provided at mobile locations.

4.2.7 Management of technical resources

Technical resources are the resources required for identifying electronic communications networks or infrastructure elements of these networks, for the purpose of operating the respective networks or of providing electronic communications services.

Main categories of technical resources:

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

ANCOM's main objectives in the management of technical resources during 2009 were: making available adequate technical resources for all the providers of electronic communications networks or of publicly available electronic communications services, ensuring non-discriminatory access to the technical resources for all the providers of public electronic communications networks or of publicly available electronic communications services, and the rational and efficient use of technical resources.

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

- Signalling Point (SP) – a node in a signalling network, which generates and receives the signalling messages, transfers signalling messages from a signalling line to another, or fulfils both above mentioned functions;
- National Signalling Point (NSP) – a signalling point belonging to the national signalling network;
- International Signalling Point (ISP) – a signalling point belonging to the international signalling network;
- Signalling Point Code (SPC) – a code identifying, specifically, a signalling point within a signalling network.

During 2009, 7 individual decisions for the allotment of SS7 national signalling point codes (NSPC) and international signalling point codes (ISPC) were issued. Through these decisions, a total amount of 6 NSPC blocks (48 codes) and 2 ISPC codes were allotted.

Furthermore, 7 individual decisions revoking the right to use identification codes of national SS7 signalling points (NSPC) and international signalling point codes (ISPC)

were issued. By these decisions, a provider's right to use 6 NSPC blocks (i.e. 48 codes) and 1 ISPC code ceased.

One decision was issued to lay down the transfer of the rights and obligations regarding NSPC, between two providers.

At the end of 2009, the overall status of the NSPC and ISPC allotments was as follows:

- 92 providers were allotted NSPCs
- 24 providers were allotted ISPCs

Table 4.8 Status of NSPC and ISPC allotments

Domain	Total no. of blocks allocated to Romania	Total no. of codes allocated to Romania	Total no. of blocks allotted by ANCOM	Total no. of codes allotted by ANCOM
ISPC	7	56	-	50
NSPC	-	-	294	2352

4.2.7.2 Management of the right to use mobile network codes

Mobile Network Codes (MNC) are used by the providers of mobile public networks with a view to establishing the international mobile subscriber identity (IMSI). According to Recommendation ITU-T E.212, $IMSI = MCC + MNC + MSIN$, 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.

Overall status of the MNC allotments is illustrated in the table below:

Table 4.9 Status of MNC allotments

Domain	No. of providers	Total no. of MNCs allotted by ANCOM
MNC	6	7

4.2.7.3 Management of the right to use network identification codes

A network identification code (NIC) is a 17xy code that identifies the call origination network, 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.

During 2009, 5 decisions for the allotment of a total number of 5 NIC, one decision on withdrawing the right to use a NIC, for one NIC, and one decision laying down the transfer, between two providers, of the rights and obligations regarding the use of one NIC were issued.

The following table illustrated the status of the NIC allotments, at the end of 2009:

Table 4.10 Status of NIC allotments

Domain	No. of providers	Total no. of NICs allotted by ANCOM
NIC	32	32

4.2.7.4 Management of the right to use the 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, an RN can identify either the acceptor provider or a switch in the acceptor provider's network.

During 2009, the Authority issued 11 decisions for granting the right to use a total number of 19 RNs, 2 decisions for withdrawing the right to use the RN for a total number of 4 RNs and one decision which provided the transfer of the rights and obligations on the use of an RN between two providers.

The table below displays the cumulated status of the routing number allocations at end-2009:

Table 4.11 Routing number allocations

Domain	No. of providers	Total no. of RNs allocated by ANCOM
RN	68	252

4.3 Surveillance of the equipment market

Directive 1999/5/EC (R&TTE) of the European Parliament and of the Council on radio equipment and telecommunications terminal equipment and the mutual recognition of their conformity and Directive 2004/108/EC (EMC) of the European Parliament and of the Council on the approximation of the laws of the Member States relating to electromagnetic compatibility which repeals Directive 89/336/CEE of the Council are part of the New Approach Directives – created in order to enable the providers to freely sell their products throughout the EU territory.

These Directives have created an extended single European market, with the free circulation of the equipment which meets the requirements therein. Market surveillance is required in view of ensuring its integrity.

Between September 2008 and May 2009, ANCOM participated, alongside other Member States, in the third campaign of market surveillance within the EU, with a view to establish the level of radio equipment conformity in the market. The campaign focused on the radio equipment for PMR (Private Mobile Radio) applications, as well as on the radio equipment for applications in the 2.4 GHz band (which is exempted from licensing).

These items of equipment were chosen in view of emphasising the importance of the applications with commercial impact, i.e. the RLAN networks in 2.4 GHz, video applications etc., as well as of the PMR applications for the business communications. The information gathering and the trials on the conformity of the equipment purchased from the market with the essential requirements spanned until 30 June 2009 and the results were afterwards uploaded onto the European Commission's CIRCA server in view of comparing the information made available by the states participating in the campaign.

Following the campaign of surveillance of the Romanian market, it was discovered that two of the radio equipment items intended for the applications in the 2.4 GHz band prelevated from the market do not comply with the essential requirements under Directive 1999/5/EC, transposed into the national legislation by Government Decision no.88/2003 on radio equipment and telecommunications terminal equipment and the mutual recognition of their conformity, republished. Consequently, ANCOM requested the Ministry of Communications and Information Society (MCSI) to issue orders whereby to withdraw from the

market and forbid the selling and use of this type of equipment, according to the legislation in force.

As well, following the regular activity of market surveillance performed by ANCOM in 2009, MCSI issued two orders for the withdrawal from the market and prohibition to sell and use non-conforming equipment introduced in the Romanian market, which is part of the European single market. The orders were also published in the Romanian Official Journal

ANCOM updated its procedure on the notification of the radio equipment employing frequency bands whose use is not harmonised within the European Union, by adopting the electronic notification form harmonised within the EU, according to the TCAM agreement between the Member States.

Starting 15 January 2008, Romania adhered to the OSN - One Stop Notification electronic notification system, proposed by the Commission and accessible via DG Enterprise & Industry Stakeholder Portal, which simplifies, for the interested parties, the radio equipment notification modality provided in Directive 1999/5/EC.

Between 1 January and 31 December, the electronic notification system registered 935 notifications. Furthermore, during the same period, 10 notifications were sent by fax, e-mail or mail.

The European Union (EU) showed its concern for the elaboration of Community recommendations in view of protecting the public from the harmful effects which may appear as a result of the exposure to certain electromagnetic fields.

The measures regarding the electromagnetic fields must offer all Community citizens a high level of protection. The decisions taken by the Member States must be grounded on a commonly agreed framework which could contribute to guaranteeing the consistency of protection throughout the Community.

Electromagnetic compatibility is the European Commission's prerogative. Two European Directives under the New Approach (Low Tension Directive - Directive 2006/95/EC and Directive on radio equipment and telecommunications terminal equipment and the mutual recognition of their conformity - Directive 1999/5/EC) provide that the equipment produced, sold or, in certain cases, used within the EU must be "safe", as regards the electromagnetic field. The Directives are legally binding and apply to all equipment items which fall within their scope, in spite of whether they come from outside EU.

ANCOM is involved in the activities established by the legislation in force (Government Emergency Ordinance no.22/2009 and Government Decision no.88/2003), on grounds of which it surveys to what extent the radio equipment users observe the maximum values of the electromagnetic fields, which must not be exceeded under any circumstances.

ANCOM considers the allowed reference levels for public exposure (population in general) to electromagnetic fields with frequencies from 0 Hz to 300 GHz provided in Recommendation 1999/519/EC, as well as the methods of measuring the non-ionized electromagnetic radiations (9 KHz – 300 GHz) provided in Recommendation ECC (02)04 and in the relevant harmonised standards.

Table 4.12 Equipment market surveillance in 2009

Activity/Indicator	Bucharest Regional Division	Cluj Regional Division	Iasi Regional Division	Timis Regional Division
Number of actions of market surveillance	489	1,200	714	138
Number of equipment items verified	903	1,200	2,064	514
Number of cases of non-conformity	60	158	59	3
Sanctions applied, of which:	19	0	46	1
- warning	15	0	46	0
- fine	4	0	0	1



ENSURING THE REGULATION EFFICIENCY BY MONITORING AND CONTROLLING THE MARKET

The Authority's monitoring, surveillance and control activities are meant to ensure that the provisions of the relevant legislation and of the regulations imposed by the Authority for promoting competition in the electronic communications and postal services markets, as well as for protecting the users' rights and interests, are enforced and observed in practice. An important component of the control activity is the monitoring of the radio frequency spectrum with non-governmental use, which aims both at upholding the process of efficient spectrum management and at observing the obligations in the licences for the use of radio frequencies and in the frequency assignment authorisations or in the regulations in the field of the electronic communications using the radio spectrum.

These activities are carried out under transparency, impartiality and objectivity conditions and envisage both business 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 therefor by the Authority's President.

5.1 The 2009 main objectives

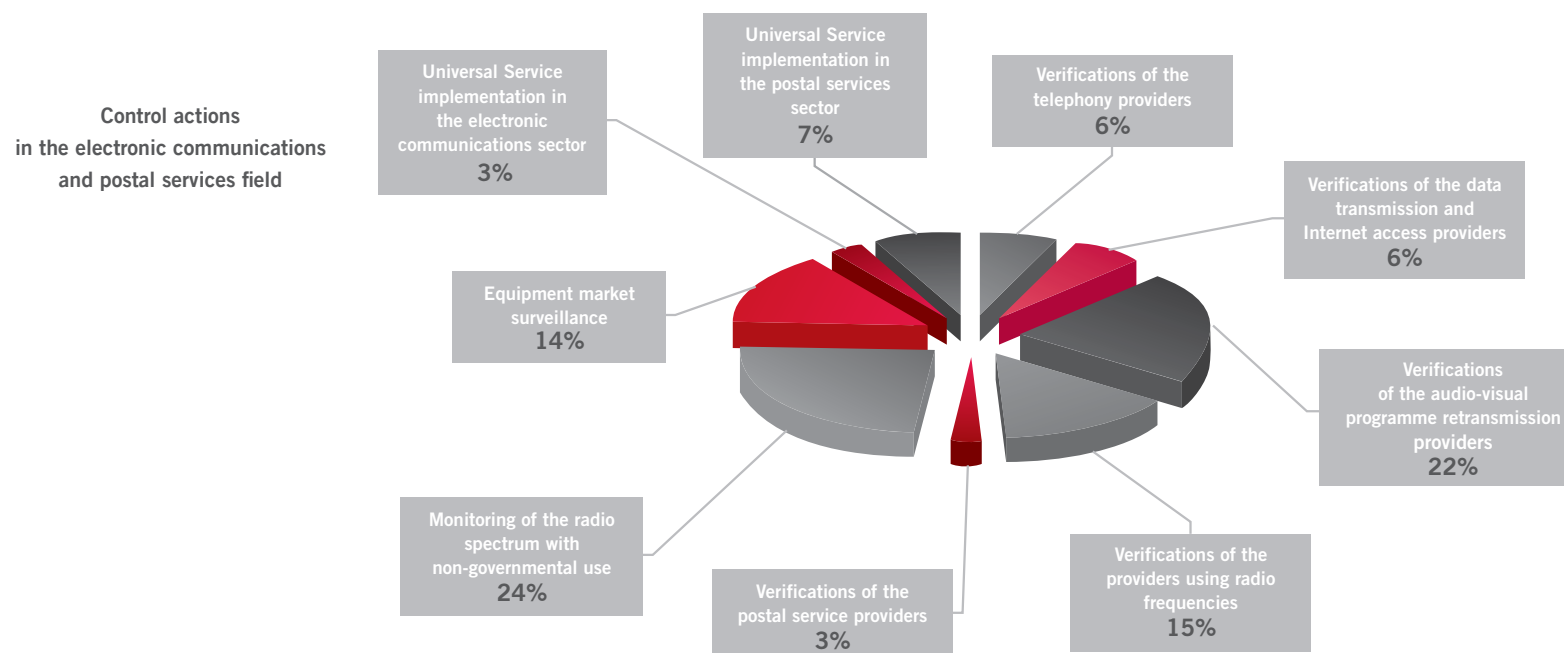
In 2009, in the activity of verifying the compliance with the legal provisions, ANCOM focused on investigating the following aspects: implementation of the access and inter-connection regime, compliance with the obligations under the Government Emergency Ordinance no.34/2008 on the organisation and functioning of the Unique National System for Emergency Calls (SNUAU), observance of the legal provisions under the ANC President's Decision no.1023/2008 on performing communications to the SNUAU, as well as on monitoring the putting on the market, rendering operational and usage of devices employed for blocking the electronic communications services provided over authorised electronic communications networks.

As well, in order to protect the end-users' interests and rights, in 2009, ANCOM effectively verified the compliance of the providers of publicly available electronic communications services with the legal provisions related to the means of informing the end-users and to the minimum requirements to be included in their contracts with the end-users. Moreover, ANCOM continued to survey the evolution of the electronic communications and postal services markets – by collecting, verifying, processing and analysing the statistical data reported by the providers of electronic communications networks and services, as well as to verify the compliance with the obligations imposed on the Universal Service providers in the field of electronic communications and postal services. In addition, 2009 was dedicated to rendering more efficient the mechanisms

of surveillance and control and to the unitary approach of these activities in all the 41 organisational structures from the territory. To this end, specific operational procedures have been elaborated in view of identifying the sequences of activities within these processes and of optimizing them, as well as of establishing common working methods and applicable rules in order to accomplish the tasks and attributions.

5.2 Monitoring the enforcement of the specific regulations in the field of electronic communications and postal services, as well as of those relating to the users' information and education

In 2009, in the electronic communications and postal services field, the control activity resulted in a total number of 17,877 control actions, of which 16,113 were carried out in the electronic communications sector and 1,764 in the postal services sector,



in view of verifying compliance with the obligations imposed by the Authority in the field.

5.2.1. Control actions conducted on the authorised providers

5.2.1.1 Control actions conducted on the telephony providers

During 2009, the ANCOM control personnel conducted a total number of **1,147 control actions** on the fixed and mobile telephony providers. Following these control actions, the Authority sent 96 notifications on the intention to enforce sanctions, and, consequently, most of the providers remedied the assessed failures. The Authority applied 6 contravention sanctions, 3 warnings and 3 contravention fines amounting to RON 105,000.

Between 25 May 2009 and 5 June 2009, the Authority conducted a control campaign in view of checking the compliance with the obligations set out in the decisions on the designation of 29 companies as providers with significant power on the market of call termination provided at fixed locations on the provider's own public telephone network. The individual decisions were issued on grounds of the provisions of the **ANRCTI Presi-**

dent's Decision no.585/2008 on identifying the relevant markets for the services of call termination at fixed locations to the companies Adisam Telecom, Advanced Business Solutions International, Atlas Telecom Network Romania, Canal S, Combridge, Connet-Ro, Datek Telecom, Dial Telecom, Digicom Systems, Euroweb Romania, GTS Telecom, Idilis, Ines Group, Intersat, Media Sat, Net-Connect Internet, Nevi Telecom, New Com Telecomunicatii, Nextel Solutions, Plug It International, Rartel, Telcor Communications, Thomas Hook Communications Romania, Trans Tel Services, UPC Romania, Vip Net, Voxility, Radiocommunications National Company, BP Office & Service. The 29 control actions revealed no breaches of the legal provisions.

1,110 control actions were conducted in the last quarter of 2009, i.e. between 26 October and 13 November 2009, as part of a control campaign meant to ensure the compliance with the obligations to inform the users imposed by ANCOM by means of the ANC President's Decision no. 77/2009 on the obligations of informing the end-users, incumbent on the providers of publicly available electronic communications services. The Authority's authorised personnel conducted the control actions at the working points of 28 telephony providers or of their partners and pursued, mainly, to assess the extent to which they observed the means of making available to the public information related to the terms for obtaining and using their services.

The campaign was carried out throughout the country, pursuant to certain county plans which considered the number of an operator's own and of its partner working points. ANCOM conducted thus 343 controls at the working points or distributors of Orange Romania, 282 at those of Vodafone Romania, 249 at Cosmote Romanian Mobile Telecommunications, 82 at Romtelecom, 46 at Telemobil, 40 at RCS & RDS, 32 at UPC Romania, eight at New Com Telecomunicatii, five at Atlas Telecom Network Romania, three at the Radiocommunications National Company and Euroweb Romania and one at each of the following operators: Advanced Business Solutions International, Canal S, Combridge, Connet Ro, Datek Telecom, Dial Telecom, Digicom Systems, Idilis, Intersat, Media Sat, Net-Connect Internet, Nevi Telecom, Nextgen Communication, Telcor Communications, Thomas Hook Communications Romania, Trans Tel Services and Voxility. Following the control campaign, 88 notifications on the intention to enforce sanctions were sent to 20 providers, all the assessed failures being eventually remedied.

Moreover, in 2009, five other control actions were conducted (on Cellebral, Interpoint, Thomas Hook Communications Romania, World Telecom Network, Net-Connect Internet) in view of checking the compliance with the obligations related to the use of the allotted geographic numbering resources, which resulted in the transmission of five notifications on the intention to enforce sanctions to the abovementioned providers.

As well, the Authority's control personnel conducted a control action on Romtelecom within the purpose of identifying the modality in which the company re-assigned the numbering resources. Following the control actions, Net-Connect Internet was sanctioned with a contravention fine of RON 100,000.

In December 2009, two control actions were conducted on Atlas Telecom Network Romania, respectively on New Comm Telecomunicatii, in view of verifying the compliance with the obligations set out by Law no.304/2003 on Universal Service and end-users' rights, republished. Following the assessed failures, notifications on the intention to enforce sanctions were sent to the respective providers and they were sanctioned with contravention fines amounting to RON 5,000.

5.2.1.2 Control actions conducted on the data transmissions and Internet access providers

In 2009, in the market of data transmissions and Internet access services, the Authority conducted a massive campaign for monitoring the compliance with the legal provisions related to the minimum requirements to be included in the contracts concluded between the Internet access providers and the end-users. Thus, **1,106 control actions** were conducted with a view to verify the observance of the provisions under Law no.304/2003 on Universal Service and users' rights relating to the electronic communications networks and services, republished. As a result of the assessed failures, 137 notifications on the intention to enforce sanctions were transmitted, whereby the Authority established terms and imposed conditions for remedying the breaches committed, applying also 11 contravention sanctions (warnings).

5.2.1.3 Control actions conducted on the providers of audio-visual programme re-transmission services

In 2009, **193 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 on the general regulatory framework for communications, approved, with amendments and completions, by Law no. 591/2002, with the subsequent amendments and completions, during which 18 contraventions were found and 13 notifications on the intention to apply sanctions were sent. Following the failure to remedy the breaches, 2 contravention sanctions (warnings) were applied. Furthermore, the Authority carried out **2,349 control actions** on the networks that retransmitted or broadcasted audio-visual programme services, in order to verify the provisions of Audio-Visual Law no.504/2002. In 158 cases, the providers failed to observe the authorisation terms (broadcasting li-

cences 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 34 networks that retransmitted audio-visual programme services did not have a technical functioning authorisation. ANCOM issued 149 summons, setting terms and conditions for the recovery of the lawful status. The summons led to the remediation of the assessed failures, all the providers regaining their lawful status.

As regards the control of the radio and television stations in accordance with Law no.504/2002, the Authority carried out **1,349 control actions**. 7 cases of radio and television broadcastings without an audio-visual licence, broadcasting licence or technical functioning authorisation, one case of radio and television broadcasting without a broadcasting licence or technical functioning authorisation and 62 cases of failure to comply with the authorisation terms or failure to fit in the technical standards and specifications in force. In view of recovery of the lawful status, the Authority issued 56 summons. Following the failure to recover the lawful status, 2 contravention sanctions (warnings) were applied and 3 penal complaints were submitted.

During 2009, the Authority's Regional divisions received **818 authorisation requests** for CATV networks, for broadcasting or retransmitting audio-visual programme services, 678 of which were approved and 140 were rejected because of the unsatisfying technical measures. As well, ANCOM received 86 requests for the authorisation of television stations, three of them being rejected.

5.2.1.4 Control actions conducted on the postal service providers

In 2009, on the postal service market, **458 control actions** were conducted throughout the country, following which 13 sanctions were enforced, i.e. 10 warnings and three contravention fines amounting to RON 15,000. The most serious contravention concerned the provision of postal services by unauthorised persons.

5.2.1.5 Control actions conducted on the providers using radio frequencies

In order to verify the use of radio frequencies in accordance with the provisions 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**, the Authority undertook **2,637 control actions**. Following these control actions, 103 cases of 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 were found. Therefore, 111 notifications on the intention to apply sanctions were issued, establishing the terms and conditions for the recovery of the legal status.

The Authority also discovered 38 cases of illegal usage of the radio spectrum (lack of a Licence for the use of radio frequencies), and thus applied 20 contravention sanctions (warnings).

5.2.2 Monitoring of the radio frequency spectrum

By carrying out the spectrum monitoring activities, ANCOM fulfils an important role in ensuring and making available free-interference spectrum resources to all authorised users, via organisational and technical measures such as:

- Imposing the obligation to observe the regulations in force and the provisions under licences and authorisations;
- Investigating and settling the interferences and disturbances, in view of removing them or at least reducing them at a level that would not bring prejudice to the affected applications. Thus, during 2009, the Authority conducted **177 missions of interference and disturbance investigation**, 169 of which were solved by the removal of the disturbance causes, whereas the rest of 8 are to be solved at the beginning of 2010. The aforementioned investigations revealed 38 cases of illegal broadcastings or breaches of the authorisation conditions.
- Preventive monitoring of the radio spectrum with non-governmental use. To this end, in 2009, the Authority conducted **4,142 monitoring missions**, following which 139 cases of illegal broadcastings or breaches of the authorisation conditions were assessed and remedied.
- Management and operation of the NSMS (spectrum management and monitoring) and RADIS (verification of the quality parameters of the mobile telephone networks) integrated systems;
- Campaigns of monitoring the quality parameters of the mobile telephone networks.

In 2009, the Authority's regular activities of monitoring the radio spectrum with non-governmental use and of assessing the unauthorised broadcastings and the disturbances focused on the sub-bands within the bands allotted to the audio and television broadcasting service, as well as on the bands allotted to the PAMR-CDMA services. The other missions (goniometry, measurements and real-time missions) were conducted upon the request of the ANCOM compartments with attributions in the radio spectrum management.

Furthermore, in 2009, the Authority carried out a campaign of monitoring the entire border area in view of assessing the areas with high risk of activation of the involuntary roaming regime for the second generation mobile telephone networks, being thus identified 277 localities.

In view of ensuring the electromagnetic compatibility with the national system for spectrum monitoring, administered by ANCOM, the National Authority for Management and Regulation in Communications analysed more than **800 documentations**, issuing the endorsements in view of obtaining the construction authorisations for the respective sites.

5.2.3 Monitoring the evolution of the electronic communications and postal services market

In 2009, following the non-compliance with the provisions of art.3 of the **ANRC President's Decision no.151/2006 on reporting statistical data by the providers of electronic communications networks and services**, **18 notifications** on the intention to enforce sanctions were sent to the providers of electronic communications networks and services for failure to submit the half-yearly statistical data provided in annexes 2-10 for the 1 July – 31 December 2008 reporting period. Also, 4 notifications on the intention to enforce sanctions were sent for failure to submit the half-yearly statistical data provided in annexes 2-10 for the 1 January - 30 June 2009 reporting period. As a result of the failure to provide the statistical data within the legal term, one company was sanctioned with an administrative fine of 400 RON.

5.2.4 Monitoring the Universal Service implementation in the electronic communications and postal services sector

5.2.4.1 Installation of telecentres

In 2009, the Authority conducted **480 control actions** at telecentres in view of verifying the compliance with the specific obligations imposed by the decisions on the designation of the Universal Service providers, as established in the Terms of Reference and in the technical proposal. As well, in 2009, the net cost (i.e. 12,340,672.17 lei) registered by 4 Universal Service providers upon installing and rendering operational 287 telecentres was compensated.

5.2.4.2. The directory enquiry service and the subscriber directory

In order to verify the obligations established by the two decisions on the designation as a Universal Service provider, i.e. to make available for users the subscriber directory and the directory enquiry service, on 9 November 2009 a control action was conducted on the Universal Service provider, Infoclick. As a result of the breaches assessed, 2 notifications on the intention to enforce sanctions were drawn and transmitted to the Universal Service provider. As well, according to the aforementioned control, at that moment the interconnection agreements between Infoclick, on the one side, and Atlas Telecom Network Romania, Cosmote Romanian Mobile Telecommunications, RCS & RDS, Telemobil, on the other side, had not been concluded. Notifications on the intention to enforce sanctions were sent to the 4 providers.

5.2.4.3 Universal Service implementation in the postal services sector

In view of verifying the observance of the provisions under the decision on the designation of the Romanian Post National Company (CNPR) as a Universal Service provider in the postal services field, in 2009, ANCOM conducted **1,306 controls** at the CNPR working points, following which 5 contravention sanctions (warnings) were applied.

6

ELECTRONIC COMMUNICATIONS AND POSTAL SERVICES MARKET

The evolution of the Romanian communications market must be regarded in a wider economic context, in 2009 more than ever, since then the world economy registered growths in most segments. The economic environment put also a pressure on the Romanian communications sector; nevertheless, generally, the communications market acted well, registering increases of consumption in several segments.

As regards the evolution of the communications market, from the value standpoint, ANCOM established, based on the reportings of the providers' revenues, that the 2008 total value of the Romanian electronic communications and postal services market reached approximately 5 billion euros, increasing by almost 10% compared to 2007, i.e. 4.61 billion euros.

6.1 Fixed telephony

6.1.1 Subscribers and access lines data

According to the statistical data showing the evolution of the communications market in the first semester of 2009, the fixed telephony sector continued the trend of the previous period, registering growths as regards the number of employed access lines. Thus, the total number of fixed access lines grew slightly up to 5.19 million at mid-2009, from 5.17 million at end-2008 and 4.55 million as of 30 June 2008, respectively. Instead, the total number of subscribers employing these lines dropped from 4.12 million as of 31 December 2008 to 4.07 million as of 30 June 2009. The fixed telephony penetration rate reached 24.1% per population (+0.3 percentage points compared to the same period of 2008), respectively 53.7% per households (+2.2 percentage points compared to the same period of 2008).

Within the structure of the total number of installed access lines, the ratio between the categories of customers has changed as compared to the same period in 2008. Thus, the number of access lines allotted to business customers grew (from 780,000 lines at mid-2008 to 1.26 million lines in the first semester of this year), mainly due to the fact that the operators of mobile telephone networks had developed business fixed telephone services.

Table 6.1. Dynamics of the no. of access lines/subscribers to fixed telephone services, 30.06.2007 – 30.06.2009. Fixed telephony penetration rates per inhabitant/household..

Indicator	30.06.2007		31.12.2007		30.06.2008		31.12.2008		30.06.2009	
	Lines	Subscribers	Lines	Subscribers	Lines	Subscribers	Lines	Subscribers	Lines	Subscribers
Total no. of access lines/subscribers (mil.)* , of which:	4.21	3.71	4.37	3.84	4.55	4.00	5.17	4.12	5.19	4.07
Owned by alternative providers ² (mil.)	1.06	0.94	1.25	1.11	1.42	1.27	2.07	1.43	2.15	1.46
Fixed telephony penetration rate per 100 inhabitants (%) ²	19.5		20.3		21.1		24.1		24.1	
Fixed telephony penetration rate per 100 households (%) ³	48.2		49.8		51.5		53.6		53.7	

* Including the managed VoIP access lines and, respectively, the homezone/officezone access lines; to compute the total no. of access lines, the ISDN lines were multiplied by the number of channels (2 channels for the ISDN-BRA lines and 30 channels for the ISDN-PRA lines).

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

2) Fixed telephony penetration rate per 100 inhabitants = no. of telephone lines/Romania's population*100; population = 21,565,100 as of 30 June 2007, 21,537,563 as of 31 December 2007, 21,528,627 as of 30 June 2008, 21,504,442 as of 31 December 2008, respectively 21,498,616 as of 30 June 2009 (Source: INS);

3) Fixed telephony penetration rate 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, 18-27 March 2002);

Table 6.2. Dynamics of the no. of access lines for fixed telephone services, by customer category, 30.06.2007 – 30.06.2009

Indicator	30.06.2007	31.12.2007	30.06.2008	31.12.2008	30.06.2009
	abs. (mil. lines)	abs. (mil. lines)	evol. (%)	abs. (mil. lines)	evol. (%)
Total no. of access lines*	4.21	4.37	+3.8	5.17	+13.8
Residential users	3.53	3.65	+3.4	3.93	+4.1
Business users	0.69	0.73	+5.9	1.26	+61.1

* Including the managed VoIP access lines and, respectively, the homezone/officezone access lines;

To compute the total no. of access lines, the ISDN lines were multiplied by the number of channels (2 channels for the ISDN-BRA lines and 30 channels for the ISDN-PRA lines).

6.1.2. Traffic volume data

The voice traffic achieved on the fixed public telephone networks decreased by 15%, from 4.6 billion minutes, in the first semester of 2008, to 3.9 billion minutes, in the first semester of 2009.

Table 6.3. Structure of the total traffic volume achieved on the Romanian fixed public networks, by call destination. Dynamics between the 1st semester of 2007 and the 1st semester of 2009.

Indicator	1 st sem. 2007	2 nd sem. 2007	1 st sem. 2008	2 nd sem. 2008	1 st sem. 2009
	abs. (mil. minutes)	abs. (mil. minutes)	evol. (%)	abs. (mil. minutes)	evol. (%)
Voice traffic on own fixed networks*	2,543	2,876	+13.1	2,995	+4.2
Voice traffic to other fixed networks **	584	623	+6.8	709	+13.7
Voice traffic to mobile networks	539	595	+10.5	691	+16.0
International voice traffic***	156	183	+17.4	175	-4.2
Internet access traffic ****	392	194	-50.5	94	-51.3
Voice traffic to national non-geographic numbers in the OZ = 09 domain	1.2	1.1	-10.9	2.6	+133.8
Voice traffic to national non-geographic numbers in the OZ = 08 domain	13	15	+20.1	15	-2.6
Other types of traffic	15	10	-28.3	9	-13.2
Total traffic volume*****	4,242	4,498	+6.0	4,691	+4.3

* local voice traffic + national on-net voice traffic, excluding the traffic resulted from calls for dial-up and ISDN Internet access; ** 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; *** traffic to fixed or mobile public networks from outside Romania + traffic to satellite public networks;**** traffic achieved from dial-up and ISDN Internet access (including traffic volumes such as ClickNet, Special Internet Access, Internet Premium Rate); ***** including traffic volume achieved by means of public pay telephones or of telecentres.

6.2 Mobile telephony

6.2.1. User data

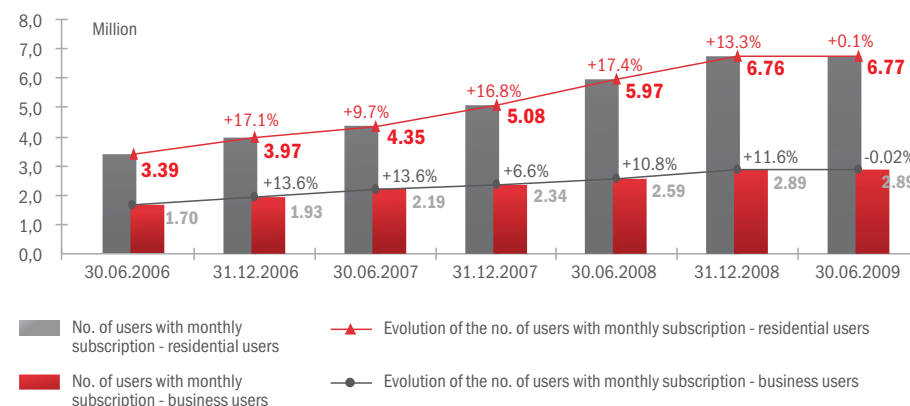
In spite of the fact that the number of “active” SIM cards (which registered traffic) decreased by 0.4% as compared to 31 December 2008, the number of subscription-based SIM cards increased slightly, by +0.1%, which led to an increase of the latter’s share within the total number of active SIM cards (almost 40% of the active SIM cards are subscription-based). At mid-2009, 70% of the 9.66 million users with monthly subscription were residential users (See Table 6.4 and Chart 6.1).

Table 6.4. Dynamics of the total no. of “users” (“valid”/ “active” SIM cards), 30.06.2006 – 30.06.2009. Mobile telephony penetration rate..

Indicator	30.06.2006	31.12.2006	30.06.2007	31.12.2007	30.06.2008	31.12.2008	30.06.2009
Total no. of “active” users (users of “active” subscriptions and prepaid cards)	13.67	16.0	17.5	20.4	22.1	24.5	24.4
“Active” SIM card penetration rate per 100 inhabitants (%)	63.2	74.1	81.3	94.8	102.7	113.8	113.5

SIM cards or terminals (for S.C. Telemobil S.A.) for which a sum is paid monthly for access to the mobile telephone services;

Chart 6.1. No. of subscription-based mobile telephony “users”⁵, by user category. Dynamics of the no. of subscription-based mobile telephony “users” – residential/business users - 30.06.2006 – 30.06.2009



* Estimated values; 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 to ANCOM estimated values for the semesters of 2006 and 2007;

6.2.2. Traffic volume data

The total voice traffic achieved on the fixed and mobile telephone networks in the first semester of 2009 registered a volume of 23.5 billion minutes, more by 22% compared to the first semester of 2008.

If the voice traffic on the fixed telephone networks decreased, the voice traffic originated (excluding roaming) by end-users on the mobile public telephone networks from Romania increased by approx. 34% compared to the same period of 2008, reaching more than 19.5 billion minutes in the first semester of 2009 (See Tables 6.5, 6.6 and Chart 6.2).

Table 6.5. Voice traffic volume originated (excluding roaming) by end-users on the mobile public networks from Romania, by call destination, between the 1st semester of 2006 and the 1st semester of 2009

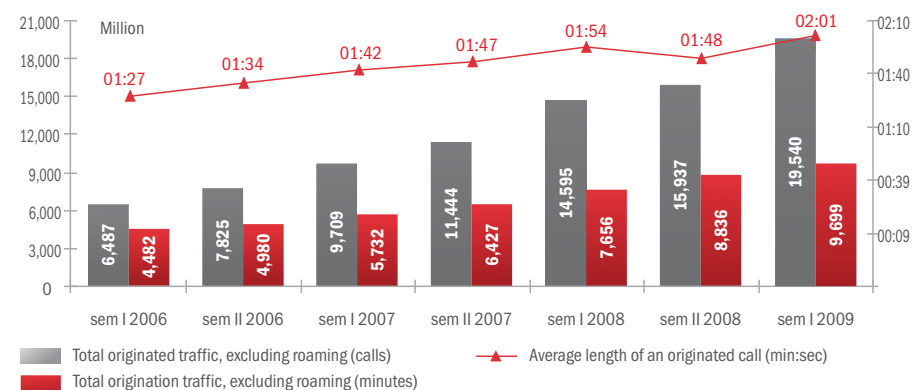
Indicator	1 st sem 2006	2 nd sem 2006		1 st sem 2007		2 nd sem 2007		1 st sem 2008		2 nd sem 2008		1 st sem 2009	
	abs. (mil.)	abs. (mil.)	evol. (%)	abs. (mil.)	evol. (%)	abs. (mil.)	evol. (%)	abs. (mil.)	evol. (%)	abs. (mil.)	evol. (%)	abs. (mil.)	evol. (%)
Total originated voice traffic, excluding roaming, of which:	6,487	7,825	+20.6	9,709	+24.1	11,444	+17.9	14,595	+27.5	15,937	+9.2	19,540	+22.6
On own mobile networks	5,111	6,144	+20.2	7,726	+25.8	9,088	+17.6	12,006	+32.1	12,768	+6.4	16,196	+26.8
To other terrestrial mobile public networks	1,024	1,275	+24.5	1,508	+18.3	1,791	+18.7	1,946	+8.7	2,344	+20.4	2,466	+5.2
To fixed public networks*	246	266	+8.4	312	+17.1	375	+20.2	449	+19.7	591	+31.6	624	+5.6
To international networks	107	140	+31.7	163	+15.9	190	+16.8	194	+2.1	234	+20.2	254	+9.0

*Including the traffic terminated to the subscribers of the homezone fixed telephone services;

Table 6.6. Annual evolution of the volume of voice traffic originated (excluding roaming) by end-users on the mobile public networks from Romania, by call destination, between the 1st semester of 2006 and the 1st semester of 2009

Indicator	1 st sem 2006	1 st sem 2007	1 st sem 2008	1 st sem 2009
Total originated voice traffic, excluding roaming, of which:	-	+49.7	+50.3	+33.9
On own mobile networks	-	+51.1	+55.4	+34.9
To other terrestrial mobile public networks	-	+47.3	+29.0	+26.7
To fixed public networks	-	+27.0	+43.9	+39.0
To international networks	-	+52.7	+19.3	+31.1

Chart 6.2. Annual voice traffic volume originated on mobile public networks, 2006-2009. Evolution of the average length of a call originated (min:sec) on the providers' own networks, 2006-2009



6.3 Internet access services and leased lines

6.3.1. Structure and dynamics of the broadband Internet access market

The fixed broadband Internet segment registered an increase of almost 6% as compared to 31 December 2008. Thus, the total number of connections reached 2.65 million, whereas the penetration rate rose to 12.3%, per population, and, respectively, to 32.1%, per households. As per the fixed broadband connections, the UTP/FTP cable connections, respectively the xDSL connections, kept the ascendant trend, accounting both at mid-2009 for 51%, respectively 28%, within the total fixed broadband connections (See Table 6.7).

Table 6.7. Dynamics of the no. of Internet access connections, by connection modality, 30.06.2007 – 30.06.2009

Indicator	30.06.2007	31.12.2007	30.06.2008	31.12.2008	30.06.2009
	abs. (mil.)	abs. (mil.)	abs. (mil.)	abs. (mil.)	abs. (mil.)
FIXED CONNECTIONS					
Fixed broadband Internet access connections	1.51	1.95	2.27	2.51	2.65
ACTIVE MOBILE CONNECTIONS					
HSCSD, GPRS, EDGE, CDMA, EVDO, 3G active connections – subscriptions/prepaid cards for Internet access and mobile telephony users with subscription/prepaid cards , of which:	0.67	1.09	1.19	2.74	4.12
EDGE, CDMA, EV-DO, 3G broadband active connections	0.53	0.79	0.92	1.53	2.43

Furthermore, the active mobile broadband connections increased significantly up to 2.4 million, at end-2009, from 1.5 million at end-2008 (See Table 6.8).

Table 6.8. Number of active mobile Internet access connections, by connection and service used. Evolution between 30.06.2007 and 30.06.2009

Active mobile Internet access connections ⁸	30.06.2007 (mil.)	31.12.2007 (mil.)	30.06.2008 (mil.)	31.12.2008 (mil.)	30.06.2009 (mil.)
HSCSD, GPRS, EDGE, CDMA, EVDO, 3G mobile active mobile Internet access connections – Internet access subscriptions and mobile telephony users with Internet access subscription , of which:	0.49	0.73	0.80	1.51	2.19
Broadband connections (over EDGE, CDMA, EV-DO, 3G)	0.35	0.48	0.60	0.86	1.33
GPRS, EDGE, EV-DO, 3G active mobile access connections – prepaid cards for Internet and mobile telephony users with prepaid cards allowing for Internet access, of which:	0.18	0.36	0.39	1.23	1.93
Conexiuni active în bandă largă prin EV-DO, EDGE, 3G	0.18	0.31	0.32	0.67	1.09

6.3.2. Leased lines services

Table 6.9. Structure of the leased lines market by customer category (end-users/ other providers) and, respectively, by category of leased lines provided. Evolution between 30.06.2007 and 30.06.2009

Indicator	30.06.2007 abs.(thousand)	31.12.2007 abs.(thousand)	30.06.2008 abs.(thousand)	31.12.2008 abs.(thousand)	30.06.2009 abs.(thousand)
No. of leased lines on the retail market	21.39	22.96	21.50	21.30	19.53
a) leased lines-total circuits	21.39	22.96	21.50	21.30	19.53
No. of leased lines on the wholesale market	6.42	5.75	5.90	8.10	7.12
a) leased lines-total circuits	2.87	1.72	1.60	2.80	2.55
b) leased lines-terminal circuits	3.12	3.47	3.60	4.30	3.54
c) leased lines-trunk circuits	0.44	0.55	0.70	1.10	1.03

6.4 Audio-visual programme retransmission services

6.4.1. Market structure and dynamics

The total number of active providers of audio-visual programme retransmission services is continuously declining, from 523 at end-2008, to 503, by end-2009, mainly because the market for services of cable television programme (re)transmission strengthened and the number of providers offering services over satellite networks and IP technology remained steady.

The total number of subscribers to audio-visual programme retransmission services in Romania rose in 2009 to 5.72 million from 5.64 million registered at end-2008. 3.42 million subscribers of these received services over the cable networks.

Furthermore, the penetration rate per household increased slowly, from 77.1% as of end-2008, to 78.1% as of 30 June 2009. Whereas the penetration rate of the DTH services steadily grows, the penetration rate of the retransmission services provided over cable networks decreases, ever since 2008 (See Table 6.10).

Table 6.10. Dynamics of the number of audio-visual programme retransmission subscribers and evolution of the penetration rate per households, by reception support, 2007 – 2009

Indicator	30.06.2007	31.12.2007		30.06.2008		31.12.2008		30.06.2009	
	abs. (mil.)	abs. (mil.)	evol. (%)	abs. (mil.)	evol. (%)	abs. (mil.)	evol. (%)	abs. (mil.)	evol. (%)
Total no. of audio-visual programme retransmission subscribers, of which:	4.57	5.24	+14.7	5.58	+6.5	5.64	+1.1	5.72	+1.4
Over cable networks	3.60	3.54	-1.8	3.60	+1.8	3.49	-3.2	3.42	-2.1
Over satellite networks (DTH)	0.96	1.70	+76.1	1.98	+16.4	2.15	+8.9	2.30	+7.0
Penetration rate, per households, of the audio-visual programme retransmission services (%)	62.4	71.6		76.2		77.1		78.1	
Penetration rate, per households, of the retransmission services provided over cable networks (%)	49.2	48.3		49.2		47.7		46.7	

Penetration rate, per households, of the retransmission services provided over satellite networks (DTH)	13.2	23.2	27.0	29.4	31.5
---	------	------	------	------	------

6.5 Postal services

6.5.1. Postal service market

In 2009, ANCOM elaborated the Report on the 2008 Romanian postal service market, based on the statistical data corresponding to the 2008 postal service sector, collected according to the provisions of Decision no.1301/2004 on reporting certain statistical data by the postal service providers.

In 2008, 711 providers (i.e. 89.77% of the total providers which reported statistical data) were active in the postal service market, whether operating as such or being mandated to act on behalf of another provider. During the same period, 77 authorised providers (i.e. 9.72% of the total 792 respondents) did not actually exercise the right to provide postal services and 8 providers waived the right to provide such services (See Exhibit 6.3).

6.5.2. Total postal traffic in 2008

The 2008 total postal traffic registered **687,525,363** postal items of which **669,784,973** were domestic, i.e. 97.42% of the total postal traffic, and **17,740,390** were cross-border, i.e. 2.58% of the total.

A comparative analysis of the data reported in 2006, 2007 and 2008 revealed a steady traffic growth by 21.86% in 2007, compared to 2006, as well as a downturn of the total traffic in 2008 by 2.1% (See Exhibit 6.4).

The ratio between the 2008 total postal traffic (**687,525,363**) and Romania's population reveals an average of 31.98 postal items per inhabitant, decreasing from an average of 32.65 in 2007.

Chart 6.3. Postal service providers in 2008

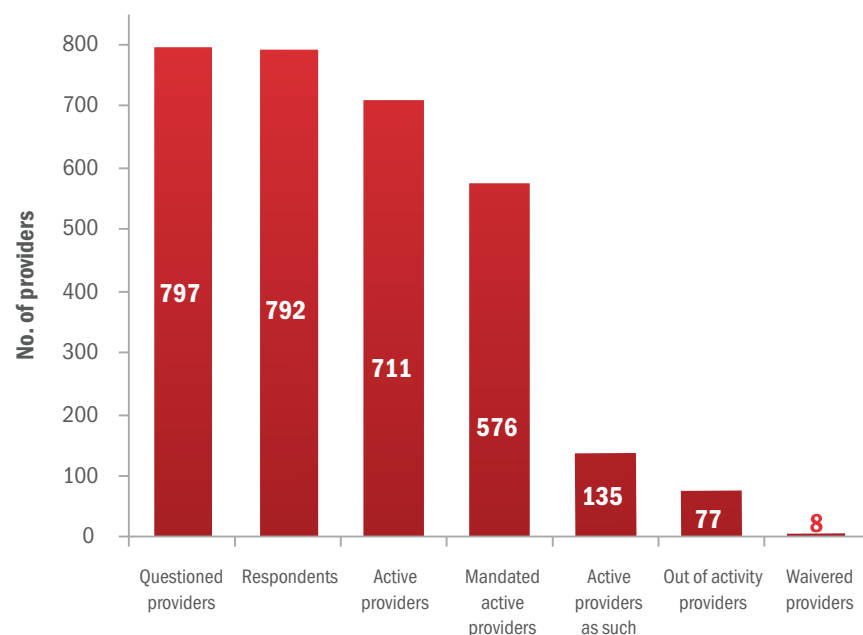
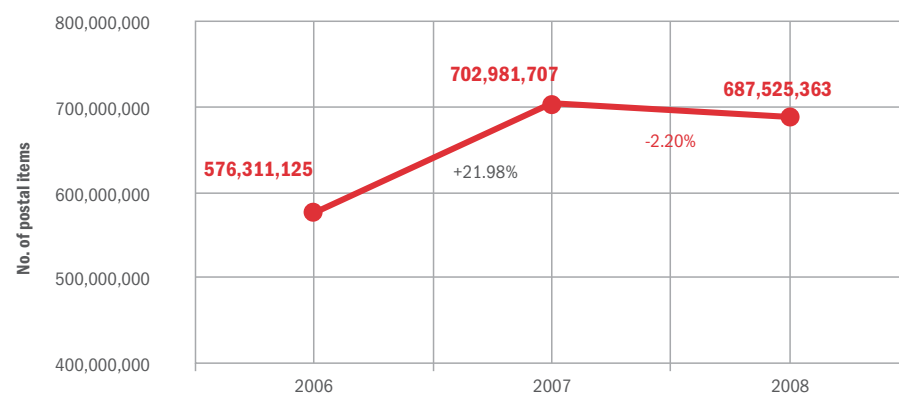


Chart 6.4. Dynamics of the 2006-2008 total postal traffic



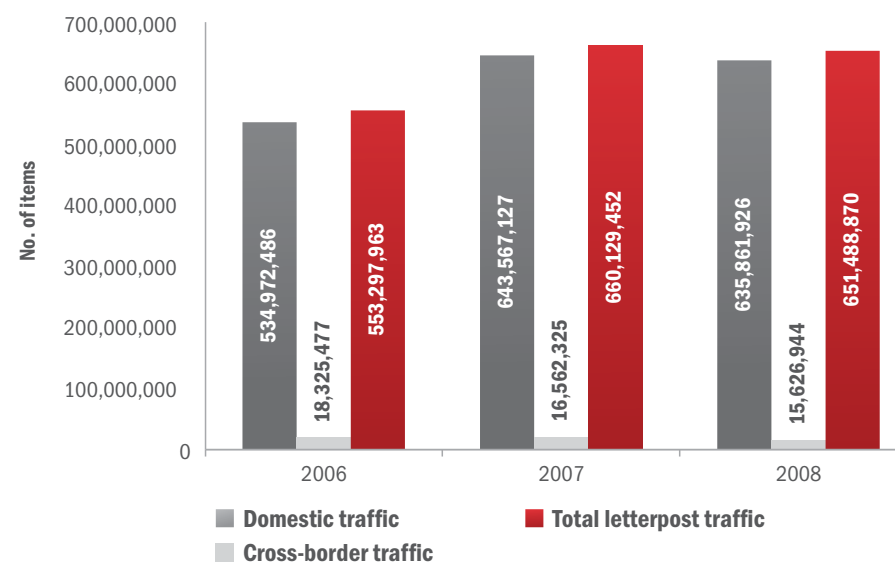
6.5.3 Structural analysis of the postal traffic

6.5.3.1 Letter-post traffic

In 2008, the postal traffic of letter-post items accounted for 94.76% of the total postal traffic (**687,525,363**), amounting to **651,488,870** items. Moreover, during 2008, the following volumes of letter-post items were processed:

- **635,861,926** domestic items
- **15,626,944** cross-border items

Chart 6.5. Letter-post traffic, 2006-2008

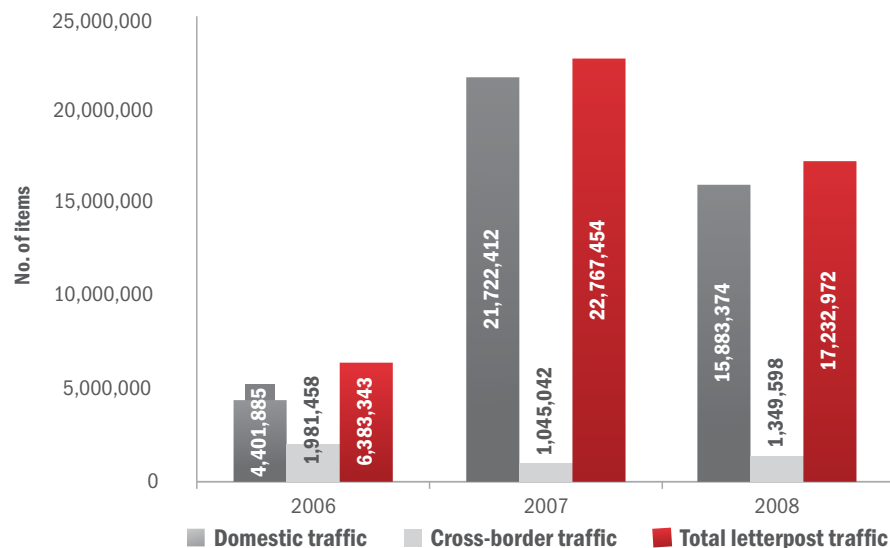


6.5.3.2 Parcel traffic

In 2008, a number of **17,232,972** postal parcels were cleared and delivered, i.e. 3.24% of the total postal traffic (**687,525,363**). As well, the following postal items were processed:

- **15,883,374** domestic postal parcels;
- **1,349,598** cross-border postal parcels.

Chart 6.6. Postal parcel traffic, 2006-2008



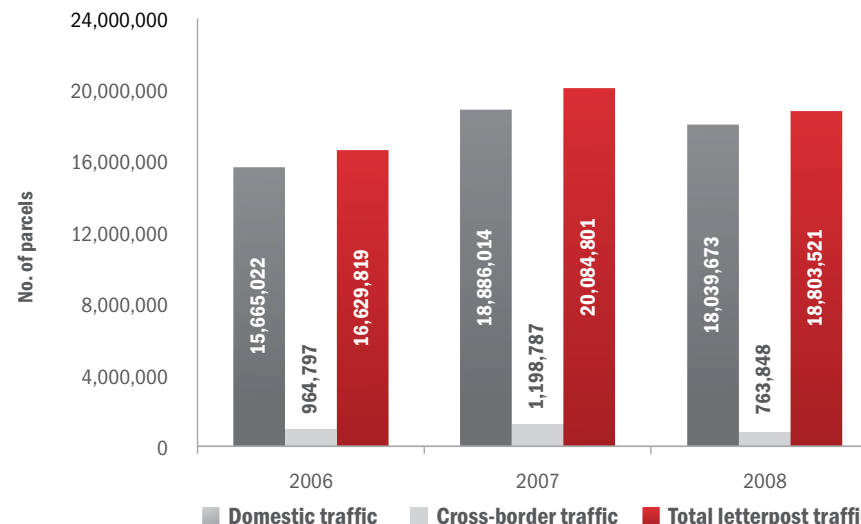
6.5.3.3 Express traffic

In 2008, the Express total postal traffic registered **18,803,521** postal items and accounted for 2.74% of the total postal traffic (**687,525,363**). As well, the analysis of the statistical data for Express services during 2008 revealed that:

- the domestic traffic amounted to **18,039,673** postal items;
- the cross-border traffic amounted to **763,848** postal items.

The domestic Express traffic holds a 2.69% quota within the total domestic postal traffic (**669,784,973**), while the cross-border Express traffic represents 4.31% of the total cross-border traffic (**17,740,390**).

Chart 6.7. Traffic of postal items processed via Express services, 2006 – 2008



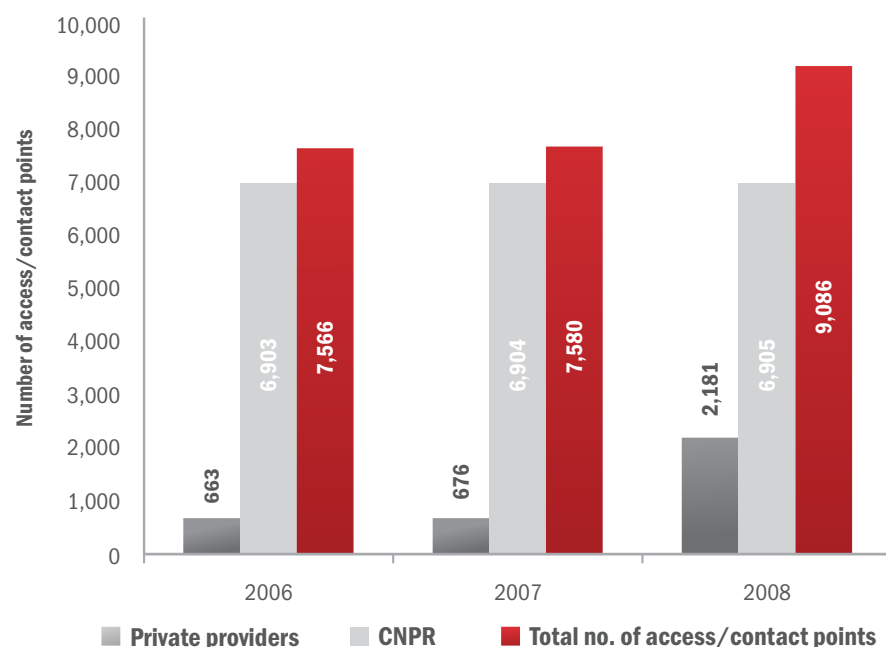
6.5.4. Analysis of postal networks

6.5.4.1. Postal coverage and density

The postal coverage refers to the number of access and contact points per 100 Km².

In 2008, there were 9,086 access and contact points in Romania, thus the resulting index is 3.81 (access/contact points)/100 Km², compared to 2007, when this index was 3.18. The ratio between the access points and the country's population shows an index of 2,366 (inhabitants/acces/contact points) compared to 2,840 (inhabitants/acces/contact points) in 2007 and 2,850 (inhabitants/acces/contact points) in 2006.

Chart 6.8. Number of access and contact points of CNPR and private providers



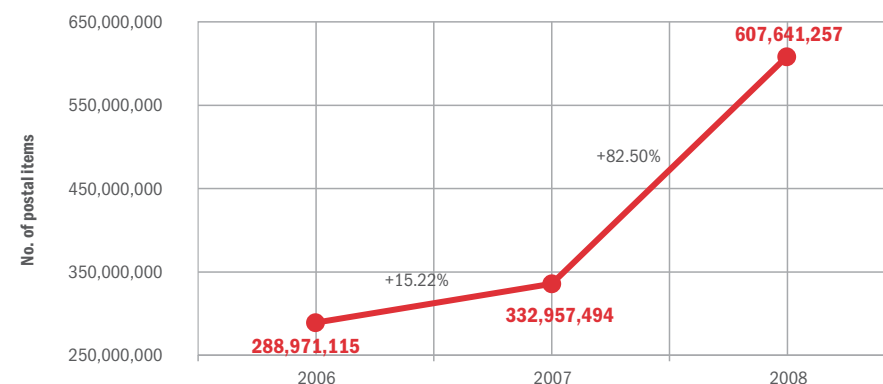
6.5.5. Postal services within the scope of Universal Service in 2008

6.5.5.1. Postal traffic within the scope of Universal Service

Postal services within the scope of Universal Service were provided, during 2008, by CNPR, in its capacity of Universal Service provider, on the one hand, and by other postal service providers, on the other hand.

In 2008, the postal traffic of services within the scope of Universal Service registered 607,641,257 postal items, thus holding 88.38% share within the year's total postal traffic. 593,596,260 were domestic postal items, and 14,044,997 were cross-border postal items.

Chart 6.9. Dynamics of the total postal traffic within the scope of Universal Service, 2006-2008

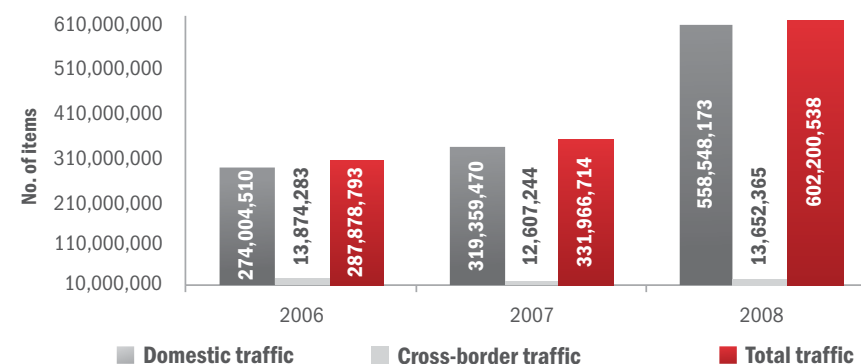


6.5.5.2 Traffic of letter-post items within the scope of Universal Service

In 2008, the letter-post traffic accounted for 87.59% (602,200,538 items) of the total postal traffic (687,525,363). As well, the following items were processed:

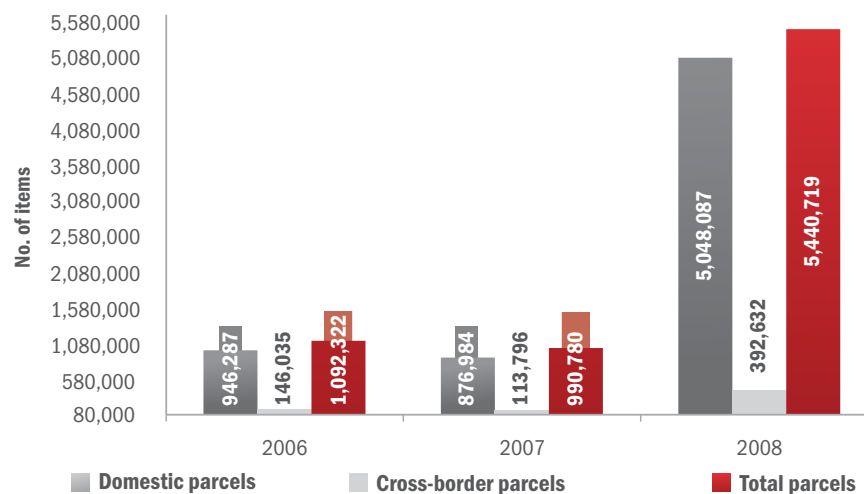
- 588,548,173 domestic items;
- 13,652,365 cross-border items.

Chart 6.10. Traffic of letter-post within the scope of Universal Service, 2006-2008



6.5.5.3 Traffic of postal parcels within the scope of Universal Service

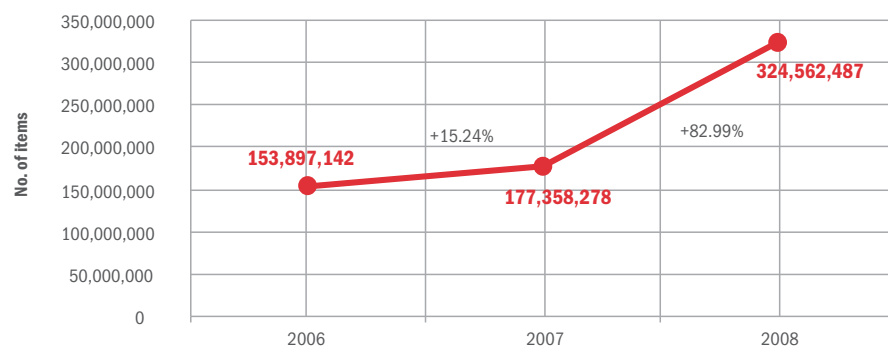
Chart 6.11. Traffic of parcels within the scope of Universal Service, 2006 – 2008



6.5.6. Traffic of services reserved to CNPR

The postal traffic achieved by the Universal Service provider (i.e. CNPR) in 2008, based on its reserved rights, amounted to **324,562,487** items of correspondence, i.e. 53.42% of the Universal Service traffic (**607,641,257**) and 47.21% of the whole 2008 postal traffic (**687,525,363**).

Chart 6.12. Dynamics of the traffic of services reserved to CNPR

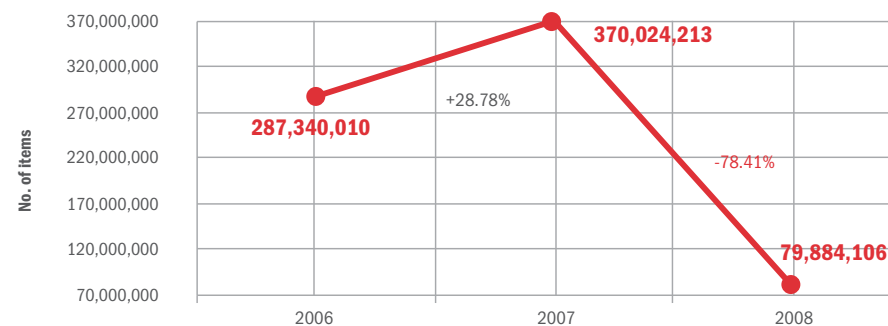


6.5.7. Postal services outside the scope of Universal Service in 2008

The 2008 postal traffic of the services outside the scope of Universal Service amounted to **79,884,106** postal items, i.e. 11.62% of the year's total postal traffic (**687,525,363**), out of which:

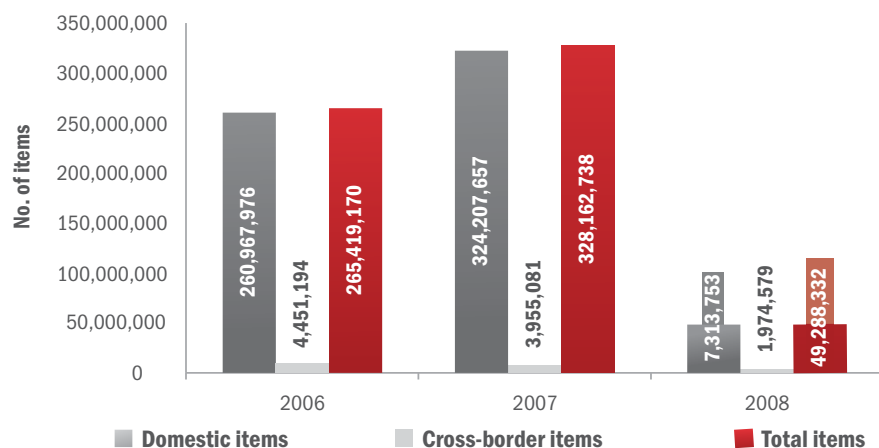
- **76.188.713** were domestic postal items;
- **3.695.393** were cross-border postal items.

Chart 6.13. Dynamics of the total postal traffic outside the scope of Universal Service, 2006-2008



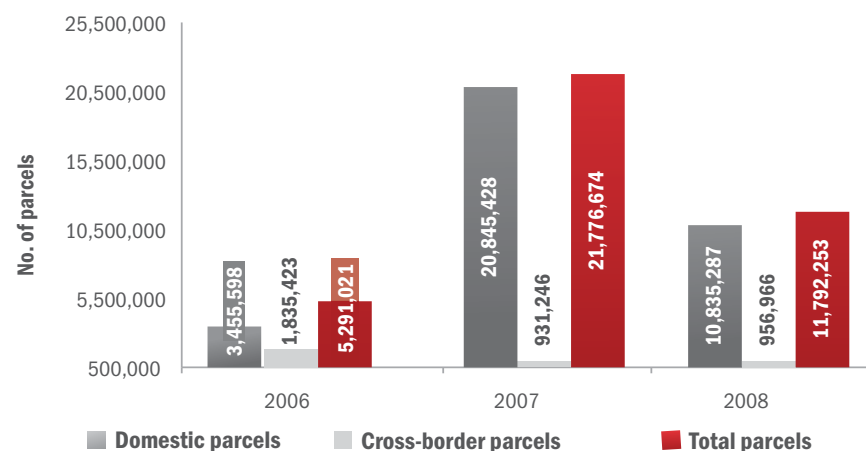
6.5.7.1. Traffic of letter-post items outside the scope of Universal Service

Chart 6.14. Traffic of letter-post items outside the scope of Universal Service, 2006-2008



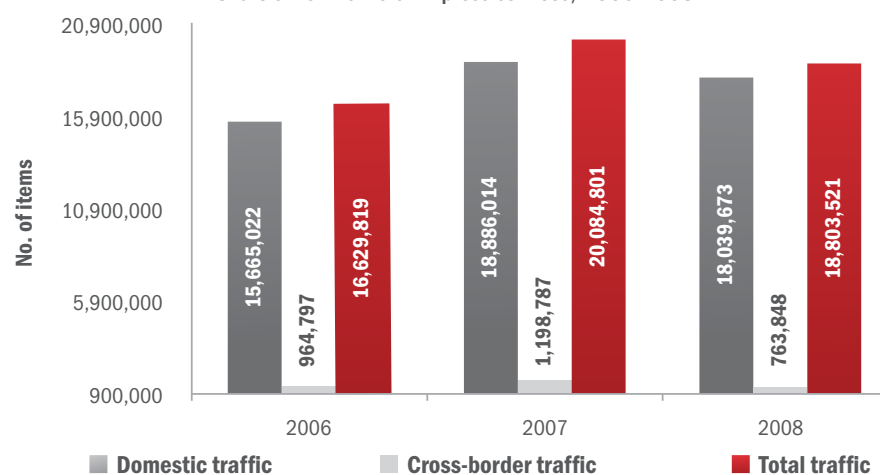
6.5.7.2. Traffic of postal parcel items outside the scope of Universal Service

Chart 6.15. Traffic of postal parcel items outside the scope of Universal Service, 2006-2008



6.5.7.3. Traffic of Express services outside the scope of Universal Service

Chart 6.16. Traffic of Express services, 2006-2008



COMMUNICATION

7.1 The objectives of 2009

The main objective of the ANCOM communication activity in 2009 was to continue to promptly, proactively and transparently inform the public on the Authority's activity so as to enable the interested public groups to benefit from its regulations and services to the greatest extent.

7.2 Main communication activities in 2009

Once with the entry into force of the ANCOM decision establishing the minimum set of information the telephony providers' customers are entitled to, the providers of electronic communications services have the obligation to inform the users on their rights and obligations. In order to inform the users on their new rights, ANCOM created a dedicated section on its website, i.e. [Consumer InfoCentre](#), where the end-users may learn more about their right to be informed by the providers, about contracts and invoices, portability and risks which might appear when using certain services (e.g. telephone frauds or non-voluntary roaming).

ANCOM promptly responded to the information requests and complaints submitted by the end-users, and, considering that part of these complaints concerned matters related to the consumer protection, ANCOM took steps toward strengthening its collaboration with the National Authority for Consumer Protection, given the complementary competences the two institutions hold as regards the protection of the communications users' interests.

The Authority maintained in 2009 the dialogue with the electronic communications industry representatives, by means both of the public consultation process and of the Consultative Council meetings, as well as via the numerous consultative sessions and project working group meetings, organised upon the ANCOM or the industry's initiative.

The electronic briefs transmitted by the Authority whenever necessary (press releases) or on a weekly basis (newsletter) 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 3,000 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).

7.2.1 Public consultation and communication with the industry

Through its website, in 2009, ANCOM launched 13 public consultations on 15 draft normative or individual acts.

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.

181 recommendations were received both in writing and in the eight meetings of the Consultative Council; 42 of these were deemed grounded and therefore the draft decisions were amended or completed correspondingly.

Table no.7.1. Public consultation in 2009

Public consultation in 2009	
1. Number of normative acts adopted in 2009	9
2. Number of draft individual acts communicated in 2009	11
3. Number of drafts publicly announced in 2009:	13
- on the Authority's website	13
- by posting at the Authority's headquarters	13
- in mass-media	13
4. Number of drafts withdrawn	0
5. Number of non-normative drafts	3
7. Number of persons designated in charge of relations with the civil society	3
8. Total number of recommendations received	181*
9. Total number of recommendations included in decisions	42*
10. Number of participants in the consultations with the industry	150
11. Meetings of the Consultative Council	8
12. Consultative sessions with the industry and working groups	2

13. Number of decisions issued by the Authority, challenged in court as regards the observance of the public consultation procedure in 2009	0
14. Number of law suits against the public administration, for breaking the provisions of the law on decisional transparency	0

7.2.2 User information, education and advice

End-users' information and education are essential to enable them to choose the services which suit best their needs and to be more aware about their rights and obligations relative to their communications providers. Hence, the Authority promptly responded to the more than 900 information requests submitted by the public in 2009. Furthermore, ANCOM created a **Consumer InfoCentre**, a section on its website dedicated to end-users.

ANCOM has taken the role of a mediator between the communications providers and the end-users, thus offering advice to those who addressed our institution on how to settle the problems they faced, as well as useful information for a better understanding of the services and offers existing on the market. The approximately 1,000 complaints received from users signalled aspects such as: billing of the electronic communications services, faulty functioning of the services, abusive provisions or breaches of certain provisions under the contracts concluded by the electronic communications providers with the end-users, lack of proper information delivered by providers.

Table no. 7.2. Requests for information in 2009

Requests for information by domains of interest in 2009		914
Requests for information by domains of interest		
Electronic communications		388
-telephony		68
-Internet access		21
-cable television		13
- market/tariff analyses		33
-authorisation (procedure, standard forms)		74
-interconnection		2
-frequencies (licence, tariffs, standard forms)		59

- GSM equipment	49
- legislation	69
Postal services	32
Portability	162
Pornography	3
General information on ANCOM (contact data, organisation etc.)	105
Other	226
Solved requests	8
Rejected requests	0
Re-directed requests	7
Written requests	422
-on paper	29
-by electronic means	393
Requests addressed on telephone	492
Requests addressed by natural persons	667
Requests addressed by legal persons	247
Administrative complaints	0
Complaints in Court	0
Total costs	0

Table no. 7.3. Complaints received by ANCOM in 2009

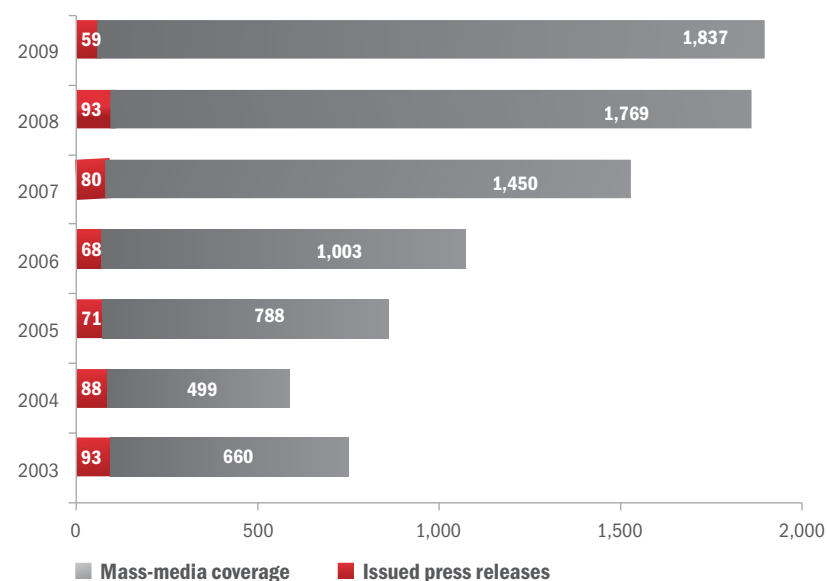
Complaints ¹¹	986
Complaints by domain of interest	
Fixed telephony	75
invoicing	12
technical problems	23
information	5
installation	7
provisions	10
other	18
Mobile telephony	307
invoicing	106
technical problems	42
information	19
installation	0
provisions	74
other	33
fraud	33
Internet access services	126
invoicing	21
technical problems	52
information	3
installation	10
provisions	27
other	13
CATV	73
invoicing	13
technical problems	15

information	1
installation	10
provisions	30
other	4
Postal services	16
Portability	196
Radio spectrum	18
Noxiousness of GSM equipment	42
Other	155
Petitions by network/service provider	
S.C. Romtelecom S.A.	54
S.C. RCS & RDS S.A.	118
S.C. UPC Romania S.R.L.	88
S.C. Vodafone Romania S.A.	149
S.C. Orange Romania S.A.	128
S.C. Cosmote RMT S.A.	104
S.C. Telemobil S.A.	38
Romanian Post	6
Others	52
Complaints addressed by natural persons	854
Complaints addressed by legal persons	132
Solved complaints	80
Re-directed complaints	55

7.2.3 Communication with mass-media

In 2009, the journalists accredited by the Authority received 59 press releases and submitted 357 requests for information, reflected in more than 1,837 press materials.

Evolution mass-media coverage vs. issued press releases



Communication with the mass-media representatives is more and more efficient, 2009 being the year with the lowest number of press releases, and instead with a large mass-media coverage. More than 65% of the media coverage was generated by the ANCOM sources (press releases, requests for information, interviews, website, participation in events), most articles, irrespective of the source, being neutral.

Table no. 7.4. The Authority's activity reflected by the mass-media, January - December 2009

Total number of mentions in the media:	1,837
Written press of which:	977
Positive	231
Neutral	700
Negative	46
Electronic press	613
Radio-tv coverage	247

The domains of interest for the press concerned regular activities deployed by ANCOM: economic regulation, interconnection tariffs, user protection, portability, digital television and also other topics related to the Authority's scope of competence such as the infringement procedure launched against Romania for the independence of the regulatory authority, the reorganisation, 112.

Table no.7.5. Information requests from mass-media, January – December 2009

Total number of requests	357
Requests by domains of interest (the most frequent)	
Economic regulation	60
Postal services	1
112	18
User protection and information	36
Market data	71
Legislation and legal issues	25
ANCOM organisation	38
Portability	20
Radio spectrum	25
Retransmission and digital television services	38
Controls	25
Solved requests	357
Unsolved requests	0
Withdrawn requests	0
Re-directed requests	0
Written requests	112
On paper	0
By electronic means	112
Requests addressed over telephone	245
Requests addressed personally	0

Total costs	no additional resources were necessary
Average answering timeframe for written requests	6,54 h
Maximum answering timeframe for written requests	46 h
Minimum answering timeframe for written requests	0 h
Answering timeframe for the requests addressed over telephone	instantly



INTERNATIONAL RELATIONS AND PHARE PROJECTS

8

8.1 The 2009 objectives

On the international relations side, 2009 was the year of essential changes in the field of electronic communications regulation, the most important of which was the negotiation and adoption of the new telecom package at the European Union level. More than that, at international level, the debates on a series of topics reflecting the dynamics and growth pace of this sector were also carried on.

As per the perspective of these changes and the objectives of external representation of Romania, among which strengthening of the national position within the European Union is included, ANCOM proposed the following objectives in the field of international representation:

- Turn to good account Romania's statute as member of the European Union;
- Enhance the ANCOM representation within the international bodies;
- Place ANCOM as a relevant actor on the international scene;
- Establish relations with similar authorities in the region.

8.2 European projects and partnerships

In 2009, the ANCOM representation at the European level was both active and productive, resulting in contributions within the European bodies, such as the Independent Regulators Group (IRG) and the European Regulators Group for Electronic Communications Networks and Services (ERG), the Radio Spectrum Policy Group (RSPG), the Communications Committee (CoCom), the Radio Spectrum Committee (RSC). ANCOM brought its contribution to the establishment of the Body of European Regulators for Electronic Communications (BEREC), established relations with similar authorities from the Member States and provided support within the programmes of the European Union.

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

In its capacity as a full member in ERG and IRG, **two associations gathering the regulatory authorities in the electronic communications sector from the EU Member States and from the states in the region**, the regulatory Authority of Romania continued to be the same active presence in the plenary meetings, as well as in the working groups.

The Authority's representatives participated in the elaboration of regulations, common positions, methodologies and reports, being constantly involved in promoting regula-

tions that would benefit the European single market in the electronic communications sector, adapted to the specific of the Romanian marketplace.

The main topics approached herein concerned the Universal Service, the IP interconnection and the Next Generation Networks, regulatory accounting, BEREC establishment, spectrum transitional issues, operators with significant market power, fixed and mobile termination rates, amendment of the IRG Statute and other. Among these, the ANCOM expertise was prominent in the Universal Service field, the Authority holding the position of co-chair of the End-User Project Team and leading the group responsible with elaborating the report *Opinion on the European Commission's communication on the review of the scope of Universal Service*.

A major event of 2009 was the adoption by the EU Council and by the European Parliament of the telecom package which established new operation rules for the electronic communications sector of the European Union and the Body of European Regulators for Electronic Communications (BEREC), which replaces ERG in the activity of facilitating the co-operation among European National Regulatory Authorities, as well as among these and the European Commission. ANCOM is a member of the BEREC Regulators Council, as well as of the Management Committee within the BEREC Office.

8.2.2 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. During this year, the Authority took an active part in this body's working sessions, contributing to the elaboration of strategies in the fields of spectrum usage, digital dividend, wireless broadband Internet, cognitive radio, meant to support the European Commission in issues related to the radio spectrum policy, the coordination of approaches in this field, as well as to the harmonisation of the conditions for the efficient use of the radio spectrum, which contributes to the achievement and functioning of the single market.

8.2.3 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 consultative body of the European Commission*. In 2009, 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, harmonised regulation of the termination rates within the EU, regulation of the access to next generation networks, 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, mobile communications onboard aircraft.

8.2.4 The Radio Spectrum Committee (RSC)

The Radio Spectrum Committee (RSC), established by Decision 676/2002/EC on Radio Spectrum, is the body that assists the European Commission in laying down the implementation technical measures in view of ensuring harmonised conditions as regards the availability and the effective use of the radio spectrum. In 2009, RSC approached issues such as the draft decision on the mobile communications services onboard aircraft, implementation of the Community decisions, cooperation between the European Commission and the Electronic Communications Committee (ECC), the digital dividend, WAPECS, short-range devices, ultra-wide band.

8.2.5 The technical assistance programme TAIEX

TAIEX is a technical assistance programme managed by the European Commission, which supports candidate countries and new Member States with regard to the legislative harmonisation and enforcement of EU legislation. ANCOM granted assistance in the field of Universal Service during a study visit in Romania of experts from the regulatory authority of Albania (AKEP). The agenda included, among other, discussions on the provision of broadband telephone and Internet services, transposition of the Universal Service Directive, access infrastructure, a visit to the telecentres, as well as participation, in the audience, in the Global Forum works. The ANCOM participation in the technical assistance programme TAIEX was the result of the high quality of its regulatory activity.

8.2.6 Fulfilment of the obligations as a Member State of the European Union

ANCOM successfully fulfilled the obligations incumbent on it following Romania's accession to the European Union. Thus, the Reform National Plan – the tool ensuring the national implementation of the Lisbon Strategy objectives –, imposed on the Authority the responsibility to implement two measures related to Universal Service and market analyses. The measures were completed at end-2009. An important activity for the Authority, resulting directly from the status of Member State, is the participation in the coordination mechanism in the European affairs field, which was established at

a national level in view of ensuring the consistency of the positions expressed, at the European level, by Romania's representatives. 2009 was marked at European level by the negotiations born in view of reviewing the telecom package. On behalf of Romania, these negotiations were coordinated by the Ministry of Communications and Information Society, the regulatory authority offering specialised expertise on technical matters.

8.3 International projects and partnerships

The 2009 edition of the prestigious IT&C conference, **Global Forum**, took place at the Palace of Parliament, in Bucharest, between 19 and 20 October 2009, Romania being the first Eastern-European country to host this international think tank.

ANCOM was one of the organisers of the event entitled **"Global Forum 2009 - Shaping the Future"**, which gathered more than 300 political leaders, multinational company leaders, members of academia, mayors, representatives of various associations, well-known consulting firms from Europe, Americas, Asia-Pacific, Middle East and Africa.

On this occasion, Cătălin Marinescu, the President of ANCOM, delivered a presentation on the evolution of the communications sector in the first semester of 2009. As well, ANCOM hosted within the Forum a session on "Mobile Broadband Wireless Access" which enjoyed the presence of representatives from the European Commission and foreign regulatory authorities, top managers of the company groups operating in Romania, as well as high-level representatives of the consumer associations from Romania.

ANCOM organised in Bucharest the 4th working session of **CEPT/ECC/CPG PT C**, the project team in charge with preparing the European Common Proposals for the next WRC (World Radiocommunication Conference) in the field of maritime and aeronautical radiocommunications and radiolocation.

As well, the Authority hosted the working session of **CEPT/ECC/WG FM/PT46**, on matters related to maritime radiocommunications. The group elaborates the European Common Positions in the field, both for the world radiocommunication conferences and for the activities within IMO (International Maritime Organisation) and ITU (WP8B of SG8). The important members of the group include coordinators of certain agenda items of the world radiocommunication conferences.

Between 8 and 9 December 2009, the headquarters of the Bucharest Regional Division hosted the working session of the **CEPT/ECC/WG FM/PT44** project team in charge with matters related to the spectrum management in the bands allotted to the satellite communications services.

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 November, experts from the regulatory authority of Austria and ANCOM met in view of elaborating certain economic models.

Furthermore, the Authority continued to take part 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), 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.

Thus, 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**. The Authority's management and specialists participated in the CEPT conference entitled "Common European Practices in Telecommunications", when CEPT celebrated 50 years since establishment.

The ANCOM specialists actively participated in the plenary meetings of the Electronic Communications Committee (ECC), where topical subjects were approached such as: the harmonisation of conditions for the networks operating in the 790 - 862 MHz bands alongside identification of the regular and minimal technical conditions and of the respective channels' arrangements, harmonisation of certain bands for their use in the mobile-satellite services, PMSE services in the UHF band, performance measurement of the DVB-T receivers, cognitive radio or IPv6. As well, the Authority participated in the reunions of the project teams on satellite strategy matters (ECC/WG FM/PT44), on frequency monitoring (ECC/WG FM/PT22) and on aspects related to the digital broadcasting (ECC/WG FM/PT45) within the frequency management working group (WG FM) of the ECC, of the project team in charge with aspects related to emissions outside the band (ECC/WG SE/PT21) within the spectrum engineering working group (WG SE) of the ECC, of the numbering, naming and addressing working group (ECC/WG NNA), of the regulatory affairs working group (ECC/WG RA), as well as of the project teams

within their structure, and in the works of the project team on regulation and standardization issues (ECC PT 2 TRIS) subordinated directly to ECC. Romania, through its representative, gained the presidency of the project team in charge of the harmonised European short codes (ECC/WG NNA/PT HESC). Moreover, the ANCOM specialists were involved in the elaboration of the CEPT reports in response to the mandates issued by the European Commission.

As regards the **European Committee for Postal Regulation** (CERP) within CEPT, the Authority was represented in the two annual plenary meetings, nominated specialists for the various working groups and, as foreseen, the activity is carried out at a high pace, within the purpose of providing as soon as possible concrete results in the postal regulation field to the European Commission and the EU Member States, and to the other CEPT Member States. At the reunion which took place in May, the Postal Service Directive was consolidated, whereas the second plenary meeting, in November, approached a series of ongoing technical problems.

In April 2009, the joint meeting of the working group on European policy and strategy (WG Policy) and of the working group on European postal strategy application (WG Application) within the CERP took place. WG Application is a newly established working group which coordinates the PT Statistics and PT Consumer project teams. In October, three other working sessions took place: the working group on the Universal Service implementation in the postal sector (PT US), the project team on consumer issues (PT CONSUMER) and the project team on European policies and strategies (PT Policy). Within the meetings of the project team Supervision/Market Data within the CERP, Romania's position as regards the level of achievement of the quality objectives by the Universal Service provider (CNPR) was updated by means of a note added to the preliminary version of the *Report of the European Committee for Postal Regulation on the level of achievement of the quality objectives by the Universal Service providers designated in the Member States in 2008*.

At the annual session of the **Council of the International Telecommunication Union** (ITU), in October 2009, ANCOM was represented by the president of the European Committee for Radiocommunications on Inland Waterways (**RAINWAT**) and, in the same time, CEPT coordinator for agenda item 1.10 of WRC-11/12. Another meeting within the ITU was organised by the WP 5B project team within the study group SG5 of ITU-R, where the ANCOM delegate presented an activity report, which was approved and forwarded to the study group 5 (SG5).

In June 2009, the joint meeting of the maritime radiocommunications experts of the International Maritime Organisation (IMO) and of the International Telecommunication Union took place. As well, as a recognition of the quality of his contribution, the ANCOM representative was unanimously re-elected as Chairman of the Committee RAINWAT for another 2 years.

ANCOM participated also in the works of the seventh annual reunion of **FRATEL** entitled "Shared use of infrastructure and coordination of public policies", where issues related to the telecommunication infrastructure sharing were approached. **FRATEL is the association of regulators from French-speaking countries**, whose agenda includes, alongside regular organisational issues, discussion of certain problems of interest for the industry in the field of economic or technical regulation, as well as presentations and case studies.

At the 39th meeting of the spectrum policy working group (**NATO C/M PWG**) and the 29th meeting of the civil/military sub-committee on frequency management (**NATO CIV/MIL/FMSC**) of the NATO C3 BOARD, ANCOM was represented by its management.

8.4 PHARE projects implemented in 2009

8.4.1 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 "Support for ANRC in view of implementing the central database for number portability" (completed in 2008), this technical assistance project is part of the envelope PHARE 2005 *Facilities for special actions* component, the implementation period being 19 months and 5 days. 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 and ensure technical support and on-the-job training throughout the stages.

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.

8.4.2 Project PHARE 2006/018-147.03.18 “Enhancing the Institutional Capability of ANRC in the area of Economic Regulation”

This project is part of the Community Support Programme PHARE National 2006 and is implemented in accordance with the Romanian legislation (Government Emergency Ordinance no. 34/19 April 2006 regarding the award of the public procurement contracts, public works concession contracts and services concession contracts). The total implementation period is 15 months, to be completed in February 2010.

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:

- develop a cost model for Romtelecom’s access network
- review the costs incurred by Romtelecom in view of ensuring the accuracy and reliability of information
- develop an optimized cost model that will ground the final prices of the services provided over Romtelecom’s access network
- develop cash-flow financial models to assess the incentives for investment and innovation
- training for the Authority’s personnel

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.

8.5 Financing from structural funds

8.5.1 Project “Online application for comparing the communications offers dedicated to end-users”

The project proposal is one of the needs identified in the institution, for which the documentation for obtaining financing within the Sector Operational Programme “Enhance Economic Competition”, 3rd Axe “Information Technology and Communications for the private and public sectors”, Intervention Major Field 2 “Development and increase of the efficiency of electronic public services”, Operation 1 “Supporting the implementation of e-government solutions and ensuring broadband connections, where necessary” was elaborated and submitted.

The specific objective of the project consists in the elaboration, management and making publicly available of a webpage which could provide comparative information on the tariffs and conditions offered by the providers of the main three types of publicly available electronic communications services – fixed telephony, mobile telephony and broadband Internet access – by means of a “price calculator” interactive application.

The activities to be carried out within the project include the development and implementation of the “price calculator” interactive application, the branding and promotion of the application, auditing from a financial and security standpoints and personnel training. The project, registered under the code SMIS 14183, is currently assessed by the Ministry of Communications and Information Society.

8.5.2 Project “Applicative electronic system for online training”

The project proposal is one of the needs identified in the institution, for which the documentation for obtaining financing within the Sector Operational Programme “Enhance Economic Competition”, 3rd Axe “Information Technology and Communications for the private and public sectors”, Intervention Major Field 2 “Development and increase of the efficiency of electronic public services”, Operation 13 “Supporting the implementation of the e-Education application and ensuring broadband connections, where necessary”.

The overall objective of the project is to develop an e-education portal whereby to facilitate the access to information and to provide last minute support in view of rendering more efficient the process of education, improvement and continuous information.

The specific objective is to implement an e-education system for the online training of the employees of ANCOM and students of the specialty universities. The envisaged training areas are: radiocommunications, IT for users, public procurement, work legislation etc.

The documentation of the project is currently under preparation and is to be submitted to the Ministry of Communications and Information Society, at the moment of the call.

9

HUMAN RESOURCES

9.1 The year 2009 – a new vision in the human resources sector

In 2009, the human resources department concentrated its efforts on building an organisational culture oriented towards objective fulfilment and innovation. 2009 was a year of changes, challenges and establishment of new limits, whereas all the actions were guided by the conviction that people are the Authority's most valuable resource.

2009 represented a turning point in our institutional history, since it marked a change of the managerial approach in the human resources field due to the promotion of an innovating set of socio-human attitudes and behaviours meant to enhance the image of a strong team, to promote and support professionalism and self-determination and, not in the last row, to turn the ANCOM employees into a genuine, unitary and united team.

THE ORGANISATIONAL STRUCTURE OF ANCOM

HEADQUARTERS

- 3 executive divisions
- 5 divisions
- 5 departments
- 36 specialised services
- 9 offices

IN THE TERRITORY

- 4 regional divisions: Bucharest, Cluj Iasi and Timisoara
- 37 county offices

References

CAREER MANAGEMENT OF THE ANCOM PERSONNEL

- 657 employees
- 83% with higher education degree, of which:
 - 62% - technical education;
 - 22% - economic education;
 - 9% - legal education;
 - 7% - other.
- 83% at the acme of their career
 - 15% in professional ascension
 - 2% is held by the senior specialist group with a high level of expertise.
 - 2% promoted employees
- 82 sessions of personnel recruitment and selection (contests) conducted
- 5 internal transfers completed.

9.2 Streamlines in the human resources management

9.2.1 ANCOM institutional enhancement and career management of its personnel

Starting with the second quarter of 2009, the organisation faced a process of reorganisation, re-distribution of the work processes to the functional compartments and re-sizing of the work volume by posts, defining at the end a new, more efficient organisational structure.

Simultaneously, in order to render this structure functional, the existing human resources were redistributed and specialists from the work market were recruited.

The department's activities focused on ensuring the employees' internal mobility, as well as on promoting and integrating new employees.

9.2.2 Continuous professional training of the ANCOM employees

During 2009, a special attention was granted to the personnel's continuous development, by initiating and encouraging its participation in training programmes and, especially, in internal courses, delivered by lecturers from among the employees. The training topics were diverse, envisaging both the improvement of managers on themes specific to the management act and the preparation of the technical personnel involved in control actions, in management, regulation and IT activities.

At the end of 2009, in view of supporting the principle of continuous professional training, in accordance with the training needs and priorities from the organisation side, the documentation for the training process was completed and the set of professional training principles applicable to the following period was agreed:

- prioritize the training fields,
- permanently raise the awareness of the management on the need to continuously train the team, share the knowledge gained through dissemination in the organisation,
- thoroughly encourage the organisation of training programmes with internal lecturers, selected from among the ANCOM employees.

9.3 ANCOM – the employer that supports young future specialists

The ANCOM concern for the development of the professional competences did not focus only on its employees and was extended to the education market from Romania, out of the desire to contribute to the practical preparation of the future Romanian communications engineers and to place itself as a possible employer of the future graduates.

Therefore, in 2009, ANCOM actively involved in preparing the specialists-to-be, by organising a series of training sessions for the students in the terminal years of the Electronics and Telecommunications Faculties of four large university centres (Bucharest, Cluj-Napoca, Iasi and Timisoara).

For 2 weeks, in October, more than 100 students benefitted from an intensive training programme in the field managed by ANCOM and had the opportunity to observe the Authority's activities and operation manner. During this programme, and subsequently, the participants were provided with career planning services from our organisation's specialists.



10

FINANCIAL DATA

Balance sheet as of 31.12.2009				
code 01				- lei -
Number	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	01		
I.	NON-CURRENT ASSETS	02		
1.	Intangible fixed assets (account 203+205+206+208+233-280-290-293*)	03	6,930,267	3,022,358
2.	Technical installations, transport means, animals, plantations, furniture, bureautics and other physical assets (ct.213+214+231-281-291-293*)	04	119,428,626	105,634,315
3.	Land and buildings (account 211+212+231-281-291-293*)	05	38,145,006	41,866,592
4.	Other non-financial assets (account 215)	06	0	0
5.	Non-current financial assets (long-term investments) - over 1 year (account 260+265+267-296)	07	54,877	39,279
	Participation titles (260-296)	08	0	0
6.	Non-current debts – amounts to be received after more than 1 year of which: (account 4112+4118+4282+4612-4912-4962)	09	0	0

	Non-current commercial debts - amounts to be received after more than 1 year (account 4112+4118+4612-4912-4962)	10		
7.	TOTAL NON-CURRENT ASSETS	15	164,558,776	150,562,544
	(row 03+04+05+06+07+09)			
	CURRENT ASSETS	18		
1.	Stocks	19	5,188,630	5,348,319
	(account 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)			
2.	Current debts - amounts to be received in less than 1 year	20		
	Debts from commercial operations, pre-payments and other offsets	21	13,504,385	13,457,006
	(account 232+234+409+4111+4118+413+418+425+4282+4611+473*+481+482+483-4911-4961+5128)of which:			
	Commercial debts and prepayments	22	13,471,860	13,446,512
	(account 232+234+409+4111+4118+413+418+4611-4911-4961)			
	Prepayments granted (account 232+234+409)	22,1	2,401	2,401
	Budgetary debts	23	150,755	0
	(account 431**+437**+4424+4428**+444**+446**+4482+461+463+464+465+4664+4665+4669+481+482-497) of which:			
	Debts of the general consolidated budget	24	0	0
	(account 463+464+465+4664+4665+4669-497)			
	Debts from operations with non-refundable external funds and budget funds	25	0	0
	(account 4501+4503+4505+4507+4511+4513+4515+4531+4541+4543+4545+4551+4553+4561+4563+4571+4572+4573+4581+4583+473**+474) of which:			
	Amounts to be received from the European Commission (account 4501+4503+4505+4507)	26	0	0
	Short-term loans granted	27	0	0
	(account 2671+2672+2673+2675+2676+2678+2679+4681+4682+4683+4684+4685+4686+4687+4688+4689+469)			
	Total current debts (row 21+23+25+27)	30	13,655,140	13,457,006
3.	Short-term investments	31	0	0
	(account 505-595)			
4.	Accounts in treasury and banks and credit institutions:	32		
	Accounts in treasury, cash, other values, treasury prepayments	33	299,234,362	375,248,638
	(account 510+5121+5125+5131+5141+5151+5153+5161+5171+5187+5201+5211+5212+5221+5222+523+524+5251+5252+5253+526+527+528+5291+5292+5293+5294+5299+5311+532+542+550+551+552+553+554+555+556+557+558+559+5601+5602+561+562+5711+5712+5713+5714+5741+5742+5743+5744) of which:			

	Deposits (account 5153+5187+5222+5602+5714+5744)	34	217,719,589	302,733,333
	Accounts in credit institutions, cash, treasury prepayments	35	6,434,518	4,594,683
	(account 5112+5121+5124+5125+5131+5132+5141+5142+5151+5152+5153+5161+5162+5172+5187+5314+5411+5412+542+550+558+5601+5602) of which:	36		
	Deposits (account 5153+5187+5602)		0	0
	Total liquid assets (row 33+35)	40	305,668,880	379,843,321
5.	Liquid assets accounts of the Central Treasury (account 5126+5127+5201+5202+5203+5241+5242+5243)	41		
6.	Expenditures in advance (account 471)	42	46,327,786	41,058,703
7.	TOTAL CURRENT ASSETS	45	370,840,436	439,707,349
	(row19+30+31+40+41+42)			
8.	TOTAL ASSETS (row 15+45)	46	535,399,212	590,269,893
B.	DEBTS	50		
	NON-CURRENT DEBTS – amounts to be paid within a period longer than 1 year	51		
1.	Non-current payables – amounts to be paid within a period longer than 1 year	52	346,850	0
	(account 269+401+ 403+4042+405+4622+509) of which:			
	Commercial debts (account 401+ 403+4042+405+4622)	53	346,850	0
2.	Long-term loans	54	131,135,668	104,308,631
	(account 1612+1622+1632+1642+1652+1661+1662+1672+168-169)			
3.	Provisions (account 151)	55	0	0
	TOTAL NON-CURRENT DEBTS	58	131,482,518	104,308,631
	(row 52+54+55)			
	CURRENT DEBTS – amounts to be paid within less than 1 year, of which:	59		
1.	Commercial debts, pre-payments and other offsets	60	1,203,369	2,688,662
	(account 401+403+4041+405+408+419+4621+473+481+482+483+269+509+5128) of which:			
	Commercial debts and pre-payments (account 401+403+4041+405+408+419+4621)	61	1,203,369	2,688,662
	Prepayments received (account 419)	61,1		
2.	Debts to budgets	62	1,341,133	3,479,753
	(account 431+437+440+441+4423+4428+444+446+4481+4555+4671+4672+4673+4674+4675+4679+473+481+482) of which:			
	Debts of public institutions to budgets (account 431+437+4423+4428+444+446+4481)	63	1,341,133	3,479,753

	Debts of public institutions to budgets (account 431+437+4423+4428+444+446+4481)	63	1,341,133	3,479,753
	Social contributions (account 431+437)	63,1	949,205	1,035,041
	Amounts owed to the budget from non-refundable external funds (account 4555)	64		
3.	Debts from operations with non-refundable external funds and budget funds, other debts to other international bodies	65	0	0
	(account 4502 +4504+4506+4512+4514+4516+4521+4522+4532+4542+4544+4546+4552+4554+4564+4584+4585+459+462+473+475)			
	Of which: amounts owed to the European Commission (account 4502+4504+4506+459+462)	66		
4.	Short-term loans - amounts to be paid within less than 1 year	70	0	0
	(account 5186+5191+5192+ +5193+ 5194+5195+5196+5197+5198)			
5.	Long-term loans - amounts to be paid during the current financial year	71	32,502,094	34,772,827
	(account 1611+1621+1631+1641+1651 +1661+1662+ 1671+168-169)			
6.	Employees' salaries	72	2,171,825	2,292,341
	(account 421+423+426+4271+4273+4281)			
7.	Other rights of other categories of persons (pensions, unemployment indemnity, grants)	73	0	0
	(account 422+424+426+4272+4273+429+438)			
	Pensions, unemployment indemnity, grants (account 422+424+429)	73.1		
8.	Revenues in advance (account 472)	74	0	0
9.	Provisions (account 151)	75	0	0
10.	TOTAL CURRENT DEBTS	78	37,218,421	43,233,583
	(row 60+62+65+70+71+72+73+74+75)			
11.	TOTAL DEBTS (row 58+78)	79	168,700,939	147,542,214
12.	NET ASSETS = TOTAL ASSETS - TOTAL DEBTS = OWN CAPITALS	80	366,698,273	442,727,679
	(row 80= row 46 - 79)			
C.	OWN CAPITALS	83		
1.	Reserves, funds	84	94,079,279	94,431,180
	(account 100+101+102+103+104+105+106+131+132+133+134 +135+136+137+1391+1392+1393+1394+1396+1399)			
2.	Reported result (account 117-credit item)	85	243,909,202	272,552,642
3.	Reported result (account 117-debit item)	86	0	0
4.	Patrimony result of the financial year (account 121-credit item)	87	28,709,792	75,743,857
5.	Patrimony result of the financial year (account 121-debit item)	88	0	0
6.	TOTAL OWN CAPITALS	90	366,698,273	442,727,679
	(row 84+85-86+87-88)			

Execution account of the budget of public institutions - expenditures									
INDICATORS	Indicator code	Engagement credits	Budgetary credits		Budgetary engagements	Legal engagements	Payments	Legal engagements to be paid	Effective expenditure
			Inițiale	Trimestriale/definitive					
A	B		1	2	3	4	5	6= 4-5	7
TOTAL EXPENSES (01+70+79+84)	85.10.	12720000	309378000	309378000	228710555	228710555	197947185	30763370	205162686
CURRENT EXPENSES (10+20+30+40+50+51+55+57+59)	01	0	209873000	209873000	162136436	162136436	155605759	6530677	162227835
TITLE I PERSONNEL EXPENSES (code 10.01+10.02+10.03)	10	0	77629000	77629000	74118413	74118413	70509247	3609166	70672142
Cash wage expenses (code 10.01.01 la 10.01.30)	10.01	0	59531000	59531000	57229813	57229813	54481275	2748538	54639615
Basic wages	10.01.01	0	30400000	33531000	32586788	32586788	29903016	2683772	30967799
Productivity bonus	10.01.02	0	115000	70000	3997	3997	3997	0	4057
Management indemnity	10.01.03	0	2079000	1480000	1401525	1401525	1401525	0	1294336
Seniority increment	10.01.04	0	4675000	4173000	3995548	3995548	3995548	0	3704168
Work condition bonuses	10.01.05	0	0	0	0	0	0	0	0
Other bonuses	10.01.06	0	8167000	5232000	5220731	5220731	5216792	3939	4774041
Extra-hours	10.01.07	0	250000	250000	85546	85546	85546	0	71339
Prize funds	10.01.08	0	4483000	6002000	5977132	5977132	5977132	0	5972132
Vacation bonus	10.01.09	0	1480000	1480000	1311448	1311448	1301907	9541	1298032
Travelling expenses	10.01.13	0	382000	382000	157590	157590	156403	1187	154004
Other cash wages rights	10.01.30	0	7500000	6931000	6489508	6489508	6439409	50099	6399707
Wage expenses in kind (code 10.02.01 to 10.02.30)	10.02	0	1500000	1500000	1162763	1162763	1162763	0	1133075
Lunch tickets	10.02.01	0	1500000	1500000	1162763	1162763	1162763	0	1133075
Other wage rights in kind	10.02.30	0	0	0	0	0	0	0	0
Contributions (code 10.03.01 to 10.03.06)	10.03	0	16598000	16598000	15725837	15725837	14865209	860628	14899452
Contributions to state social insurance	10.03.01	0	12546000	12396000	11808737	11808737	11133674	675063	11252719
Contributions to unemployment insurance	10.03.02	0	302000	302000	276872	276872	261822	15050	268951
Contributions to social health insurance	10.03.03	0	3136000	3136000	2996781	2996781	2855496	141285	2856271

Contributions (code 10.03.01 to 10.03.06)	10.03	0	16598000	16598000	15725837	15725837	14865209	860628	14899452
Contributions to state social insurance	10.03.01	0	12546000	12396000	11808737	11808737	11133674	675063	11252719
Contributions to unemployment insurance	10.03.02	0	302000	302000	276872	276872	261822	15050	268951
Contributions to social health insurance	10.03.03	0	3136000	3136000	2996781	2996781	2855496	141285	2856271
Contributions to professional work accidents and diseases	10.03.04	0	101000	151000	104230	104230	100091	4139	91852
Contributions for vacations and indemnities	10.03.06	0	513000	613000	539217	539217	514126	25091	429659
TITLE II GOODS AND SERVICES (code 20.01 to 20.30)	20	0	73411000	73336000	37406611	37406611	34487358	2919253	37162022
Goods and services (code 20.01.01 to 20.01.30)	20.01	0	17105000	17105000	12001118	12001118	10609802	1391316	10792563
Office furniture	20.01.01	0	847000	847000	319197	319197	312566	6631	296552
Cleaning materials	20.01.02	0	167000	167000	106842	106842	106842	0	84079
Heating, electricity and motive power/propelling force	20.01.03	0	2289000	2289000	1623506	1623506	1470536	152970	1553861
Water, sewerage and waste	20.01.04	0	140000	140000	86031	86031	77284	8747	79576
Fuel and lubricants	20.01.05	0	950000	950000	861303	861303	812916	48387	794484
Spare parts	20.01.06	0	231000	231000	136353	136353	136353	0	129023
Transport	20.01.07	0	15000	15000	0	0	0	0	0
Post, telecommunications, radio, TV, Internet	20.01.08	0	3153000	3153000	2098186	2098186	1773412	324774	1706047
Materials and services with functional character	20.01.09	0	3633000	3633000	2546218	2546218	2075179	471039	2144115
Other goods and services for maintenance and operation services	20.01.30	0	5680000	5680000	4223482	4223482	3844714	378768	4004826
Current repairs	20.02	0	1003000	1003000	227183	227183	224909	2274	218423
Goods such as inventory objects (code 20.05.01 to 20.05.30)	20.05	0	669000	669000	195930	195930	195930	0	40919
Uniforms and equipment	20.05.01	0	3000	3000	252	252	252	0	0
Bedclothes and other bed accessories	20.05.03	0	0	0	0	0	0	0	0
Other inventory objects	20.05.30	0	666000	666000	195678	195678	195678	0	40919
Delegations, transfers (code 20.06.01+20.06.02)	20.06	0	3276000	3276000	1513744	1513744	1500701	13043	1518312

Internal delegations, transfers	20.06.01	0	1968000	1968000	907254	907254	899637	7617	901003
Abroad delegations	20.06.02	0	1308000	1308000	606490	606490	601064	5426	617309
Books, publications and documentary materials	20.11	0	207000	207000	69149	69149	65628	3521	81218
Consultancy and expertise	20.12	0	3748000	3673000	988654	988654	404834	583820	1675736
Professional training	20.13	0	1100000	1100000	628614	628614	476104	152510	473598
Work safety	20.14	0	393000	393000	183583	183583	157289	26294	135901
Legal and extralegal expenses derived from representing state interests, according to the legal provisions	20.25	0	5000	5000	0	0	0	0	0
Other expenses (code 20.30.01 to 20.30.30)	20.30	0	45905000	45905000	21598636	21598636	20852161	746475	22225352
Advertisement and publicity	20.30.01	0	1894000	1894000	0	0	0	0	0
Protocol and representation	20.30.02	0	682000	682000	269610	269610	265887	3723	266576
Non-life insurance bonus	20.30.03	0	900000	900000	509577	509577	509577	0	369674
Rents	20.30.04	0	9695000	9695000	8312161	8312161	7569459	742702	8892927
Forced execution of budgetary debts	20.30.09	0	31000	31000	0	0	0	0	0
Other expenses for goods and services	20.30.30	0	32703000	32703000	12507288	12507288	12507238	50	12696175
TITLE III INTERESTS (code 30.01+30.02+30.03)	30	0	19515000	19515000	11881264	11881264	11881264	0	15756097
Interest related to the external public debt (code 30.02.01 to 30.02.05)	30.02	0	19500000	19500000	11867923	11867923	11867923	0	15742722
Interest related to the external debts contracted by the credit principals	30.02.02	0	19500000	19500000	11867923	11867923	11867923	0	15742722
Other interests (code 30.03.01 to 30.03.05)	30.03	0	15000	15000	13341	13341	13341	0	13375
Interest to leasing operations	30.03.05	0	15000	15000	13341	13341	13341	0	13375
TITLE VI TRANSFERS BETWEEN BODIES OF THE PUBLIC ADMINISTRATION (code 51.01+51.02)	51	0	38000000	38000000	38000000	38000000	38000000	0	38000000
Current transfers (code 51.01.01 to 51.01.43)	51.01	0	38000000	38000000	38000000	38000000	38000000	0	38000000

Contribution to the state budget for the organisation and operation of the National Unique Emergency Call System	51.01.42	0	38000000	38000000	38000000	38000000	38000000	0	38000000
TITLE VII OTHER TRANSFERS (code 55.01+55.02+55.03+55.04)	55	0	150000	150000	84238	84238	84238	0	0
Current transfers to abroad (to international organisations)(code 55.02.01 to 55.02.04)	55.02	0	150000	150000	84238	84238	84238	0	0
Contributions and dues to international bodies	55.02.01	0	150000	150000	84238	84238	84238	0	0
TITLE IX. SOCIAL WELFARE	57	0	1168000	1168000	576955	576955	574697	2258	568619
Social aid (code 57.02.01 + 57.02.04)	57.02	0	1168000	1168000	576955	576955	574697	2258	568619
Cash social aid	57.02.01	0	910000	910000	377155	377155	374897	2258	368819
Nursery tickets	57.02.03		36000	36000	0	0	0	0	0
Gift tickets granted for social expenses	57.02.04	0	222000	222000	199800	199800	199800	0	199800
TITLE X OTHER EXPENSES (code 59.01 to 59.30)	59	0	0	75000	68955	68955	68955	0	68955
Civil repairs	59.17	0	0	75000	68955	68955	68955	0	68955
CAPITAL EXPENSES (code 71+72+75)	70	12720000	68705000	68705000	41028699	41028699	16796006	24232693	31061365
TITLE XII NON-FINANCIAL ASSETS (code 71.01+71.02)	71	12720000	68705000	68705000	41028699	41028699	16796006	24232693	31061365
Fixed assets (including capital repairs) (code 71.01.01 to 71.01.30)	71.01	12720000	68705000	68705000	41028699	41028699	16796006	24232693	31061365
Constructions	71.01.01	12120000	13897000	13897000	6170381	6170381	4967653	1202728	1602433
Cars, equipment and means of transport	71.01.02	600000	34428000	34428000	19872472	19872472	8759361	11113111	24200397
Furniture, bureautics and other tangible assets	71.01.03	00	3426000	3426000	2073380	2073380	2073380	0	774443
Other fixed assets (including capital repairs)	71.01.30	0	16954000	16954000	12912466	12912466	995612	11916854	4484092
FINANCIAL OPERATIONS (code 80+81)	79	0	30800000	30800000	25644956	25644956	25644956	0	11873486
TITLE XVI CREDIT REIMBURSEMENT (code 81.01+81.02)	81	0	30800000	30800000	25644956	25644956	25644956	0	11873486
Reimbursement of external credits (code 81.01.01 to 81.01.06)	81.01	0	30800000	30800000	25644956	25644956	25644956	0	11873486

Reimbursement of external credits contracted by the credit principals	81.01.01	0	30800000	30800000	25644956	25644956	25644956	0	11873486
PAYMENTS MADE IN THE PREVIOUS YEARS AND RECOVERED IN THE CURRENT YEAR (code 85)	84	0	0	0	-99536	-99536	-99536	0	0
TITLE XVII PAYMENTS MADE IN THE PREVIOUS YEARS AND RECOVERED IN THE CURRENT YEAR (code 85.01)	85	0	0	0	-99536	-99536	-99536	0	0
Payments made in the previous years and recovered in the current year	85.01	0	0	0	-99536	-99536	-99536	0	0

EXECUTION ACCOUNT OF THE PUBLIC INSTITUTION BUDGET - INCOMES as of 31.12.2009 lei									
<i>Indicators</i>	<i>Code</i>	<i>Initial budgetary provisions</i>	<i>Final budgetary provisions</i>	<i>Rights acknowledged</i>	<i>previous years</i>	<i>current year</i>	<i>Payments received</i>	<i>Liquidation through other means than payments received</i>	<i>Payments to be received</i>
				<i>Total, of which:</i>					
A	B	1	2	3=4+5	4	5	6	7	8=3-6-7
Total revenues		232,000,000	232,000,000	287,135,756	14,088,607	273,047,149	269,670,345	1,253,926	16,211,485
Other taxes on goods and services	12.10	0	0	2,693,087	2,693,087	0	2,327	0	2,690,760
Incomes from the share of the turnover achieved in the electronic communications sector	12.10.08	0	0	2,693,087	2,693,087	0	2,327	0	2,690,760
Incomes from service provision and other activities	33.10	224,964,000	224,964,000	261,232,571	8,803,960	252,428,611	251,870,972	612,926	8,748,673
Incomes from service provision	33.10.08	224,964,000	224,964,000	261,232,571	8,803,960	252,428,611	251,870,972	612,926	8,748,673
Incomes from interest	31.10	7,000,000	7,000,000	17,715,026	658,270	17,056,756	14,938,578	0	2,776,448
Other incomes from interests	31.10.03	7,000,000	7,000,000	17,715,026	658,270	17,056,756	14,938,578	0	2,776,448
Various incomes	36.10	36,000	36,000	5,495,061	1,933,290	3,561,771	2,858,457	641,000	1,995,604
Other incomes	36.10.50	36,000	36,000	5,495,061	1,933,290	3,561,771	2,858,457	641,000	1,995,604
Incomes from the capitalization of certain goods	39.10	0	0	11	0	11	11	0	0
Incomes from the capitalization of certain goods belonging to the public institution	39.10.01			11	0	11	11	0	0

ABBREVIATIONS

ANCOM	National Authority for Management and Regulation in Communications
AOMR	Association of Mobile Operators from Romania
BEREC	Body of European Regulators for Electronic Communications
BWA	broadband wireless access systems
CATV	Cable TV
EC	European Commission
CEPT	European Conference of Postal and Telecommunications Administrations
CNA	National Audiovisual Council
CNPR	National Company Romanian Post
CoCom	Communications Committee
DSNG	Digital Satellite News Gathering
DTH	Direct-to-home
ERG	European Regulators Group for Electronic Communications Networks and Services
GMDSS	Global Maritime Distress Safety System
GMPCS	Global Mobile Personal Communications by Satellite
HDTV	High Definition Television
IARU	International Amateur Radio Union
INS	National Institute of Statistics
IRG	Independent Regulators Group
ISPC	International Signalling Point Codes
ITU	International Telecommunication Union
LUNR	Licence for the use of numbering resources
MCSI	Ministry of Communications and Information Society

MHP	Multimedia Home Platform
MMDS	Multichannel Multipoint Distribution System
MNC	Mobile network codes
NIC	Network Identification Codes
NSPC	National Signalling Point Codes
RIO	Reference Interconnection Offer
PAMR	Public Access Mobile Radio
PMR	Professional Mobile Radio
NNP	National Numbering Plan
PVR	Personal Video Recorder
RAINWAT	Regional Arrangement for INland WATerways
RN	Routing numbers
RSC	Radio Spectrum Committee
RSPG	Radio Spectrum Policy Group
S-PCN	Satellite-Personal Communication Networks
S-PCS	Satellite Personal Communications Services
SNR	Radiocommunications National Company
SNUAU	Unique National System for Emergency Calls
NTFA	National Table for Frequency Allocation
VoIP	Voice over Internet Protocol
VPN	Virtual Private Networks
VSAT	Very Small Aperture Terminal



ANNEX 1. LIST OF THE AUTHORITY'S PRESIDENT DECISIONS ADOPTED IN 2009

1. Decision no.77/2009 on the obligations of informing the end-users, incumbent on the providers of publicly available electronic communications services, published in the Romanian Official Journal no.88 of 13 February 2009.

2. Decision no.154/2009 on the identification of the relevant markets for the analogue transmission services via the terrestrial radio systems of the public broadcasting services (radio and television), published in the Romanian Official Journal no.149 of 10 March 2009.

3. Decision no.169/2009 on the designation of the Radiocommunications National Company as a provider with significant power on the market of analogue transmission services - via terrestrial radio-electrical systems - of the public television programme services, on the market of analogue transmission services - via the terrestrial radio-electrical systems - of the public radio-broadcasting programme services in the FM frequency band and, respectively, on the market of analogue transmission services - via the terrestrial radio-electrical systems - of the public radio-broadcasting programme services in the AM frequency band, communicated to the operator.

4. Decision no.127/2009 on the reporting of certain statistical data by the postal service providers, published in the Romanian Official Journal no.151 of 11 March 2009.

5. Decision no.167/2009 on the identification of the relevant markets for services of call termination provided at mobile locations, published in the Romanian Official Journal no.171 of 19 March 2009.

6. Decision no.295/2009 on designating Cosmote Romanian Mobile Telecommunications as a provider with significant power on the market for services of call termination provided at mobile locations on the operator's individual public telephone network, communicated to the operator.

7. Decision no.296/2009 on designating Orange Romania as a provider with significant power on the market for services of call termination provided at mobile locations on the operator's individual public telephone network, communicated to the operator.

8. Decision no.297/2009 on designating RCS&RDS as a provider with significant power on the market for services of call termination provided at mobile locations on the operator's individual public telephone network, communicated to the operator.

9. Decision no.298/2009 on designating Telemobil as a provider with significant power on the market for services of call termination provided at mobile locations on the operator's individual public telephone network, communicated to the operator, communicated to the operator.

10. Decision no.299/2009 on designating Vodafone Romania as a provider with significant power on the market for services of call termination provided at mobile locations on the operator's individual public telephone network, communicated to the operator.

11. Decision no.293/2009 on designating the National Company Romanian Post as a Universal Service provider in the postal services sector, published in the Romanian Of-

ficial Journal no.268 of 24 April 2009.

12. Decision no.35/2009 for amending the Decision of the president of the National Regulatory Authority for Communications no.1074/EN/2004 on the implementation of universal service in the sector of electronic communications, published in the Romanian Official Journal no.35 of 26 January 2009.

13. Decision no.379/2009 on amending and completing the Decision of the President of the National Regulatory Authority for Communications and Information Society no.321/2008 on the allotment and use of national short numbers for European harmonised services, published in the Romanian Official Journal no.378 of 4 June 2009.

14. Decision no.406/2009 on designating Universal Service providers with a view to make available a directory enquiry service for the end-users, communicated to the operator.

15. Decision no.407/2009 on the designation of Universal Service providers in view of making available an electronic subscriber directory for the end-users, communicated to the operator.

16. Decision no.891/2009 on amending and completing the Decision of the President of the National Regulatory Authority for Communications and Information Society no.2858/2007 on the general authorisation regime for the provision of postal services,

published in the Romanian Official Journal no.771 of 11 November 2009.

17. Decision no.995/2009 on the identification of the relevant markets in the electronic communications sector for services of fixed call origination, for services of call switched transit, as well as for services of access provided at fixed locations on the public telephone networks, published in the Romanian Official Journal no.873 of 15 December 2009.

18. Decision no.1014/2009 on designating Romtelecom as a provider with significant power on the market for services of fixed call origination on the public telephone networks and on the market for services of call switched national transit on the public telephone networks, and on imposing obligations on this provider, communicated to the operator.

19. Decision no.955/2009 on amending and completing the Decision of the President of the General Inspectorate for Communications and Information Society no.686/2005 on the approval of the Tariff Procedure and of the List of tariffs for the use of the radio spectrum, annually owed to the General Inspectorate for Communications and Information Society, published in the Romanian Official Journal no.862 of 10 December 2009.

20. Decision no.1015/2009 on designating Romtelecom as a provider with significant power on the market for services of access provided at fixed locations on the public telephone networks, communicated to the operator.



CONTACT

National Authority for Management and Regulations in Communications (ANCOM)

2 Delea Noua Street, Sector 3, postal code 030925 Bucharest, Romania
Tel.: +40.372.845.400, Fax: +40.0372.845.402
E-mail: ancom@ancom.org.ro
www.ancom.org.ro

Public Relations

Tel.: +40.372.845.845, Fax: +40.372.845.404
E-mail: relatii_cu_publicul@ancom.org.ro

Mass-media relations

Tel.: +40.372.845.417, Fax: +40.372.845.404
E-mail: pr@ancom.org.ro

Regulation Executive Division

Tel.: +40.372.845.590, Fax: +40.372.845.410

Executive Division for Radio Spectrum and Numbering Management

Tel.: +40.372.845.497, Fax: +40.372.845.402

Monitoring and Control Executive Division

Tel.: +40.372.845.594, Fax: +40.372.845.356

ANCOM Regional Divisions

Bucharest Regional Division

4 Lucian Blaga Street, block M 110, section I, sector 3, Bucharest, Romania
Tel.: +40.372.845.001, Fax: +40.21.323.31.97
E-mail: drb@ancom.org.ro

Cluj Regional Division

28 Campeni Street, Cluj-Napoca, Cluj County
Tel.: +40 372.845.778, Fax: +40 264.484.077
E-mail: drcluj@ancom.org.ro

Iasi Regional Division

34A Moara de Vant Lane, Iasi, Iasi County
Tel.: +40 372.845.214, Fax: +40 232.219.338
E-mail: dris@ancom.org.ro

Timisoara Regional Division

24 Horia Street, Timisoara, Timis County
Tel.: +40 372.845.871, Fax: +40 256.471.699
E-mail: drtm@ancom.org.ro

The content of this document was created or put together by the National Authority for Management and Regulation in Communications for the purpose of informing the public on the ANCOM activity.

The full or partial reproduction of this document is permitted under the condition that the reproduced or quoted material is presented as resulting from the 2009 Annual Report of the National Authority for Management and Regulation in Communications and is accompanied by one of the following statements:

Source: the 2009 Annual Report of the National Authority for Management and Regulation in Communications;

Source: National Authority for Management and Regulation in Communications;

Source: ANCOM;

or a clear statement having the same meaning as the above.

The preliminary version of the Annual Report was published on the ANCOM website on 30 April 2010.

The full version of the 2009 ANCOM Annual Report is available for consultation on the ANCOM website as well:

www.ancom.org.ro

© ANCOM 2010



2 Delea Nouă Street • sector 3, postal code 030925
Bucharest, România
Telephone: 0372 845 400 • **Fax:** 0372 845 402
E-mail: ancom@ancom.org.ro
Web: www.ancom.org.ro