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NATIONAL REGULATORY
AUTHORITY FOR COMMUNICATIONS
AND INFORMATION TECHNOLOGY
ROMANIA



The National Regulatory Authority for Communications and Information Technology is the independent institution that sets the rules in the Romanian communications market and watches the enforcement of these rules. As an arbiter in one of the most dynamic sectors of the national economy, ANRCTI is an active, powerful and unbiased organisation, with a competent team which is aware of its responsibilities.

ANRCTI is the warden of competition in the Romanian communications market and ensures that the users benefit from a wide range of quality services and have access to the new technologies, at fair prices. ANRCTI identifies, analyses and solves the problems in the communications market, to the consumers' benefit. ANRCTI adopts remedies in line with the European requirements and in consideration of the local context, submitting them to public consultation and fostering a fair competitive environment.

ANRCTI's major objectives are: promote competition, protect the end-users' interest, ensure the efficient use of limited resources, encourage effective investment in infrastructure and stimulate innovation.

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1. Foreword

For ANRCTI, 2007 was both the year of Romania's accession to the European Union and the beginning of a process of organisational change aimed at giving the Romanian communications market a single, powerful regulator, in line with the European requirements. The Authority took over new attributions, broadened its area of competence and changed the mechanisms of cooperation with the European Commission, which sped up the process of adjusting to the new context. Thus, ANRCTI became the unique regulatory body in the field of communications, administrator of the radio spectrum and arbiter of the communications market, safeguarding competition in this sector.

The importance and complexity of the internal challenges we faced in the recent years revealed the need for a different communication approach to the industry and to the users of communications services. We are aware that it is not only our decisions that markedly influence the regulated market, but also the way in which we manage to explain our strategic thinking underlying these decisions. That is why we decided to dedicate this year to scrutinizing and understanding the in-depth structure, mechanisms and trends of the Romanian market, as well as to making available to the industry a system of strategic objectives guiding the regulatory approach in this market up to 2010 and a set of principles, policies and instruments allowing us to monitor the market evolutions and to ground our regulatory decisions throughout the next three years.

In 2007, ANRCTI gave also due diligence to rendering its activity more cost-efficient. The separation of the e-Government, e-procurement and e-transport authorisation activities and the first steps taken in view of transferring the financing of the National Unique System for Emergency Calls to the state budget pursued restricting the Authority's expenditure budget precisely to the activities that are directly connected to the accomplishment of its mission, i.e. to the regulation of the markets of electronic communications, postal services, information technology, spectrum monitoring and equipments control, as well as to ensuring the Universal Service.

The electronic communications sector in Romania keeps high growth rates, which significantly exceed the ones of the Romanian economy, and this development trend continues, especially due to the relatively low penetration of certain services, in comparison with other European Union Member States. We invite you to a journey through this activity report, in the pages of which you will get acquainted both with the changes that marked the ANRCTI activity in 2007 and with data on the evolution of the electronic communications and IT sectors, as well as with the measures the Authority adopted for the sector development.

Dan Cristian Georgescu

President of the National Regulatory Authority
for Communications and Information Technology of Romania





2. ANRCTI – A New Beginning

2.1 New responsibilities for ANRCTI

2007 set important milestones for **ANRCTI**, due to the changes brought about by the need to finely tune the communications regulator to the new reality of the Romanian market, as part of the European single market.

At the early stage of this adjustment, ANRC became ANRCTI, taking on regulatory and control attributions in the field of information technology, and then merged with the Inspectorate General for Communications and Information Technology (IGCTI). At this later stage, ANRCTI was entrusted with the IGCTI specific attributions in the field of radiocommunications, audiovisual communications, radio equipments and electronic communications terminal equipments. Thus, one of the objectives established by Chapter 20 of the government programme – “create a single autonomous regulatory and control authority in the ITC sector” - was achieved, as a salient step in view of bringing the Romanian regulator in line with the most advanced institutional models in the European communications sector.

Government Emergency Ordinance no.134/2006 established the **National Regulatory Authority for Communications and Information Technology (ANRCTI)** as a public institution and a legal entity subordinated to the Government which is financed exclusively from its own resources, following the reorganisation and subsequent dissolving of the National Regulatory Authority for Communications. This institution has been organised and functions under the coordination of the Prime-Minister.

The ordinance envisaged the full harmonisation of the national legislation with the EU one and took into account the need for regulating the information technology sector in close consideration of the electronic

communications and postal services sectors, as complementary communication realms. The set-up of this single institution was required also by the need to establish an institutional regulatory framework to provide for Romania's transition to the Information Society.

In April 2007, the Romanian Government adopted the **Emergency Ordinance no. 25/2007** on the reorganisation and working apparatus of the Government, by which the Inspectorate General for Communications and Information Technology (IGCTI) was dissolved, ANRCTI taking over the budget, financing resources, personnel, rights and obligations of the former IGCTI. The existence of several institutions dealing in the Romanian field of management and regulation of the electronic communications and information technology sectors generated confusion and difficulties, both in relation with the operators and the service providers, and in relation with the citizens. The merger of ANRCTI with IGCTI was designed to bring about a better level of national and international coordination in the relevant field, less bureaucracy and economies for the industry as regards their time and financial resources. Thus, ANRCTI became the single institution in charge of granting both the general authorisations and the licences for the use of radio spectrum frequencies and for the use of numbering resources. The Agency for the Information Society Services (ASSI), a public institution established and functioning in the subordination of the Ministry of Communications and Information Technology, took over the specific attributions in the field of operating – at a national level - the e-government information systems of the central public administration (www.e-guvernare.ro, www.e-licitatie.ro, www.autorizatiiauto.ro).

ANRCTI thus became the institution entrusted with the enforcement of the national policy in the sectors of electronic communications, audiovisual communications, information technology, postal services, radio equipments and electronic communications terminal equipments, as well as in the electromagnetic compatibility sector.



2.2 Regulatory strategy for the Romanian electronic communications sector for 2007-2010

In 2007, the Romanian regulator, as well as the Romanian electronic communications sector, has faced multiple challenges. On the national level, we have taken important steps in the process of re-assessing the competition environment in the sector, by carrying out reviews of the interconnection and broadcasting markets, under Romania's obligations as a Member State of the European Union. At the European level, in 2007, along with the other national regulators, we participated in the debates surrounding the review process of the EU regulatory framework for electronic communications, which have created a unique context of reflection on the regulatory objectives and instruments, as well as on the impact of the regulatory process on investment and on the competitiveness of the European telecom industry.

The importance and the complexity of these endeavours revealed the need for another communication level with the regulated industry and with the consumers of electronic communications services. That is why we decided to dedicate this year to scrutinizing and understanding the in-depth structure, mechanisms and deficiencies of the Romanian market, which should lead us to a system of strategic objectives guiding the regulatory approach in this market, as well as to a set of principles, policies and instruments allowing us to monitor the market evolutions and to ground our regulatory decisions. In brief, we wanted to comprehend in detail the Romanian communications market, in order to be able to impose the right amount of regulation, with the adequate intensity for this market. The results of this exercise of investigation, analysis and reflection, rounded up in the first Position Paper on the regulatory strategy for the Romanian electronic communications sector, applicable for 2007-2010, which was launched for public consultation at the end of 2007.

ANRCTI aimed at elaborating a document that should be relevant (as to the information resulted from the diagnosis-analysis), applicable (with achievable strategic objectives) and useful (considering its expected impact in relation to the Authority's fundamental objectives). Furthermore, ANRCTI pursued to ensure consistency with the national and international strategies in the sector of electronic communications and in other correlated sectors.

ANRCTI launched the strategic analysis in March 2007, assisted by the consultancy company TASC Strategic Consulting Ltd. This project involved a complex activity structure, ranging from market studies among the end-users, specific information gathering from representative samples of operators and working meetings with the industry to investigation of the ANRCTI information system and checking hypotheses from the standpoint of practices adopted in other jurisdictions.

The Position Paper aimed at setting the ANRCTI position on the regulatory strategy for the Romanian electronic communications sector for the coming three years, based on the findings of the diagnosis-analysis and on the principles, policies and options for redefining the regulatory instruments required in view of achieving the strategic regulatory objectives, following the directions of evolution to the target market.

In order to account for the structural characteristics of the Romanian electronic communications sector and to establish the strategic objectives, the regulatory principles, policies and instruments, as well as the required information systems, in an effective manner, a delineation of the homogeneous segments within the sector and the in-depth understanding of its characteristics was needed.

2.3 Assessed deficiencies

The diagnosis-analysis revealed deficiencies to be included within the scope or regulatory remedies, in all the sectors of the communications market.

2.3.1 Mobile telephony

The development of this sector must be continuously monitored, taking into account the indications regarding the **low level of competition** provided by the analysis of the main indicators: degree of market concentration, evolution of market shares, level of barriers to market entry, behaviour characteristics and the market players' relative profitability margins. The market seems to be heading in the right direction – during the last half of 2007, an important growth was registered by the third operator in this segment as regards the number of subscribers, but these trends must prove sustainable, taking into account the fact that the proposed strategy is relevant throughout the next three years. The **unsatisfactory level of innovation** in this segment, indicated by the limited availability and usage of the advanced services, especially of 3G-related services, the **high retail prices** and **their reduced transparency**, as well as the **relatively low level of effective churn**, notwithstanding the large number of prepay users, were the main deficiencies identified in the retail segment.

2.3.2 Fixed telephony

The main deficiencies assessed in this sector were the **low consumer satisfaction levels** and the **limited choice they have as regards the range of providers** (90% of the consumers are served by one or at most two operators). Romtelecom's stronghold in the fixed telephony sector persists, featuring dominance on the access segment and on the national call segment, as this operator held, at the end of

2007, a market share of 74% from the residential users' access lines and 80% of the business users' access lines, whereas the carrier selection and pre-selection solutions, devised to stimulate competition in the call service segment, were hardly successful. This sector witnessed also a **relatively high level of tariffs (average revenues/minute)** while the consumers face a relatively complicated structure of tariff plans. Moreover, the **urban-rural access gap** remains open.

2.3.3 Internet access

Although the penetration rate of broadband Internet access services in Romania (approximately 7%, in June 2007) is at **one of the lowest levels** among the EU27, the annual average growth rates exceed 100%. Moreover, unlike in most of the EU27, **DSL Internet access** is of minor importance, most of the dedicated connections being provided by a large number of ISPs with own networks and coaxial cable networks. Despite the development of competition, mainly due to Romtelecom's offers and to the high growth rates, **many Romanian citizens have a scarce choice as regards dedicated Internet access providers**. The business models that use Romtelecom's access network ("local loop"), although benefiting from regulated conditions, could hardly solve this problem, whereas the incumbent's next generation access network further reduces the economic sustainability of these models.

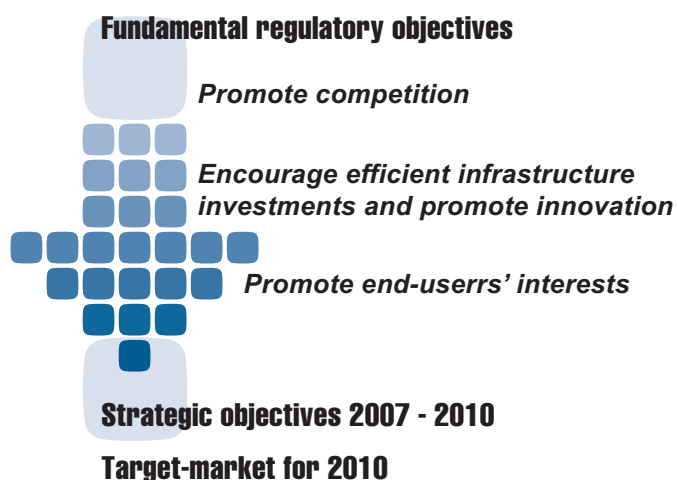
2.3.4 Audiovisual communications

In spite of the high penetration rate, even compared to the other Member States, audiovisual communications feature a **very low digitalization level**, whereas "advanced" platforms, such as *IPTV* and *mobile TV*, are available on a very limited scale. The main competitive problem identified consists of **SNR's high potential of excessive**

pricing for the broadcasting and transmission of SRR's and SRTV's programme services, since it is the only provider of such services, under the legal provisions in force. Nevertheless, an important deficiency assessed in the sector is the lack of a harmonised policy at a national level in respect of the rights of way on the public properties. Thus, the heterogeneous and not in rare cases abusive practices of the local administrations create major obstacles to planning the network development and significantly raise the market entry barriers. Moreover, cable operators are the ones to encounter increased obstacles as regards the **shared use of the infrastructure facilities** (masts, ducts, pillars etc.) held by Electrica, Romtelecom and the local public transport companies.

2.4 Strategic regulatory objectives

Exhibit 2.1 Strategic regulatory objectives



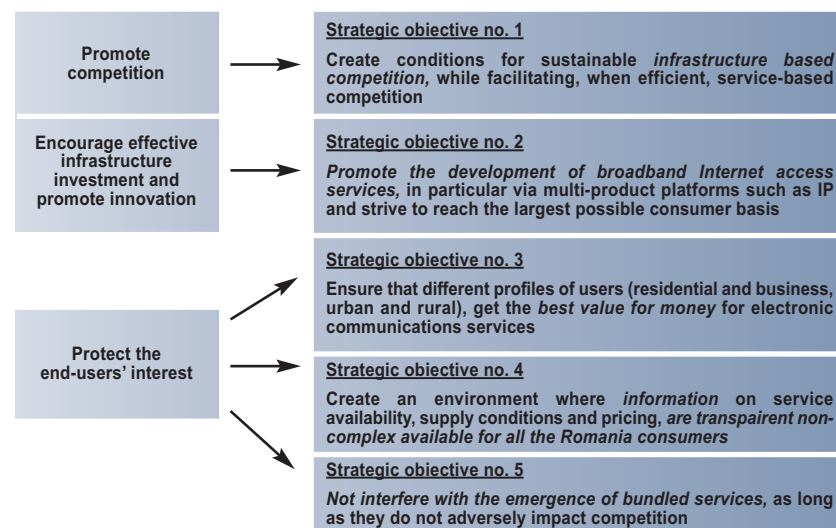
The strategic objectives resulted from:

- the fundamental regulatory objectives;
- the characteristics of the target-market for 2010, as assessed by the analysis of the current market status and of the forecasted development trends;
- the prevailing economic theories;
- the relevant best European practices.

The strategic objectives focus on the key-deficiencies represented by the most important discrepancies between the current state of play and the ideal sector operation conditions:

- competition level;
- innovation level;
- consumer information.

Exhibit 2.2 Strategic regulatory objectives, as resulted from the ANRCTI fundamental objectives

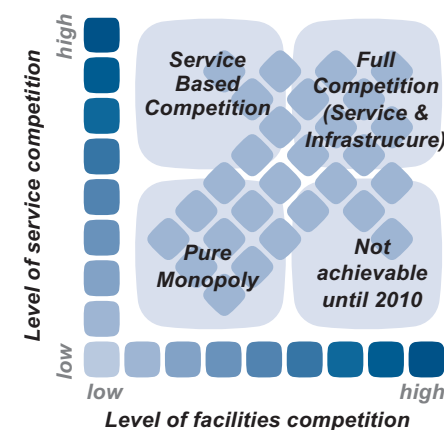


Objective 1 – There are two fundamental competition models in the electronic communications field: service-based competition (competitors use another operator's network) and infrastructure-based competition (each competitor uses his own network). On a given market, there may be various combinations between them. The principle of minimum regulatory intervention suggests the fact that the type of competition needing the slightest regulatory intervention has the greatest chances to deliver results closest to the “perfect competition”, so that infrastructure-based competition is preferable to service-based competition. Moreover, the international experience reveals the existence of stronger correlations between innovation and competition in the jurisdictions where there are independent platforms for services provision, as compared to the jurisdictions where competition is more significant at the services level.

It is worth remarking that, in spite of the introduction of a regulatory framework at the level of European best practices meant to stimulate the development of both types of competition, the results achieved have been radically different. Hence, infrastructure-based competition registered the most notable progress in this sector. On the other hand, in Romania, services-based competition has not been very successful – carrier selection and pre-selection, as well as the access to the local loop register insignificant levels. Certain voices ascertain that these services shall become less and less attractive in the future. Nevertheless, the availability of access solutions for the alternative operators should be ensured where the deployment of infrastructure able to provide the same services as the incumbent's infrastructure is not feasible, thus limiting the end-users' choice. Access solutions should be designed so as to maximise the development of service-based competition without reducing the new entrants' incentives to invest in the development of alternative infrastructures, while ensuring that the incumbent also enjoys sufficient incentives to invest in the maintenance and upgrading of its own network. International

experience revealed that the launch of alternative offers based on solutions of access to the incumbents' network, despite the relatively high penetration of coaxial cable networks, has a positive impact on competition and drives to broadband penetration.

Exhibit 2.3 Competition matrix



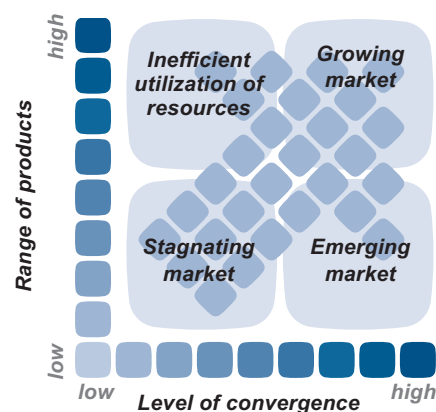
Objective 2 - Generally, growing markets feature high levels of investments. However, analyzing them detached one from another, it is noticeable that the levels of investments are not sufficient to promote the fundamental regulatory objectives. Efficient investments, which should be promoted by the regulatory activity, are characterized by the optimization of the range of services provided using minimum resources. Consequently, the provision of a multitude of services via a single platform (i.e., audiovisual transmissions, broadband Internet and voice - VoB), using the IP technology is a typical concept of efficient investments. Furthermore, since they integrate several services, multi-



product platforms enhance the value of the provided services, to the consumers' benefit. From this standpoint, a market with an optimum level of innovation presents high levels of efficient investments.

Specifically, in Romania, the broadband Internet segment is at an early stage, registering bursting rates in the last months. Nevertheless, Romania lags significantly behind the Member States as regards the penetration of broadband Internet, in spite of the minimum reference speed envisaged in Romania - 128 kbps. Moreover, copper and coaxial cable networks are used mainly for the provision of a single range of services¹⁾, indicating they use resources under optimal levels.

Exhibit 2.4 Innovation matrix



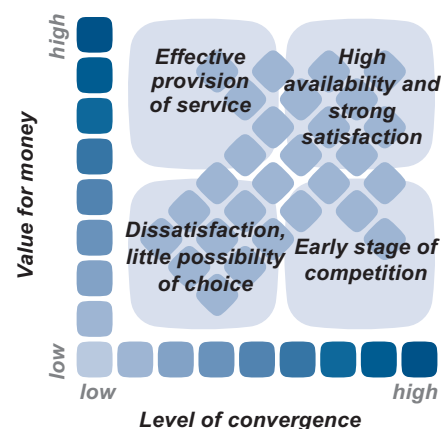
Objective 3 - Promoting the end-users' interests, as a fundamental regulatory objective, involves a nuanced approach. For example, it would be inappropriate to suppose that any action taken in

¹⁾ For example, in most cases, the platform enabling the provision of fixed telephony is different from the platform enabling the transmission of audiovisual programmes, the most spread natural service bundle.

order to reduce retail tariffs would maximize consumers' interests, because the level of innovation and the quality of services may suffer from such an action. On the other hand, since the direct measurement of consumer interests is a difficult approach, if not impossible, indirect measurement items may be used. Thus, the utilization value may be deemed as a reasonably fair estimate of consumer interest. In context, economic theories define the utilization value of products or services depending on a mix of variables, such as the level of innovation, the quality, the variety and the price of these products or services.

Beyond the regulatory intervention on the retail level - the less necessary, the higher the level of competition - the direct impact of regulatory intervention meant to "protect the end-users' rights and interests" is mainly reflected in broadening the consumers' range of choice, measured via the availability of services by means of several providers.

Exhibit 2.5 Matrix of consumer interests



Objective 4 - In time, the tariff packages and schemes offered to end-users have become more and more complex: multiple tariff plans, tariffs for outgoing/incoming different calls, towards mobile / fixed networks, during peak hours / off-peak hours, depending on destination, towards favourite numbers, and much more. Such a complexity makes practically impossible for the end-user to control his expenditures on communications services and prevents him more and more from adopting rational decisions regarding the choice of a provider or even his buying behaviour.

ANRCTI deems that improving the users' awareness and diminishing the complexity of tariffs at the retail level will empower consumers to better protect their interests. As well, a higher level of transparency as regards the comparative levels of tariffs, depending on the type of offer or the profile of traffic, will encourage rational buying behaviour.

Objective 5 – An assessment of the advantages and disadvantages of bundled services revealed that, in the context of the Romanian market, the benefits of this phenomenon overcome the shortcomings, due to the strong incentive effect over consumption, which is essential at this stage of the sector's development. As well, the Authority shall monitor the impact of bundled services on competition, intervening where necessary.

2.5 Regulatory principles and policies

The Authority elaborated and published²⁾, ever since the beginning of its regulatory activity, its own "behaviour code", defined by a set of guideline principles to be applied in practice and meant to ensure the efficiency of the implementation of the regulatory framework. Some of the principles are provided by law, others are recommended

²⁾ The Authority's 2003 activity report.

by the regulatory experience and the international best practices. The regulatory principles formulated in 2003 remain valid and pertinent within the timeframe envisaged by the Position Paper, their content being enriched and updated as follows.

2.5.1 Regulatory principles

The principles guiding the regulatory activity are the following:

1. Transparency
2. Proportionality
3. Opportunity
4. Obligatory character
5. Technological neutrality (Non-discrimination)
6. Predictability and stability
7. Efficient use of the ANRCTI resources
8. Necessity principle

The economic grounding of regulation is substantiated by promoting public interest (expressed either in the increase of the social welfare, as a sum of the consumers' and providers' welfare or in promoting innovation and development) or by promoting economic efficiency (productive, allocative efficiency, from a dynamic perspective).

The social reasons which justify the regulatory intervention reside in the necessity to ensure the fair treatment of consumers in relation with the dominant operators, a balanced distribution of power and, not the least, the impact of the consumers' income transfer towards the investors on balancing the scales of social welfare.

ANRCTI deems that the enforcement of the extended set of eight regulatory principles is essential in achieving the strategic regulatory objectives.



Regulatory policies are conceptual models that streamline ANRCTI's decisions and activities, in view of rendering regulatory strategic objectives operational.

The regulatory policies intertwine both as regards the strategic regulatory objectives they aim to achieve and from the perspective of the regulatory instruments they involve.

2.5.2 Interconnection policy

In order to prevent abuse, which can be refusal of interconnection, discrimination or excessive pricing, ANRCTI aims to impose on the dominant operators, based on the results of market analyses, and depending on the identified problems, an extended set of interconnection obligations. Furthermore, the regulatory policy regarding the fixed and, respectively, the mobile termination tariffs must be established based on consistent principles, which take into account the specific of the fixed networks, as compared to the mobile ones. ANRCTI envisages the removal, within a well-defined timeframe, of all the termination tariff asymmetries in any homogeneous segment (fixed and, respectively, mobile termination) and the cost-orientation of the reference tariff - symmetrical on a segment level, based on the costs of an efficient hypothetical operator, which are normative on a homogeneous segment level.

2.5.3 Access policy

ANRCTI deems necessary to maintain regulated solutions for access to the incumbent's infrastructure, to the alternatives' benefit, where the deployment of parallel infrastructures able to provide similar services, is not feasible. Namely, the Authority intends to maintain the local loop unbundling obligation and to investigate the various options for reconfiguring access solutions, in the context of the transition to next generation access networks. As well, the opportunity of introducing "bit stream" access solutions should be assessed.

2.5.4 Bundles policy

ANRCTI deems that a regulatory environment allowing the development of bundled services fosters innovation and effective investments in infrastructure, which is beneficial to the Romanian market, at this development stage. Bundled services lead to the more effective use of resources, but they represent a justification neither for the renouncement at the individual provision of services, nor for the commercialization of individual services at prices that would make them unattractive. Non-interference in the ability of the providers with significant market power to promote bundled services must be accompanied both by the obligation to individually provide the services for which the dominant position was assessed and by restricting "unfair bundling", which do not allow the competitors to provide a similar bundle under competitive terms.

2.5.5 Limited resource management policy - radio spectrum and numbering resources

The institutional integration of the responsibilities related to spectrum management with those related to promoting competition may be regarded as an acknowledgement, in Romania, of the need for a gradual evolution of the "public interest" concept in this field, in the light of the evolutions at a European level. Thus, the practices of Member States, and the initiatives adopted by the European Commission in the last years show a shift of paradigm. The purely administrative approach, focused on the assignment of the rights of use and avoidance of harmful interference, is fading away, being replaced with a new approach, which sees spectrum as an instrument for promoting competition, along with the other regulatory instruments, due to its potential to stimulate investment and innovation and to bring more diversified services in the market, to the direct benefit of consumers. ANRCTI intends to use the spectrum as a competition instrument, in view of tackling especially three issues:

1. the connectivity problems that are particularly acute in the rural areas of Romania. Therefore, it is appropriate that the introduction of the WiMAX technology should be encouraged as a matter of priority in the rural areas with no access to communications networks, in the frame of the future procedures for granting spectrum for the provision of services using this technology.
2. the spectrum management policy may contribute to remedying the deficiencies identified at the level of the broadcasting sector, related in particular to the low level of innovation, by accelerating the introduction of digital terrestrial television. To this end, all responsible institutions ought to deploy concerted efforts, within the limits of their legal competences, with a view to speed up the process of granting the radio frequencies for digital terrestrial transmission in an objective, transparent and non-discriminatory manner.
3. the reform of spectrum policy, at the European level, may provide solutions to the competition deficiencies in the various sectors of the Romanian market, i.e. **the principle of technological and service neutrality** – one of the proposals of the new European regulatory framework – so that any type of radio network, wireless access technology or electronic communications service would be used in any frequency band available for electronic communications services, while ensuring that the necessary mechanisms with a view to avoid harmful interference and to safeguard the functioning of general interest services are in place.



3. Regulation

ANRCTI has permanently in view two fundamental objectives: **promoting competition** in the electronic communications and the postal services markets and **protecting the end-users' interest**.

In its pursuit of fostering competition in the electronic communications market, in 2007, ANRCTI continued the regulatory activity in the wholesale and retail markets, by imposing specific obligations on the provider with significant power on the relevant retail markets, i.e. as regards the interconnection services provided by the operators of public electronic communications networks that control access to the end-users, as well as by elaborating the technical and commercial terms for the implementation of number portability in Romania.

Moreover, the secondary legislation regarding the legal regime of the numbering resources was reviewed.

With a view to ensuring the disadvantaged categories' access to electronic communications services, ANRCTI continued the implementation of Universal Service especially by the installation of telecentres, by means of which Internet and telephone services reach isolated rural communities. Moreover, the Authority created the legal framework for making available to the end users, a subscriber directory and a directory enquiry service.

As regards the postal services sector, in 2007, ANRCTI started the process of reviewing the relevant secondary legislation following the entry into force of the new legal provisions in the field.

3.1. Measures with significant impact on the market

3.1.1 Decisions with significant impact on the market, issued by ANRCTI

3.1.1.1. Access and interconnection

3.1.1.1. a) **ANRCTI President's Decision no.2800/2007** on the amendment and completion of the ANRC President's Decision no.147/2002 on the principles and prerequisites of the Reference Offer for the interconnection with the public fixed telephony network, with the subsequent amendments and completions, of the ANRC President's Decision no.1379/2003 concerning interconnection for leased lines - terminal segments with the public fixed telephone network, amended by the ANRC President's Decision no.1330/2004, as well as regarding the imposition of clauses in the Romtelecom Reference Interconnection Offer.

This decision aimed at reviewing certain provisions of the ANRC President's Decision no.147/2002 on the principles and prerequisites of the reference Offer for the interconnection with the public fixed telephony network, with the subsequent amendments and completions and of the ANRC President's Decision no.1379/2003 concerning interconnection for leased lines - terminal segments with the public fixed telephone network, amended by the ANRC President's Decision no.1330/2004, further clarifying or completing them, taking into account certain shortcomings occurred in the interconnection process, as well as the development of the electronic communications market. Furthermore, the provisions of the Romtelecom Reference Interconnection Offer (RIO) were reviewed to ensure mainly the correlation of the provisions regarding collocation in view of interconnection and of the unbundled access to the local loop, to complete the description of the interconnection services provided by Romtelecom and to clarify the mechanism of concluding and amending the interconnection agreements. Following the adoption of this decision, ANRCTI gave Romtelecom the possibility to amend the structure of the RIO, in order



to enable the Beneficiaries to operatively select the services and the facilities required in view of interconnection, so that these could provide their own electronic communications services under the best circumstances.

3.1.1.1. **b) ANRCTI President's Decision no.2849/2007** on the interconnection with the public telephony network operated by S.C. „RCS & RDS” – S.A., for the purpose of call termination at fixed locations

Given the large number of complaints received both from the providers and from the users as regards the difficulty of negotiating interconnection agreements with RCS&RDS and, respectively, the impossibility to call and to be called by the users of other networks, ANRCTI assessed the necessity of identifying and adopting certain measures in view of ensuring a transparent legal framework regarding the interconnection with the fixed public telephone network operated by RCS&RDS and, considering the ANRCTI competence in the field of dispute settlement (see point 13.1 of this Report), established that regulatory measures were to be imposed on RCS&RDS *ex ante*, by means of a regulatory decision grounded on the provisions of Article 5 of the Government Ordinance no.34/2002, not on individual dispute settlement decisions.

In accordance with the provisions of Article 341 and Article 50 of the Government Emergency Ordinance no.79/2002, the ANRCTI President's draft decision on the interconnection with the public telephone network operated by RCS&RDS in view of fixed call termination was launched for public consultation, at a national level, during June 21st – July 23rd, 2007, and was submitted to the European Commission and to the other national regulatory authorities of the EU Member States for comments and suggestions.

After going through the legal procedure, the ANRCTI President's Decision no.2.849/2007 was adopted, this provider being imposed the obligation of transparency, the obligation to provide certain services and to grant access to certain facilities, as well as the tariff control obligation, as regards the interconnection of its own network with the public communications networks installed, operated, controlled or made available by other operators, in view of fixed call termination.

3.1.1.2. *Retail market regulation*

3.1.1.2.a) **ANRCTI President's Decision no.1948/2007** for amending ANRC President's Decision no.1250/2005 on imposing obligations on the provider with significant power on the specific relevant retail markets.

Following the review of the legal framework in force, analysing the compatibility of the national legislation with the European legislation in the field, the provisions of Law no.304/2003 for Universal Service and the users' rights regarding the electronic communications networks and services, with the subsequent amendments and completions, were amended to include - as one of the remedies the regulator can impose on the provider designated with significant power on one or several retail markets – the interdiction to practice predatory pricing, which could raise barriers to market entry and foreclose competition. By reducing tariffs under the cost level for a certain period, a provider with significant market power could prevent market entry or could lower the competitors' profit margin, eventually forcing them out of the market.

The obligation previously imposed on Romtelecom forbade this company to charge prices under the cost level. Taking into account the fact that pricing below costs is not deemed to have anti-competitive



practices in absolutely all circumstances, the obligation imposed on Romtelecom had to be amended.

3.1.1.2. **b) ANRCTI President's Decision no.1.949/2007** on the establishment of price cap formulas for the services provided by "Romtelecom" - S.A., as well as on the conditions of their enforcement.

This decision establishes price cap formulas, as well as the conditions of their enforcement, for the retail services provided by Romtelecom on the relevant retail markets in which this company has been designated as a provider with significant market power. As well, it establishes *ex ante* measures in order to verify the obligation of not charging predatory prices, which restrict market entry or foreclose competition.

ANRCTI deemed necessary to use a price cap formula for the retail services provided by Romtelecom, for the following reasons:

- the provider with significant market power is incentivised to innovate and cut down on costs; the respective provider could keep the profit following the cost savings, which drives to tariff reductions over time;
- efficiency gains over time are set at a reasonable level and its benefits are gradually transferred to end-users, for the lifetime of the decision;
- the provider with significant market power is allowed greater flexibility in establishing the tariffs, and - thus - a quicker response to market change;

- unlike rate of return regulation, it does not lead to excessive and unreasonable capitalization of the provider with significant market power;
- discourages the propensity of the provider with significant market power to unreasonably allocate costs to the regulated services;
- prevents the provider with significant market power from charging excessive prices for certain services and tariffs below the cost level for others, with a view to hinder competition.

3.1.1.3. *Universal Service*

ANRCTI President's Decision no.3284/2007 on the amendment and completion of the Decision of the President of the National Regulatory Authority for Communications no.1074/2004 on the implementation of Universal Service in the field of electronic communications

On grounds of the European regulatory framework and having regard to the objectives of the Policy and Strategy Paper on the Implementation of Universal Service in the Electronic Communications Sector, approved by the Order of the Minister of Communications and Information Technology no.184/2004, amended by the Order of the Minister of Communications and Information Technology no.318/2005, ANRCTI was empowered to take the necessary steps in view of designating the Universal Service providers for the provision of the directory enquiry service and of a directory of subscribers.

Therefore, ANRCTI elaborated the ANRCTI President's Decision no.3284/2007, aimed at creating the legal framework for making available to the end-users a directory of subscribers and a directory enquiry service. The decision establishes the format of the directory of subscribers that is to be made available by the Universal Service providers, the best solution being the setup of a website where the end-users could have access to the subscriber directory service. The Universal Service providers could also make available a printed version of the directory of subscribers, under the market conditions.

Moreover, this normative act establishes that, in view of ensuring access to public pay telephones, ANRCTI will designate the Universal Service providers by tender or *ex officio*, in the localities identified as eligible, taking into account the availability of publicly available telephone services, the number of inhabitants and the efficiency of implementing such projects.

Considering the national stage of providing coverage for the whole territory of Romania by public pay telephones, ANRCTI will ponder the possibility to designate, *ex officio*, a Universal Service provider that will have the obligation to ensure access to public pay telephones, where such a solution proves to be more efficient both financially and as regards maximising the number of end-users covered in the shortest timeframe possible, upon a public consultation procedure.

3.1.1.4. *Postal services*

3.1.1.4. a) **ANRCTI President's Decision no.2858/2007** on the general authorisation regime for the provision of postal services

The legal framework in the field of postal services was amended and completed by the Government Emergency Ordinance no.70/2006 on the amendment and completion of certain normative acts in the

fields of electronic communications and postal services, approved, with amendments and completions, by Law no.133/2007.

Following the entry into force of the new legislative provisions, ANRC President's Decision no.118/2003 on the procedure of authorising postal service providers was repealed and ANRCTI issued a new decision on the procedure of authorising postal service providers.

Consequently, ANRCTI President's Decision no.2858/2007 aimed to:

- remove the barriers that prevented residential users from entry on the postal services market;
- simplify the authorisation procedure for the persons who request the right to provide postal services, by removing individual licences;
- strictly delineate the scope of Universal Service by establishing and defining the specific services that fall outside the scope of Universal Service ("Cash-on-Delivery", "Change of Destination", "Special Delivery", "Confirmation Receipt" and „Express”);
- include the direct mail service within the scope of Universal Service;
- establish special rules for postal services.

3.1.1.4. b) **ANRCTI President's Decision no.3442/2007** on the terms and designation procedure for the Universal Service providers in the field of postal services

ANRCTI President's Decision no.3442/2007 aims to establish the terms and designation procedure for the Universal Service providers in the field of postal services, having regard to the principles of efficiency, objectivity, transparency and non-discrimination.



This normative act does not longer bind the eligibility of the postal service providers to be designated as Universal Service providers on the capacity as a holder of individual licences. Thus, a Universal Service provider may be any postal service provider authorised to provide the services within the scope of Universal Service for which he is to be designated, under the general authorisation conditions, which ensure compliance with the provisions of Government Ordinance no.31/2002 for the provision of postal services within the scope of Universal Service.

As regards the actual procedure for the designation of Universal Service providers in the postal services sector, two designation methods have been established:

- upon the request of the providers of postal services within the scope of Universal Service who are interested in becoming Universal Service providers, following ANRCTI's posting an announcement on its own website and in a wide-circulation newspaper, regarding the designation of one or several Universal Service providers;
- *ex officio*, where the mechanism of designation upon request proved ineffective.

Furthermore, the decision establishes certain issues to be included in the decision for the designation of Universal Service providers.

As regards the rights of the Universal Service providers, following the amendment of the Government Ordinance no.31/2002, Universal Service providers shall no longer benefit from certain rights in view of ensuring Universal Service.

Based on the ANRCTI President's Decision no.3442/2007, ANRCTI will designate the Universal Service providers for all the postal services included within the scope of Universal Service.

3.1.1.4. **c) ANRCTI President's Decision no.3287/2007** for the amendment and completion of the ANRC President's Decision no.1480/2005 on the conditions for elaborating and auditing the separate financial statements by the National Company Romanian Post.

Following the entry into force of the new legislative provisions, as well as following the analysis of the separate financial statements elaborated by CNPR for the financial year ending on December 31, 2005, applying the methodology for conducting separate accounts, the secondary legislation in the postal services sector had to be revisited accordingly, one of the new measures being the review of the methodology for conducting separate accounts and elaborating separate financial statements by CNPR, as well as of the conditions for auditing these separate financial statements, in view of ensuring proportionality between the necessity of access to certain information and the data provided by CNPR.

The main amendments made on the methodology for conducting separate accounts and elaborating separate financial statements by CNPR focused on:

- using a unique terminology by replacing the term "balance" by the syntagm "statement on the average capital invested", for the purpose of clarifying the information required in view of identifying each business segment or service category;
- removing the obligation to draw up treasury flow statements;
- corroborating with the legislative amendments of the accounting and financial legislation, by using general provisions, so as to highlight the necessity of ongoing correlation between the financial-accounting legislation based on which the statutory financial statements of CNPR must be elaborated and the methodology for elaborating separate

financial statements, the regulations set up by the financial and accounting legislation in force representing the ground for separate financial statements;

- removal of the obligation to publish separate financial statements, upholding the Universal Service provider's obligation to publish a statement on compliance with the principles for the elaboration of the separate accounting system and with the requirements for drawing up and sending separate financial statements, including the audit report.

3.1.1.5. *Numbering*

3.1.1.5. a) **ANRCTI President's Decision no.2895/2007** on the National Numbering Plan

The experience gained enforcing the provisions of the National Numbering Plan (PNN), against the background of the fast-growing market of electronic communications services, indicated the necessity of adjusting the PNN to these services.

In order to answer the market requirements, the new regulation envisaged:

- remedying certain deficiencies of the PNN;
- ensuring enhanced effectiveness in managing and using the numbering resources;
- ensuring compliance with the principle of non-discrimination in the allocation of numbering resources;
- establishing more specific usage rules for the numbering resources;
- ensuring the end-users' protection;
- the flexibility of the PNN, by providing for adequate numbering resources for new, innovative services.

In the new PNN project, the national and the international prefixes, as well as the carrier selection codes remained unchanged.

National short numbers will have the *1tvxyz* format, featuring 3 to 6 digits.

The structure of the 0ZABPQMCDU national number has been redefined, having regard to the provisions of Recommendation ITU-T E.164 – International Numbering Plan for public telecommunications services. Thus, the national number shall consist of two elements: the national prefix (0) and the national significant number (ZABPQMCDU).

The national significant number consists of the national destination code and the subscriber number. The categories of numbering resources are defined based on the values that national destination indicatives may have.

Geographic numbers within the 0Z = 02 domain and geographic numbers within the 0Z = 03 domain are proposed to be included in the closed numbering category. Starting from the 3rd of May, 2008, 00:00, the PNN will become a closed numbering plan.

A new category of numbers has been introduced – location-independent numbers, within the 0Z = 03 domain, for services provided, mainly, at fixed locations.

Local numbers have been excluded from the PNN, whereas 19vx national numbers for public interest services have been included.

Furthermore, in view of clearly specifying certain domains or subdomains in the PNN, the regulation provides definitions of the services that can be provided by means of certain numbering resources.



3.1.1.5. **b) ANRCTI President's Decision no.2896/2007** on the procedures for requesting and granting licences for the use of numbering resources

In the process of managing and administering the numbering resources, ANRCTI assessed a series of deficiencies as regards the enforcement and interpretation of the provisions of ANRC President's Decision no.141/2002, which needed corrections and clarifications, as the case required. Moreover, the procedure for granting licences for the use of numbering resources (LURN) had to be completed with regard to the allocation of numbering resources in the new domains or subdomains defined by the PNN.

Thus, the procedure provided by the ANRC President's Decision no.141/2002 proved to be insufficiently detailed to allow the requesters a clear identification of thorough information required by ANRCTI in view of assessing the LURN applications. Therefore, there were many instances when ANRCTI asked for additional information, exceeding the LURN granting period. Furthermore, practice revealed situations uncovered by the ANRC President's Decision no.141/2002 on the allocation and use of numbering resources.

ANRCTI President's Decision no.2896/2007 aims to ensure non-discriminatory access to numbering resources for all the providers of publicly available electronic communications services, as well as the reasonable and effective use of such resources. For certain categories of numbering resources, special allocation conditions were established to ensure the implementation and activation of these numbering resources, whereas – in view of allocating additional numbering resources – a minimum usage level of the previously allocated resources was established.

In view of preventing the abuse, either by the providers of publicly available electronic communications services, or by the subscribers, the decision established certain rights and obligations of the subscribers as regards the numbering resources assigned to them, while further detailing the LURN holders' rights and obligations.

3.1.1.5. **c) ANRCTI President's Decision no.2897/2007** on the establishment and charge of tariffs for the use of numbering resources

The ANRCTI attributions in the field of managing and administering the numbering resources at a national level fosters competition in the market, by making available, to the providers of publicly available electronic communications services, the numbering resources required in view of providing services to the end-users. Thus, ANRCTI must both allow the development of certain services and ensure sufficient numbering resources for the provision of traditional electronic communications services. As well, ANRCTI has to strike a balance between the numbering resource requests of the providers of publicly available electronic communications services and the limited character of these resources.

The growing number of providers of publicly available electronic communications services and the increasingly diverse range of services they offer trigger the deployment of more numbering resources.

The data collected by ANRCTI also reveal the fact that the level of usage of the allotted numbering resources was very low (especially as regards the 0Z = 03, 0Z = 08 and 0Z = 09 domains), i.e. the ineffectiveness of using such numbering resources. The large amount of numbering resources allotted created, as well, a pressure on the domains in the PNN which were open a for allocation, without driving to the effective use of these resources.

Having regard to the abovementioned, ANRCTI introduced a single category of tariffs, the tariffs for the use of numbering resources, which are comparable to those charged in other Member States, in order to ensure the equal treatment of all the providers who had already been allotted the right to use certain numbering resources and of the providers who are still to be allotted such resources. Furthermore, the tariffs are differentiated by the categories of numbering resources provided in the PNN.

By establishing these tariffs, ANRCTI pursued the following objectives:

- as regards the allotted numbering resources – determining the providers of publicly available electronic communications services to request only the numbering resources they need for the provision of their own services;
- as regards the assigned numbering resources – increasing the usage level of the allotted numbering resources, respectively the rate of activated numbering resources.

3.1.1.6. Number portability

3.1.1.6. a) ANRCTI President's Decision no.3443/2007 for the amendment and completion of the ANRC President's Decision no.144/EN/2006 on the implementation of number portability

Upon the adoption of the ANRC President's Decision no.144/2006 on the implementation of number portability, in order to keep up with the dynamics of the electronic communications market, new blocks of numbering resources had to be opened for allocation in the PNN. Thus, in the 0Z = 03 domain, ANRCTI allotted a new category of non-geographic numbers, location-independent numbering resources. According to the new PNN, these numbers may be used, mainly, for

the provision of electronic communications services at fixed locations. Moreover, in the 0Z = 08 domain, the destination of certain numbers changed, i.e. in the 0ZAB = 0801 subdomain, while numbers in new subdomains (0ZAB = 0803) were opened for allocation. Taking into account the fact that these numbers may be currently allocated only for publicly available electronic communications services, the subscribers to whom such services are provided by means of these numbers, have the right to port their numbers, according to Article 28 of Law no.304/2003.

Taking into account the fact that the telephone services provided by means of location-independent numbers feature the technical characteristics of telephone services provided at fixed locations, ANRCTI established that the wholesale tariff that can be charged for location-independent numbers should be equal with the tariff charged in case of geographic number portability and of non-geographic number portability, different from those charged for mobile telephone services.

In the meantime, ANRCTI deemed the end-users' possibility to cancel a porting request 24 hours prior to the established porting moment, at the latest, to be to the end-users' benefit, consequently amending the initial term.

3.1.1.7. Financial obligations

3.1.1.7. a) ANRCTI President's Decision no.2892/2007 on the procedure of establishing certain financial obligations owed by the providers of electronic communications networks and services and by the providers of postal services to the National Regulatory Authority for Communications and Information Technology



By this decision, ANRCTI aimed to set up a procedure for exercising the right to option as regards the establishment of the financial obligations owed to ANRCTI, either based on turnover, or on the revenue from the provision of electronic communications services, respectively from the provision of postal services, as well as to provide clear rules for conducting separate accounts.

Similar provisions were to be found in ANRC President's Decision no.113/2006 on the procedure for exercising the right to option as regards the establishment of the financial obligations owed to the National Regulatory Authority for Communications and conducting of separate accounts by the providers of electronic communications networks and services and by the providers of postal services, which was repealed upon the entry into force of the ANRCTI President's Decision no.2892/2007.

One of the most important amendments on the ANRCTI President's Decision no.2892/2007 regards the exemption from the obligation to pay a monitoring tariff by the providers with a turnover not exceeding the equivalent of EUR 100,000, at the average exchange rate of the turnover period. Correspondingly, this exception is applicable also to entities that cease being providers of electronic communications networks and services, respectively, providers of postal services.

Moreover, some amendments ensure greater flexibility concerning the providers' possibility to reconsider their options as regards the establishment of the monitoring tariff – either based on the whole turnover or based on the revenues from the provision of electronic communications networks or services, respectively from the provision of postal services.

3.1.1.7. **b) ANRCTI President's Decision no.3096/2007** amending IGCTI President's Decision no.686/2005 on the approval of the tariff charging procedure and of the List of tariffs for the use of radio spectrum, annually owed to the Inspectorate General for Communications and Information Technology.

ANRCTI President's Decision no.3096/2007 was elaborated mainly to repeal the provisions of the IGCTI President's Decision no.686/2005 on charging the VAT for the spectrum monitoring tariff and to repeal the provisions regarding the issuance of fiscal invoices accompanying the decisions - proof of debt specifying the amount of the tariff for the use of radio frequencies.

The regulatory authority, by virtue of its functions and attributions, provides only the framework within which all the holders of licences for the use of radio frequencies or of broadcasting licences could conduct their activity under the best conditions. Thus, ANRCTI establishes the conditions for using the radio spectrum resources, which is an administrative activity that pursues the enforcement of the legal provisions. In this context, ANRCTI deemed adequate to amend the IGCTI President's Decision no.686/2005 for the approval of the tariff charging procedure and of the List of tariffs for the use of radio spectrum, annually owed to the Inspectorate General for Communications and Information Technology, i.e. remove the VAT.

3.1.1.8. *Radio spectrum*

3.1.1.8. **a) ANRCTI President's Decision no.3173/2007** on the amendment of the Decision of the President of the General Inspectorate for Communications and Information Technology no.660/2005 on the approval of the Radiocommunications Regulation for amateur service in Romania

The main amendment brought by the ANRCTI President's Decision no.3173/2007 consists of repealing both the tariffs charged for sitting the exams organised for the issuance of the radioamateur certificate, and the tariffs charged for the assignment/validity extension of the identification codes in the amateur service.

This decision was triggered by the introduction of Article 132 (2) in the Government Emergency Ordinance no.79/2002, by Law no.133/2007, according to which radioamateurs conduct non-commercial operations and for their own need, for individual training, technical studies and intercommunication.

3.1.1.8. **b) ANRCTI President's Decision no.1374/2007** amending the IGCTI President's Decision no.699/2005 on the approval of the Regulations for the personnel operating radiocommunications stations in Romania

The ANRCTI President's Decision no.1374/2007 repealed the provisions regarding the examination fees and the fees for extending the validity of the certificates of radiocommunications station operators in the IGCTI President's Decision no.699/2005 on the approval of the Regulations for the personnel operating radiocommunications stations in Romania.

Taking into account that the activities conducted by the personnel operating radiocommunications stations in the mobile aeronautical and mobile-satellite aeronautical services, mobile maritime and mobile-satellite maritime services, in the radiotelephone service on inland waterways and in the land mobile service, excepting the personnel operating radiocommunications stations within the national mobile telephony networks, are not lucrative activities, ANRCTI decided to bear the administrative costs incurred while organising the examinations for the issuance of operator certificates or the costs of extending the validity of such certificates.

3.1.2 Draft decisions with significant impact on the market, under adoption

3.1.2.1 Number portability

ANRCTI President's Decision no.3444/2007 on the adoption of the Technical and Commercial Terms for the Implementation of Number Portability

ANRCTI adopted this decision in December 2007 and it is currently in queue for publication in the Romanian Official Journal, Part I.

The implementation of number portability removes an important barrier from the development of competition in the electronic communications sector. The subscribers' possibility to keep their telephone number while switching to another service provider enhances their availability for considering alternative offers and ensures greater freedom of choice, removing the necessity of informing their acquaintances on the change of their telephone number.

The telephony providers have the obligation to accurately, clearly and thoroughly inform the end-users on the porting process and on the tariffs charged for calling a ported number, by means of:

- Customer Service;
- posting such information on their website;
- sending written information, upon request, cost-free;
- posting, sending or making publicly available - at the provider's commercial offices - the porting request and the procedure for its submission and validation.



Moreover, the providers have to notify the end-users whenever they initiate a call to a ported number, by:

- transmitting a distinctive tone
- or
- transmitting a voice message

Furthermore, the operator of the central database will develop a web application, making it available to the end-users and ensuring:

- the publishing of the numbering blocks that contain portable numbers;
- a search engine by means of which the end-users may find out whether a certain number has been ported and, if so, the provider of publicly available telephone services offering services by means of the respective number at the interrogation moment.

3.1.2.2 IT Regulations

The Draft decision on the procedure of accrediting the providers of electronic signature certification services was launched for public consultation on the ANRCTI website during November 28 – December 28, 2007. The final version of this decision is to be adopted upon consultation with the electronic communications industry.

3.2. Legislative initiatives

3.2.1 *Law no.133/2007 for the approval of the Government Emergency Ordinance no.70/2006 on the amendment and completion of certain normative acts in the field of electronic communications and of postal services*

Government Emergency Ordinance no.70/2006 on the amendment and completion of certain normative acts in the field of electronic communications and of postal services, adopted upon the common initiative of ANRC (presently ANRCTI) and of MCTI, was approved, with amendments and completions, by Law no.133/2007, published in the Romanian Official Journal, Part I, no.355 of May 24, 2007.

The amendments brought by Law no.133/2007 to the regulatory framework in the postal services sector envisaged, mainly, issues such as: defining certain terms, repealing certain rights of the Universal Service provider, as well as the priority right at renting the sites required for the activities related to the transport of postal items and of postal money orders, from the companies, national companies and public utility companies operating within the scope of road, railway, maritime, river and air transport, the right to be granted priority by the companies, national companies and public utility companies operating within the scope of road, railway, maritime, river and air transport, as well as the priority right in the means of transport owned or administered by these companies.

As well, one of the amendments of the regulatory framework for postal services consists of repealing the Universal Service provider's obligation to publish, on an yearly basis, the separate financial accounts, upholding exclusively its obligation to publish a statement on compliance with the principles for conducting the separate accounts and with the requirements for sending separate financial statements.

Moreover, these amendments regulated the mechanism for compensating the costs incurred with the provision of postal services within the scope of Universal Service.

As well, Law no.133/2007 improved the legal framework regarding the monitoring tariff charged by ANRCTI from the providers of electronic communications networks and services and from the providers of postal services.

As regards the regulatory framework for electronic communications, the definitions of specific terms have been clarified. Furthermore, a unique approach was elaborated for the sanctioning regime, while ranging the sanctions in accordance with the gravity of the contravention.

The regulatory framework was amended also in the field of the use of radio frequencies, by the coherent use of certain terms, while establishing some measures in view of fighting harmful interferences. In the meantime, a legal framework was elaborated for ensuring a mechanism of compensating the providers of electronic communications networks and services who use frequencies in the non-governmental bands. These providers were assigned different radio frequencies, for the purpose of freeing certain frequencies to be used for new services. Thus, a licence fee was established and will be paid to the state budget at the moment of issuance of the licence for the use of the radio spectrum, by a comparative or competitive procedure.

The radio spectrum allotted to the amateur service must be used in accordance with the European and international rules in the field, which requires a procedure for the issuance of amateur certificates and authorisations. Since this activity is open and free, the assignment of radio frequencies would not be effective, this situation requiring only the issuance of certificates that attest the holders' skills, as well as of authorisations that allow the actual use of the radio spectrum, in accordance with the specific rules established therefor.

3.2.2 Government Decision no.415/2007 on the approval of the Regulation for the organisation and functioning of the National Regulatory Authority for Communications and Information Technology

Following the entry into force of the new legal provisions regarding the organisation and functioning of ANRCTI, respectively the Government Emergency Ordinance no.134/2006 on the establishment of the National Regulatory Authority for Communications and Information Technology and the Government Emergency Ordinance no.25/2007, a corresponding regulation for the organisation and functioning of ANRCTI was needed.

Therefore, Government Decision no.415/2007 on the approval of the Regulation for the organisation and functioning of the National Regulatory Authority for Communications and Information Technology was adopted.

This normative act aimed at identifying the ANRCTI attributions, as well as at regulating the main issues regarding the organisation and functioning of this institution, thus detailing the ANRCTI regime, role and attributions, its financing resources, the management scheme and the attributions of the ANRCTI President, as well as the Authority's organisational structure and personnel.

Furthermore, Government Decision no.415/2007 specifies the main attributions of ANRCTI, structured as follows:

- general attributions in the fields of electronic communications, audiovisual communications, radio and electronic communications terminal equipments, including as regards electromagnetic compatibility, postal services and information technology;



- specific attributions in the field of electronic communications, audiovisual communications and postal services;
- specific attributions in the field of information technology;
- specific attributions in the field of radio and electronic communications terminal equipment, including as regards electromagnetic compatibility.

3.2.3 Government Decision no.1208/2007 on the general conditions regarding the interoperability of interactive digital television, as well as of the consumers' digital television equipments

This normative act, initiated by MCTI and ANRCTI, aims to regulate, at a national level, the general conditions regarding the interoperability of interactive digital television services and the interoperability of the consumers' digital television equipments, in accordance with Directive 2002/22/EC of the European Parliament and of the Council regarding the Universal Service and the users' rights regarding the electronic communications networks and services (Universal Service Directive) and with Directive 2002/21/EC of the European Parliament and of the Council regarding the common regulatory framework for electronic communications networks and services (Framework Directive).

Government Decision no.1208/2007 was necessary in order to encourage the interoperability of interactive digital television and of advanced digital television equipments in view of ensuring the free movement of information, media pluralism and cultural diversity. The consumers should have access to all the digital television services provided on the market, irrespective of the transmission manner, taking into account the rapid technological progress in the field. In Romania, interactive digital television services are not available at a large scale.

Digital television equipments and services need to be promoted in Romania, taking into account the technological progress and the diversity of services that may be offered by means of digital television platforms, in view of maximising the end-users' benefits.

In accordance with the provisions of this normative act, the operators of digital television platforms must take due diligence in view of implementing open application programming interfaces, in conformity with standards or specifications adopted by the European standardization bodies.

Application programming interfaces must be publicly available, under fair, reasonable and non-discriminatory conditions.

The interoperability of the consumers' digital television equipments must be guaranteed, these equipments providing the consumers with the highest degree of connectivity. Thus, TV sets must be equipped with connectors to enable the transmission of all the elements of a digital signal, including audio and video signals, information regarding the bundled access, the services provided and the application programming interfaces.

This normative act also aimed to prevent the network operators, the service providers or the equipment manufacturers from limiting the functionality of the interfaces of equipments for the receiving of digital television services.



4. Simpler Rules for Market Entry

4.1 Authorisation of electronic communications network and service providers

At the end of 2007, 2,476 companies were authorised to provide electronic communications networks or services. Among these, 1,768 companies had the right to provide Internet access services, 908 – data transmission services and 261 – professional mobile radiocommunications services. Concerning the fixed telephone services, 125 companies provided local calls, 129 – national (long-distance) calls and 142 – international calls. Regarding the user connection method, among the companies providing Internet access services, 876 used a radio connection, 209 a dial-up connection and 341 – cable connection. The general authorisation regime applicable to the providers of electronic communications networks and services remained unchanged in 2007. The authorisation procedure is to be simplified in mid-2008, by a Decision of the ANRCTI President, which shall repeal ANRC President's Decision no.1333/2003.

4.2 Authorisation of postal service providers

In view of bringing the procedure of authorisation for postal service providers (provided by the ANRC President's Decision no.118/2003) in line with the amendments to Government Ordinance no.31/2002 on postal services, as per the Government Emergency Ordinance no.70/2006 and per Law no.133/2007, the ANRCTI President's Decision no.2858/2007 on the general authorisation regime for the provision of postal services was published in the Romanian Official Journal, Part I, no.608 of September 4, 2007, and entered into force on September 7, 2007. Main amendments of Government Ordinance no.31/2002 with impact on the provision of postal services:

a) Residential users can be providers of postal services

Starting from January 1, 2008, the barriers to entry on the market of postal services encountered by the residential users were removed, these persons having the same rights and obligations as the business users.

By December 31, 2007, two residential users had been authorised to provide postal services.

b) Individual licences are no longer necessary

In view of facilitating the market entry of the new providers of postal services, the authorisation procedure was simplified by the removal of individual licences, all types of postal services being provided based on the general authorisation regime.

c) An even authorisation regime in the electronic communications sector

Likewise, in the field of electronic communications, the timeframe (45 days from the notification date) for granting the right to provide postal services was removed. Currently, the requesters can enjoy this right starting from the notification date or from a later date, as requested in the notification. The amendments provided, as well, the loss of the right to provide postal services after a withdrawal sanction. Thus, a person who was sanctioned with withdrawal of the right to provide postal services shall lose the right to provide postal services for a period of three years from the sanctioning date.

d) Financial-postal services - excluded from the postal services regulated by ANRCTI

By amending Government Decision no.31/2002, in view of the harmonisation with the European practice, the financial-postal services were excluded from the category of postal services (as they are not genuine postal services, but money transfer services). Therefore, financial-postal services were removed from the scope of competence of ANRCTI.

e) The requester's statement of commitment to observing the essential requirements was removed

Taking into account the amendments made on the primary legislation, secondary legislation had to be reviewed. ANRCTI President's



Decision no.2858/2007 details the provisions of Government Ordinance no.31/2002 and further simplifies the authorisation procedure, mainly by:

- removing the provision that the requester (the person who sends the notification) should send ANRCTI the Articles of Association, with the subsequent amendments;
- removing the provision that the requester's scope of activity should include the provision of postal services: CAEN code 6411 and, respectively, 6412 (presently: code 5320, according to the revised edition of the *Classification of Activities in the National Economy - CAEN*);
- removing the requirement that the notification should be signed by the requester's legal representative and replacing it by a statement on own responsibility of the person signing the notification.

4.3 Management of numbering resources

On September 7, 2007, two relevant regulations entered into force: ANRCTI President's Decision no.2895/2007 on the National Numbering Plan and ANRCTI President's Decision no.2896/2007 on the procedures of requesting and granting licences for the use of numbering resources (LURN). Moreover, on October 1, 2007, the ANRCTI President's Decision no.2897/2007 on the establishment and charging of tariffs for the use of numbering resources entered into force.

The establishment of a new regulatory framework was determined, mainly, by the rapid growth of the electronic communications services on the market. The National Numbering Plan (PNN) needed to be adjusted to the current conditions, in order to ensure an adequate competition environment. Accordingly, the new procedure of requesting and granting a LURN aimed to strike a balance between the development of publicly available electronic communications services and a more effective use of the allotted numbering resources. Following the introduction of the tariff for the use of numbering resources, in the last months of 2007, many holders of

Licences for the Use of Numbering Resources (LURN) reassessed their need for numbering resources, based on the implemented services and on the current development trends, requesting to give up part or all of the numbering resources in their LURN. The average term for granting a LURN was 18.95 days (the timeframe provided by ANRCTI President's Decision no.2896/2007 being of 21 days).

4.3.1 Licences for the use of numbering resources

4.3.1.1 Allocation of additional numbering resources

In 2007, ANRCTI handled 17 requests from the operators who requested the allocation of numbering resources, one of these requests being submitted in 2006. Therefore, 17 LURN were granted in 2007, upon analysing these requests. In addition to the numbering resources requested by these new companies, in 2007, 31 requests for the allocation of additional numbering resources were submitted, one such request being initiated in 2006. Where the conditions were fulfilled, ANRCTI issued 30 more LURN, thus solving 29 requests submitted during 2007 and one request submitted in 2006. The procedure amendments made on ANRCTI President's Decision no.2896/2007, brought about different implications as regards the 30 licences granted, as follows:

- replaced the licences previously granted to 22 requesters (according to the procedure in force by September 7, 2007);
- provided additional numbering resources, beside the numbering resources allotted by 8 previously issued licences (according to the procedure established by the ANRCTI President's Decision no.2896/2007), without replacing them.

The difference between the total of 48 requests received and the total of 47 LURN granted is given by one rejected request in 2007. There are no further requests for the allocation of additional numbering resources registered and not solved in 2007. Following the settlement of the abovementioned requests, in 2007, ANRCTI allocated a total of 14,528,016 numbers and codes (i.e. 98.15%) of the 17,859,016 numbering resources requested. The difference between the requested resources and the allotted ones is the result of two rejected requests.

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The two rejections (one full rejection decision and one partial rejection decision) were communicated to the unsuccessful requesters, accompanied by the legal grounds thereof, as per the corresponding ANRCTI President's Decisions.

Tables 4.1 and 4.2 detail the monthly breakdown of the requests and, respectively, of the resources allotted throughout 2007.

Table 4.1 Requests for additional numbering resources received, itemised by month and by the various numbering domains in the PNN

PNN Domain	2006	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
Z=2	-	-	-	1 B	-	-	-	-	-	1 B	-	1 B	-	3 B
Z=3														
geogr.	41 B	62 B	90 B	103 B	92 B	101 B	42 B	-	2 B	41 B	-	3 B	-	577 B
Z=3	-	1 M	-	-	-	-	1 B	1 B	-	-	1 B	-	-	1 M
nongeogr.														+3 B
Z=7	-	1 M	2 M	-	-	1 M	1 M	-	1 M	3 M	1 M	1 M	-	11 M
Z=8														
0800	1b	1b	-	1b	1b	2b	-	-	1b	-	-	-	-	7b
0801	-	-	-	-	-	1b	-	-	-	-	-	-	-	1b
0802	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0805	-	-	-	-	-	1b	-	-	-	-	-	-	-	1b
0807	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0808	1b	-	-	2b	1b	3b	2b	-	-	-	-	-	-	9b
0870	1b	-	-	-	-	-	-	-	-	-	-	-	-	1b
Z=9														
0900	-	-	-	1b	-	2b	-	-	-	-	-	-	-	3b
0903	-	-	-	1b	-	2b	-	-	-	-	1b	-	-	4b
0906	-	-	-	1b	-	2b	-	-	-	-	-	-	-	3b
10xy	1	-	-	2	2	3	1	-	-	-	-	-	-	9
16xy	2	-	-	1	2	2	-	-	-	-	-	-	-	7

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



Table 4.2 Additional numbering resources allotted, itemised by month and by the various numbering domains in the PNN

PNN Domain	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
Z=2	-	-	1 B	-	-	-	-	-	-	-	1 B	1B	3B
Z=3 geogr.	46 B	107 B	103 B	91 B	130 B	13 B	41 B	2 B	-	-	11 B	-	544 B
Z=3 nongeogr.	-	-	1 M	-	-	-	2 B	-	-	-	-	1 B	1 M +3 B
Z=7	-	1 M	2 M	-	-	1 M	1 M	1 M	2 M	1 M	2 M	-	11 M
Z=8													
0800	1b	1b	1b	1b	2b	-	-	-	-	-	-	-	6b
0801	-	-	-	-	1b	-	-	-	-	-	-	-	1b
0802	-	-	-	-	-	-	-	-	-	-	-	-	-
0805	-	-	-	-	1b	-	-	-	-	-	-	-	1b
0807	-	-	-	-	-	-	-	-	-	-	-	-	-
0808	1b	-	2b	1b	3b	-	2b	-	-	-	-	-	9b
0870	1b	-	-	-	-	-	-	-	-	-	-	-	1b
Z=9													
0900	-	-	1b	-	2b	-	-	-	-	-	-	-	3b
0903	-	-	1b	-	2b	-	-	-	-	1b	-	-	4b
0906	-	-	1b	-	2b	-	-	-	-	-	-	-	3b
10xy	1	-	2	1	4	-	1	-	-	-	-	-	9
16xy	2	-	1	1	3	-	-	-	-	-	-	-	7

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

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4.3.1.2 Full or partial waiver of the rights of using licensed numbering resources

After the entry into force of the new regulatory framework, certain LURN holders submitted requests for renouncing the allotted numbering resources, following which 25 decisions were issued to revoke, partially or in full, the right to use numbering resources. Among these decisions, 14 partially revoked 13 licences (one licence holder was granted two decisions) and 11 revoked the whole licence for 11 holders. Thus, the following amounts of numbering resources were vacated, upon the holders' request:

Table 4.3

PNN domain		Amount of vacated numbering resources
Z=2		42 B
Z=3		
geographic		446 B
Z=3		-
non-geographic		-
Z=7		-
Z=8	0800	11 b
	0801	8 b
	0802	-
	0805	28 b
	0807	5 b
	0808	114 b
	0870	6 b
Z=9	0900	6 b
	0903	6 b
	0906	7 b
10xy		12
16xy		16
TOTAL		5,071,026

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

Furthermore, the ANRCTI President revoked by decision 5 whole LURNs, following the withdrawal of the right to provide the publicly available electronic communications services for which the respective numbering resources were allocated.

Therefore, the following numbering resources were vacated:

Table 4.4

PNN domain		Amount of vacated numbering resources
Z=2		-
Z=3		93 B
geogr.		
Z=3		-
nongeogr.		
Z=7		-
Z=8	0800	4 b
	0801	-
	0802	-
	0805	-
	0807	2 b
	0808	5 b
	0870	1 b
Z=9	0900	1 b
	0903	1 b
	0906	1 b
10xy		3
16xy		3
TOTAL		945,006

where: B = 10,000 numbers, b = 1,000 numbers



As regards partial waiver upon request, in 2007, 9 amended licences were issued, specifying the remaining numbering resources the holders intended to use. In 5 other cases, the allocation procedure was still in process on December 31, 2007.

4.3.1.3 Other types of numbering resource requests

In 2007, the Authority analysed 9 more requests regarding the numbering resources, which do not affect the total numbering resources allotted.

Thus, 6 requests for the partial assignment of numbering resources to a single assignee were registered, each of them being accompanied by a request for partial waiver. ANRCTI solved the 6 requests, issuing 6 decision for repealing the whole LURNs (herein specified in the analysis of the full LURN revoking decisions), as the assignors vacated all the numbering resources allotted to them. The assignee was granted one LURN engulfing the 6 assignments, this licence replacing the previously issued one.

Another request for partial assignment of a LURN, registered in 2007, received ANRCTI's prior assent, in accordance with the procedure provided by ANRCTI President's Decision no.2896/2007, the assignment procedure continuing in 2008.

Furthermore, one request for the LURN amendment was settled, specifying the holder's new address. The request for extending the right to use a block of 10,000 numbers for 6 months was approved.

4.3.1.4 Repealed, suspended or withdrawn licences for the use of numbering resources

During 2007, no licence has been revoked, suspended or withdrawn.

4.4 National and international signalling point codes

Within an operator's internal signalling network, each signalling point (SP) has an associated unique code ensuring the transmission of information within the network. Signalling point codes in an operator's internal network are managed by the respective operator.

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

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

Similarly, some of the signalling points of the national network are interconnected by signalling links with signalling points in the international network. In this case, other types of signalling point codes are required (ISPC), which are unique in the international network. Such codes are allotted to the national authorities by the International Telecommunication Union, in blocks of 8 (such a block is called SANC – Signalling Area Network Code, featuring the Z-XXX format). On their turn, national authorities manage and assign them to individual operators.

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

18 individual decisions have been issued for the allocation of SS7 national (NSPC) and international (ISPC) signalling point identification codes. By these decisions, a total number of 13 NSPC blocks (i.e. 104 codes) and 9 ISPC codes were allotted.

Moreover, 13 individual decisions revoking the right to use identification codes of national SS7 signalling points (NSPC) and international signalling point codes (ISPC) have been issued. By these decisions, the right to use 12 NSPC blocks (i.e. 96 codes) and 2 ISPC codes ended.

4.4.1 Allocation of SS7 national and international signalling point codes

The regime for the allocation of national and international signalling point codes is regulated by ANRC President's Decision no.1334/2003 on the procedure for granting the right to use national and international signalling point codes.

National and international signalling point codes are allotted for an unlimited period, by individual decision. The requests are assessed based on the following criteria:

- a) necessity to obtain the respective signalling point codes;
- b) network structure as provided by the requester;
- c) ensuring an effective and reasonable use of the signalling point codes.

The right to use certain national and international signalling point codes may be granted to the providers of public electronic communications networks, authorised by ANRCTI, who submit a request therefor.

Here is the aggregate status of the national (NSPC) and international (ISPC) signalling point codes allocation:

Table 4.5 Allocation status of national (NSPC) and international (ISPC) signalling point codes

Domain	Total number of blocks allotted to Romania	Total number of codes allotted to Romania	Total number of blocks allotted by ANRCTI	Total number of codes allotted by ANRCTI
ISPC	7	56	-	48
NSPC	-	-	307	2,456



5. Competitive safeguards in the wholesale market

5.1 Interconnection

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

Interconnection is "the key to competition", therefore, in 2007, ANRCTI kept the focus on the interconnection terms and adopted the necessary measures, offering the new-entrants the possibility to compete with the incumbent.

The number of interconnection agreements grows every year, following the increase in the number of electronic communications providers.

5.1.1 Interconnection with the Romtelecom network (call origination, termination and transit; leased line-terminal segments)

In 2002, Romtelecom was designated as a provider with significant power on the market of access to fixed public telephone networks in view of call origination, termination and transit. Therefore, this provider was imposed the obligations of transparency, non-discrimination, accounting separation, provision of certain services and granting access to certain facilities, as well as cost-orientation of its tariffs as regards the interconnection of the fixed public telephone network it operates.

In accordance with the provisions of ANRC President's Decision no.1379/2003 on the interconnection of leased-line terminal segments with the fixed public telephone network, the company Romtelecom S.A., designated as a provider with significant power on the market of leased line-terminal segments, by the ANRC President's Decision no.802/2003, this provider was imposed the obligations of transparency, non-discrimination, accounting separation, provision of certain services and granting access to certain facilities, as well as cost-orientation of its tariffs as regards the interconnection of the fixed public telephone network it operates with the public communications networks installed, operated, controlled or made available by other operators in view of providing leased line-terminal segment services.

5.1.2 Review of the Reference Interconnection Offer

On July 19, 2007, ANRCTI President's Decision no.2800/2007 on the amendment and completion of the ANRC President's Decision no.147/2002 on the principles and prerequisites of the Reference Offer for the interconnection with the fixed public telephone network, with the subsequent amendments and completions, and of the ANRC President's Decision no.1379/2003 concerning interconnection for leased lines - terminal segments with the fixed public telephone network, amended by the ANRC President's Decision no.1330/2004, as well as regarding the imposition of clauses in the Romtelecom Reference Interconnection Offer.

The amendments and completions made on the ANRC President's Decision no.147/2002 and on the ANRC President's Decision no.1379/2003 have the role of clarifying and completing certain provisions, taking into account the shortcomings identified in



the interconnection process, as well as the development of the electronic communications market. Moreover, the RIO provisions have been amended, ensuring the consistency of the interconnection provisions with the provisions on local loop unbundling, completing the description of the interconnection services provided by Romtelecom and clarifying the mechanism of concluding and amending interconnection agreements.

Romtelecom has the obligation to quarterly update the information related to its access points, considering the fact that such information may be modified and the beneficiaries must have access to updated information, in order to choose the most effective interconnection solutions.

In what concerns the responsibility for installation and the interconnection link operability, clear provisions have been introduced, as well.

In order to render the interconnection process more efficient, ANRCTI modified the procedure and the negotiation and implementation terms of the interconnection agreements and of the subsequent requests requiring for these agreements to be amended.

ANRCTI proposed the inclusion, in the RIO, of the itemised description of the interconnection services currently provided by Romtelecom: the description of access to services provided by means of 3- and 4-digit numbers, to services provided by means of non-geographic numbers, to services of call origination through the carrier selection procedure and to call transit services.

ANRCTI has also introduced, in the RIO, a procedure for the calculation of the damages owed by Romtelecom, should the fault repair term not be observed.

In accordance with the provisions of ANRC President's Decision no.1379/2003, Romtelecom S.A. had the obligation to provide M.1020 analogue leased lines (data transmission local circuit – CLTD). Romtelecom published a Reference Unbundling Offer (RUO), on grounds of ANRC President's Decision no.1098/2004 on the principles and prerequisites of the reference unbundling offer, amended and completed by ANRC President's Decision no.190/2006. Taking into account the fact that CLTD leased line-terminal segments were provided on a temporary basis, until the provision of an equivalent service based on the RAO, Romtelecom may decide to suspend this service. When doing so, this company will have the obligation to include, in the RIO, a timeframe within which the beneficiaries of such services could migrate towards other services.

Moreover, ANRCTI introduced interconnection services for 64 Kbps and 128 Kbps leased line-terminal services provided by means of the blocked ISDN technology, which Romtelecom provides to the end-users, in the retail market. In view of clarifying ANRC President's Decision no.1379/2003, as regards the types of leased lines which Romtelecom has the obligation to provide, further specifications were provided in respect of the obligation to provide all types of leased line-terminal segments by means of which Romtelecom provides, in the retail market, its own data transmission or Internet access services. The leased line-terminal segment service will be provided to the beneficiaries in all configurations and using all the technologies Romtelecom offers or deploys – as a dedicated and permanent support - in the retail market, its own leased line services, data transmission or Internet access services.

Moreover, considering the fact that there were certain misunderstandings regarding the enforcement of damages for the delayed provision of interconnection services and for delayed repairs,



ANRCTI stipulated a provision stating that the damages should be calculated and included in the monthly invoice, itemised per circuit.

Romtelecom has the obligation to publish a fault remedying procedure which should provide at least a description of the stages and of the manner of reporting faults, within the Handbook for The Operation and Maintenance of Interconnection Links.

5.1.3 Interconnection with the networks of Vodafone and Orange (call termination)

Interoperability of electronic communications networks and services is a salient condition for economic efficiency, promoting competition and maximising the end-users' benefits. In order to guarantee this interoperability, ANRCTI imposed on Vodafone Romania and on Orange Romania – providers with significant power on the markets of access to their own mobile telephone networks for the purpose of call termination – the obligations of transparency, non-discrimination, provision of certain services and granting access to certain facilities. As well, the two providers have the obligation to cost-orient the tariffs for the interconnection of the networks they operate with the public electronic communications networks of other operators, for the purpose of call termination.

5.1.4 Interconnection with the networks of Telemobil and Cosmote (call termination)

In order to ensure the interoperability of electronic communications networks and services, based on the principles of economic efficiency, promoting competition and maximising the end-users' benefits, ANRCTI imposed on Telemobil and Cosmote Romanian Mobile Telecommunications – both providers with significant power on the markets of access to their own mobile telephone networks for the

purpose of call termination – a set of obligations regarding their behaviour on these markets. Thus, the two operators have obligations regarding transparency and the provision of certain services and granting of access to certain facilities, as regards the interconnection of the public mobile telephone networks they operate with the public electronic communications networks of other operators, for the purpose of call termination.

5.1.5 Interconnection with the RCS&RDS network (call termination)

In 2007, ANRCTI imposed certain obligations on RCS&RDS, as regards interconnection with the network it operates, for the purpose of fixed call termination. Thus, ANRCTI President's Decision no.2849/2007 on the interconnection with the public telephony network operated by "RCS & RDS" – S.A., for the purpose of call termination at fixed locations is grounded on the provisions of Article 5 of the Government Ordinance no.34/2002 and was adopted following the procedures of national public consultation and of notifying the European Commission and the regulatory authorities in the other Member States, provided in Articles 341 and 50 of the Government Emergency Ordinance no.79/2002.

The adoption of this decision was determined by the large number of complaints received by ANRCTI from certain providers of electronic communications networks and services, which signalled difficulties in the negotiation and conclusion of agreements of interconnection with the fixed telephone network of RCS&RDS. Moreover, ANRCTI received many complaints from end-users who were not able to call RCS&RDS subscribers or could not be called by such subscribers.

According to ANRCTI President's Decision no.2849/2007, RCS&RDS has the following obligations: transparency, provision of

certain services and granting access to certain facilities and tariff control as regards the interconnection of the public telephone network it operates with the public electronic communications networks installed, operated, controlled or made available by other providers, for the purpose of fixed call termination.

According to the obligation of providing certain services and of granting access to certain facilities, RCS&RDS has to ensure the interconnection of the public telephone network it operates, for the purpose of fixed call termination, to the extent the requests are reasonable and technically feasible. RCS&RDS shall grant the operators access to all the services required so that they could use, in the best conditions, the interconnection with its network, for the purpose of call termination, in view of providing their own electronic communications services and shall observe certain maximum terms for the negotiation and implementation of interconnection agreements.

Furthermore, ANRCTI established the maximum tariff to be charged by RCS&RDS for the provision of the interconnection service, in view of fixed call termination, as 1.15 Eurocents/minute, VAT not included, using, as a reference, the tariffs charged by RCS&RDS on the wholesale market provided in the interconnection agreements sent to ANRCTI.

5.2 Interconnection tariff regulation

The interconnection tariffs charged by the incumbents became an issue of major public interest in 2003, when the Romanian electronic communications market was liberalised, and the problem of establishing their optimum level acquired a greater significance, due to the slower market growth and to the ever harsher competition for new customers.

Thus, in order to prevent abuse of dominant position, ANRCTI, by ANRC President's Decisions nos.147/2002, 123/2003, 124/2003 and, respectively, by ANRCTI President's Decision no.2849/2007, imposed on Romtelecom, Vodafone, Orange and, respectively, on RCS&RDS, the obligation of cost-orientating their interconnection tariffs. As well, ANRC President's Decision no.147/2002, laid down Romtelecom's obligation to keep separated accounts within the internal cost accounting system, in view of monitoring the compliance with the non-discrimination and transparency principles and with the cost-orientation of tariffs.

ANRCTI's regulatory intervention on the level of the interconnection tariffs charged by the dominant operators aimed to achieve the Authority's regulatory objectives, namely promoting competition and effective investments in infrastructure, as well as protecting users' rights and interests. Therefore, ANRCTI deemed that the best method to estimate the effective costs of the interconnection service provision is to use the concept of *long-run average incremental cost*, so that cost-orientation should be based on these costing models.

Moreover, ANRCTI established the maximum tariff to be charged by RCS&RDS for the provision of the interconnection service, in view of fixed call termination, as 1.15 Eurocents/minute, VAT not included, using, as a reference, the tariffs charged by RCS&RDS on the wholesale market provided in the interconnection agreements sent to ANRCTI.



5.3 Regulation of the unbundled access to the local loop (RUO)

The establishment of a competition-friendly (oriented) framework in the field of broadband electronic communications services is essential for achieving the ANRCTI objective of maximising the users' benefits by providing for the development of a wider range of services, which could enable the end-users to make the best price/quality choice.

Thus, in order to foster the development of broadband electronic communications services (high-speed Internet) and of publicly available fixed telephone services, ANRCTI imposed on Romtelecom, as an operator with significant market power in the market for the provision of full or shared unbundled access to the twisted metallic pair local loop, certain obligations of transparency, non-discrimination, provision of certain services and granting access to certain facilities, of cost-orienting its tariffs, as well as of keeping separate accounts.

A full description of these obligations is provided in ANRC President's Decision no.1098/2004 on the principles and prerequisites of the reference offer for unbundled access to the local loop, subsequently amended and completed, and in ANRC President's Decision no.1380/2003 for approving the regulation for conducting, by "Romtelecom" - S.A., of accounting separation within the internal cost accounting system.

5.4 Number portability

The implementation of number portability is one of the commitments Romania undertook pursuant to Chapter 19 of the EU accession negotiations and represents an effective instrument for enhancing competition in the electronic communications sector.

Number portability enables the subscribers to keep their telephone number when shifting to other providers of telephone services, which ensures the users' greater freedom of choice and incentivizes the providers to give greater diligence in launching more attractive offers. The number portability service will be made available by all the providers of fixed and mobile telephone services in Romania, starting from October 21, 2008.

The general framework for the implementation of number portability in Romania was established by ANRC President's Decision no.144/2006 on the implementation of number portability, amended and completed by ANRCTI President's Decision no.3443/2007. In 2007, by ANRCTI President's Decision no.3444/2007, the Authority adopted the Technical and Commercial Terms for the Implementation of Number Portability. These terms were elaborated within a working group created upon ANRCTI's initiative, which assembled ANRCTI representatives, specialists designated by the providers of publicly available telephone services that hold numbering resources and have assigned portable numbers to their subscribers.

According to the provisions of ANRC President's Decision no.144/2006, when a user gives up a provider's telephone services (donor provider) in favour of another provider (acceptor provider), the respective user shall not be charged by the donor provider for the porting, the acceptor provider bearing the costs incurred in this process. The acceptor provider is the one to decide whether a part of these costs are to be born by the respective end-user or not. ANRCTI imposed the condition that - where an acceptor provider decides to charge some of these costs onto the end-users – the rates should be affordable.

ANRCTI President's Decision no.3444/2008 on adopting the Technical and Commercial Terms for the Implementation of Number Portability establishes the information obligations the telephony

providers have towards the users as regards the implementation of number portability.

With a view to providing accurate information to the users as regards the porting process, the telephony operators will make publicly available such information by means of their Customer Service and shall have the obligation to send it in written format, upon request and free of charge, as well as to publish it on their websites and to post or make it publicly available – at their commercial offices – the porting request, together with the corresponding submitting and validation procedure.

Additionally, taking into account the fact that telephone numbers will no longer be associated with a certain network, telephony providers have the obligation to ensure the users' information on the network where a called number belongs and on the tariffs charged for calls to the respective number. Such information shall be made available cost-free, by the Customer Service and – in written format – by posting on each provider's website, as well as by other means of information (for example, SMS information service). The customer service on number portability issues shall be available 24/24, 7/7.

Furthermore, ANRCTI imposed on the providers who charge different tariffs, based on the call destination network, the obligation to send, at least in case of the ported numbers, cost-free, a distinctive tone by which the end-users should be warned that the respective call is terminated on other public electronic communications networks than the origination one. Alternatively, the providers who originate calls may send, cost-free, a voice message, by which the end-users should be warned that the called number has been ported.

The users will also be provided with a web application, which is to be developed by the operator of the central database, by means of

which the end-users may interrogate whether a number is ported and, if so, the provider of publicly available telephone services that offers services by means of the respective number.

Fixed telephone numbers cannot be ported to mobile telephone networks and vice-versa. Number portability will be possible between the fixed telephone networks, if the donor provider and the acceptor provider offer services and have numbering resources allocated in the same county, irrespective of their belonging to the same domain or to different domains (0Z=02 and 0Z=03 – alternative fixed telephony). All the mobile telephony numbers are portable, irrespective of the technology used (2G, 3G, CDMA etc.), of the payment method (prepaid, subscription) or of the type of provided services (fax, data transmissions).

In August 2007, ANRCTI initiated the implementation of PHARE RO 2005/017-553.05.01, a supply project financed by the European Union, a component of PHARE 2005 – "Facilities for special actions", by means of which the central database for number portability is implemented. Thus, the central database required in view of implementing fixed and mobile number portability in Romania is elaborated, installed, tested and commissioned. There will be a central system, which ensures a unique database and a unique contact point for all the telephony operators, providing them with multiple interface mechanisms. In the meantime, the system offers an information portal for the citizens. The same European financing project will provide for the technical training of the ANRCTI personnel in view of developing and implementing the procedures associated with the operation of this database.

UTI Systems concluded this EUR 582,432 contract, as a Provider, subcontracting the companies Porthus BV Belgium and Microsoft Romania. Within this supply project, the PHARE financing contribution amounted to 75% of the contract value, whereas ANRCTI, as the final beneficiary, provided the rest of 25%.



6. Universal service in the field of electronic communication

6.1 Installation of telecentres

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

So far, six companies have been designated as Universal Service providers in view of providing access to the public telephone network, at fixed locations, by means of telecentres (Euroweb Romania, Orange, Rartel, Romtelecom, The National Radiocommunications Company and Vodafone), having the obligation to install telecentres in 461 localities.

By December 31, 2007, 311 telecentres had been commissioned, 186 of them being installed in 2007. The rest of 150 telecentres are to be commissioned in the first half of 2008.

ANRCTI continued, in 2007, the implementation of Universal Service by means of telecentres, launching – on the first of June – a new public tender for the designation of Universal Service providers in 131 rural localities in 29 counties.

For the installation of the 131 telecentres, seven companies submitted offers: 2K Telecom S.R.L., Accessnet International S.R.L., Adisam Telecom S.A., Orange Romania S.A., Rartel S.A., and The

National Radiocommunications Company S.A. After the tender commission assessed the offers, ANRCTI designated - on October 24, 2007, three companies that were to install telecentres in 130 rural localities envisaged – Orange, The National Radiocommunications Company and Vodafone.

The main criterion based on which the winning offers were assessed was the net cost (the requested subsidy) for the installation of the access link and of the equipments, respectively its maintenance for a three-year period, but the following criteria were also taken into account: experience in providing services within the scope of Universal Service, retail tariffs charged at the telecentre, ensuring access to the single number for emergency calls (112), provision of additional services, ensuring additional equipments, period required for commissioning the telecentre. The financial proposal weighed 70% of the full score granted for each offer.

The total net cost for the installation of these 130 telecentres amounted to RON 5,088,052.90, which are covered from the Universal Service fund. On average, the total cost of the equipments installed and of the three-year maintenance for each telecentre, as established by tender, is RON 39,138. The cost per telecentre differs depending on technology and on the distance between the last point of presence of the designated provider's network.

On December 20, 2007, ANRCTI launched the first public tender for the installation of telecentres in 172 more localities of 31 counties. Thus, the ANRCTI objective of connecting more than 600 isolated communities to telephony and Internet access services will be achieved. The deadline for submitting/receiving offers is March 18, 2008.



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

6.2 Installation of public pay telephones

On January 30, 2007, ANRCTI launched a pilot-tender for the designation of the Universal Service providers for 50 rural localities in the county of Ilt. Each company interested in becoming a Universal Service provider had to submit an offer for the installation of public pay telephones in at least 40 localities under tender.

The localities were selected depending on the geographic area, demographic characteristics, degree of availability of the publicly available telephone services, as well as by the commitments undertaken by the local public authorities. The main responsibilities requested from the local authorities were ensuring an adequate location and the continuous access (24/24, 7/7) of the end-users to the services offered by means of the public pay telephones.

One offer envisaged the installation of public pay telephones. Having been assessed by the tender commission, this offer was rejected for lack of compliance with the requirements of the documentation on the offer elaboration and submission.

Due to the providers' low interest, ANRCTI decided to suspend the organisation of further tenders for the installation of public pay telephones in 2007, contemplating the possibility to designate, *ex officio*, a Universal Service provider that would have the obligation to ensure access to public pay telephones, if such a solution proved to be

more financially efficient and more feasible as regards the number of end-users that could benefit from access to public pay telephones within the shortest term.

6.3 Directories of subscribers

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

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



Taking into account the principles of fair competition, transparency, non-discrimination, confidentiality, effectiveness and objectivity, as well as the fact that the tender procedure is deemed to be the most efficient designation solution, the mechanism established by ANRCTI in view of designating the Universal Service provider for the provision of the above-mentioned services is based on the public tender procedure.

Within this tender procedure, the offers will be assessed based on objective criteria, the score granted to each tenderer being established, according to the terms of reference for the tender procedure, following the application of mathematic formulae.

Furthermore, ANRCTI estimated a minimum designation period of two years during which the Universal Service providers will be unable to provide directories of subscribers and directory enquiry services by means of the competition market mechanisms, a period after which ANRCTI will reassess the status of this market.

The decision establishes the format of the directory of subscribers to be implemented by the Universal Service providers. Thus, these providers will have the obligation to make the directory of subscribers available to the end-users on a website. They will also have the possibility to provide such a directory in printed format, under the market conditions.

The subscribers will have the right to decide, cost-free, on the inclusion of their telephone numbers and of the corresponding identification data in the directories of subscribers, as well as on the categories of data that are to be included in the directories of subscribers. Moreover, these data will be checked, corrected or removed from the directories upon the respective subscribers' request, cost-free.

6.4 Universal Service Fund

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

- a) The ANRCTI provisions in respect of the Universal Service Fund

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

- b) Total amount of the Universal Service Fund based on the imposition decisions issued by ANRCTI

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

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

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c) Total amount of payments received to the Universal Service Fund

Year	Amount paid (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	430,626**
TOTAL	98,375,443.30	15,232,055.77	

** Disputed amounts for 2004 - 2005.

d) 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
TOTAL	35,012,373.73

e) Beneficiaries of the amounts paid from the Universal Service Fund

Year	Beneficiary	Amount (RON)	Paid for
2004	-	0	-
2005	Orange Romania S.A.	447,436.00	Telecentre
	Romtelecom S.A.	20,279,214.08	Subscription subsidies
	RCS & RDS S.A.	79.92	Subscription subsidies
2006	Vodafone Romania S.A.	374,444.00	Telecentre
	Orange Romania S.A.	102,772.00	Telecentre
	Euroweb Romania S.A.	55,148.00	Telecentre
	Romtelecom S.A.	299,684.37	Telecentre
	Romtelecom S.A.	7,352,635.08	Subscription subsidies
2007	RARTEL SA	2,575,253.00	Telecentre
	Orange Romania SA	378,217.60	Telecentre
	Vodafone Romania SA	959,617.00	Telecentre
	The National Radiocommunications Company S.A.	2,187,872.68	Telecentre



7. 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.

7.1 Radiocommunications in the land mobile service

Radiocommunications in the land mobile service encompass all the types of civil radiocommunications functioning in non-government or shared (citizens' and government) radio bands, allotted according to the National Table of Frequency Band Allotment (TNABF) to the land mobile service, i.e.:

- Professional Mobile Radiocommunications for private use - PMR;
- Public Access Mobile Radiocommunications - PAMR;
- cellular public mobile radio in various technologies: GSM 900, DCS 1800, DECT, CDMA 450, IMT-2000/UMTS (3G);
- short-range radio applications using free-usage frequencies allotted to the land mobile service.

As regards radiocommunications in the land mobile service, ANRCTI allots and assigns radio frequencies for the operation of mobile terrestrial radiocommunications networks, ensures the coordination of radio frequencies in the frequency bands allotted to the land mobile service with the neighbouring countries' administrations, in conformity with the relevant international agreements in which Romania is a party, and grants licences for the use of radio frequencies, respectively the frequency assignment authorisations, for the provision of mobile communications networks and services.

During 2007, ANRCTI completed the process of granting the last two licences for the use of radio frequencies for the provision of third generation public networks and services (IMT-2000/UMTS), initiated in 2006, issuing the two licences for the winners of the selection procedure, RCS&RDS and TELEMobil.

The issuance of the two 3G licences was aimed at promoting competition in the market of mobile communications and at encouraging the investments in innovative, next generation technologies, in view of ensuring the access of more and more users to a growing range of broadband mobile communications services.

The advantages of the 3G technologies consist of enabling communications at higher transfer rates, increased traffic capacity and a more efficient use of the radio spectrum, which brings about the possibility of transmitting a larger volume of information and serving a greater number of users as compared to other technologies, by means of the same radio spectrum resource.

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

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



As regards professional mobile radiocommunications for private use, serving the internal needs of the organisations, the ANRCTI central unit issued, in 2007:

- **294** new licences for the use of radio frequencies in view of providing private use radiocommunications – professional mobile radiocommunications (PMR);
- **370** new frequency assignment authorisations, which are annexes to the licences for the use of radio frequencies in view of providing private use radiocommunications – professional mobile radiocommunications (PMR);
- **56** licences for the use of radio frequencies for private use radiocommunications – modified professional mobile radiocommunications (PMR);
- **56** frequency assignment authorisations, which are annexes to the licences for the use of radio frequencies in view of providing private use radiocommunications – modified professional mobile radiocommunications (PMR).

During 2007, Bucharest Territorial Division issued **192** radio frequency assignment authorisations in view of providing private use radiocommunications networks – professional mobile radiocommunications (PMR) and extended **91** licences for the use of radio frequencies and radio frequency assignment authorisations for private use radiocommunications – professional mobile radiocommunications (PMR).

Cluj Territorial Division issued **139** radio frequency assignment authorisations for private use radiocommunications networks – professional mobile radiocommunications (PMR) and extended **54** licences for the use of radio spectrum and radio frequency assignment authorisations for private use radiocommunications – professional mobile radiocommunications (PMR).

Iasi Territorial Division amended **54** radio frequency assignment authorisations for private use radiocommunications networks – professional mobile radiocommunications (PMR) and extended **68** licences for the use of radio spectrum and radio frequency assignment authorisations for private use radiocommunications – professional mobile radiocommunications (PMR).

Timisoara Territorial Division amended **65** radio frequency assignment authorisations for private use radiocommunications networks – professional mobile radiocommunications (PMR) and extended **26** licences for the use of radio spectrum and radio frequency assignment authorisations for 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 at a national level, transport, public construction and civil works, agriculture, forestry, safety and security of privacy, public protection, public health, public management services etc.

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

- **43** new temporary licences for the use of radio frequencies in view of providing public access mobile radiocommunications services (PAMR) networks and services and of professional mobile radiocommunications (PMR) networks;



- **46** new radio frequency assignment authorisations, which are annexes to the occasional licences for the use of radio frequencies in view of providing public access mobile radiocommunications services (PAMR) networks and services and of professional mobile radiocommunications (PMR) networks;
- **77** licences for the use of radio frequencies in view of providing modified public access mobile radiocommunications services (PAMR) networks and services;
- **77** radio frequency assignment authorisations, which are annexes to the occasional licences for the use of radio frequencies in view of providing modified public access mobile radiocommunications services (PAMR) networks and services.

The holders of the licences for the use of radio frequencies in view of providing in view of providing public access mobile radiocommunications services (PAMR) networks and services issued or amended during 2007 are operators that provide mobile communications services to certain professional user categories or dedicated groups of users.

In view of ensuring the ongoing management of the frequency assignments for the base stations in the cellular mobile communications networks, ANRCTI processed **1850 notifications** on the technical and operational parameters of the base stations owned by holders of licences for the use of frequencies in view of providing public 2G and 3G cellular mobile communications networks and services.

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

- compliance with the provisions of the HCM Agreement (Vilnius, 2005) regarding the co-ordination of frequencies in border areas and of other agreements or international protocols to which Romania is a party, which 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 with the Land Mobile Networks operating in border areas.

During 2007, these activities resulted in:

- **570 internal frequency coordination** actions as regards the bands for government use or for shared use government / non-government;
- **634 international frequency coordination** actions upon the requests of the communications administrations in the neighbouring countries Hungary and Ukraine;
- **283 international frequency coordination actions** upon the request of the communications administration in Romania.

Moreover, ANRCTI answered the requests for frequency assignment sent by the embassies of other countries in Romania, on the occasion of high-level visits, **assigning 56** temporary frequencies in the Land Mobile Service.

As regards the international activity in the field of spectrum management in the Land Mobile Service, ANRCTI participated in the

most important world radiocommunications event of the year – World Radiocommunications Conference 2007 (WRC-07).

In this context, ANRCTI took an active part both in the meetings of the working groups organised by the international bodies CEPT and ITU entrusted with preparing the World Radiocommunications Conference – the Conference Preparing Group (CPG 07) of the Electronic Communications Committee (ECC) within the European Conference of the Post and Telecommunications Administrations (CEPT) and the ITU Conference Preparing Meeting (CPM 07) – and in the World Radiocommunications Conference, upholding Romania's position in the elaboration of the European Common Proposals (ECPs) within the CPG and of the European common proposals within the CPM and the World Conference.

The agenda of the World Radiocommunications Conference 2007 included issues regarding the allotment of new frequency bands to the Land Mobile Service. Therefore, special interest has been granted to the identification of new frequency bands for the future development of IMT-2000 and next generation systems (IMT systems). The World Radiocommunications Conference identified the following frequency bands for Region 1, where Romania was allotted, in view of the future development of the terrestrial component of IMT systems: 450-470 MHz, 790-862 MHz; 2300-2400 MHz; 3400-3600 MHz. These frequency bands are to be used by the IMT systems starting from 2010/2015.

7.2 Radiocommunications in the fixed service

Concerning radiocommunications in the fixed service, the Authority allots and assigns radio frequencies for fixed radiocommunications networks, ensures the coordination of radio frequencies in the bands allotted to the fixed service, with the

communications administrations of the neighbouring countries, in accordance with the relevant international agreements in which Romania is a party and grants licences for the use of radio frequencies, respectively frequency assignment authorisations for the provision of communications networks and services, using fixed and nomadic access.

Fixed radiocommunications include all the types of civil radiocommunications using non-government or shared frequencies, allotted to the fixed service, according to the TNABF.

At the beginning of 2007, a meeting was organised in the implementation, in Romania, of BWA systems (broadband wireless access), in the 3410-3600 MHz (3.5 GHz) and 3600-3800 MHz (3.7 GHz) frequency bands, which marked the end of a public consultation process initiated at the end of 2006, consisting of the elaboration and sending (via the Internet) of a complex questionnaire that included regulatory and technical issues regarding the current and future use of the 3.5 GHz and 3.7 GHz frequency bands. This questionnaire addressed, on the one hand, the operators holding licences for the use of frequencies for the FWA networks (fixed wireless access) in the 3.5 GHz frequency band and, on the other hand, the operators who do not hold such a licence yet, but intend to participate in licence tenders for FWA or BWA point-multipoint networks, in the 3.5 GHz or 3.7 GHz frequency bands.

During this meeting – attended by many participants (questionnaire respondents: both Romanian operators and equipment providers) – the Authority presented a synthesis of the results of the public consultation process described. Debates and exchanges of opinion were conducted around these conclusions, following which the Authority and the other participants agreed on a series of ideas and principles on the topic.



These principles and ideas were useful for the Authority, which took them into account during the elaboration, in spring 2007, of the Measure Plan for the implementation of the “Strategy Paper regarding the implementation of BWA (Broadband Wireless Access) systems at a national level”. This document was elaborated by the Ministry of Communications and Information Technology (MCTI). The Strategy Paper, alongside the Measure Plan, were posted on the MCTI website, for public consultation.

Subsequently, in 2007, MCTI and ANRCTI met in order to optimise this document, taking into account the comments received during the public consultation procedure initiated by MCTI.

As well, throughout 2007, MCTI and ANRCTI held a number of negotiations with the National Radiocommunications Company, in view of establishing the schedule for freeing the 3.7 GHz band (a salient condition for the implementation of the Strategy Paper), and the manner of compensating the National Radiocommunications Company, as well as the amount of the respective compensation.

Refarming the 3.7 GHz band proved extremely difficult, due to the many practical elements and to the technical, financial, administrative constraints which had to be handled. These impediments prevented the adoption of the “Strategy Paper regarding the implementation of BWA (Broadband Wireless Access) systems at a national level” by the end of 2007.

During 2008, the negotiations with the National Radiocommunications Company will be coming to an end. During the next phase, the Strategy Paper and the corresponding Measure Plan is to be adopted, the selection procedure for granting new rights of spectrum use in the 3.7 GHz and 3.5 GHz bands – initiated and the licences for the use of

radio frequencies – granted to the winners of the respective selection procedures.

In accordance with the procedure for licensing the right to use radio frequencies, in 2007, ANRCTI granted:

- **15** licences for the use of radio frequencies and **24** frequency assignment authorisations – for permanent radio transmissions;
- **7** licences for the use of radio frequencies and **7** frequency assignment authorisations – for experimental radio transmissions;
- **2** licences for the use of radio frequencies and **2** frequency assignment authorisations– for occasional radio transmissions;
- **46** prior agreements, each containing several frequency assignments for complex voice/data radiorelay lines;
- **34** prior agreements for modulation lines corresponding to radio or TV broadcasting transmitters.

Furthermore, during 2007, ANRCTI processed **notifications** for:

- **1982** radiorelay lines in the radio network infrastructure owned by the cellular mobile telephony operators (**3964** radiocommunications stations – together with as many frequency assignments registered in the National Register of Frequency Assignations);
- **122** central stations (for a total of **328** sectors) in the point-multipoint fixed wireless access (FWA) networks (**122** radiocommunications stations including **328** assignments registered in the National Register of Frequency Assignations).

In 2007, ANRCTI took part in the most important international event in the radio spectrum field (i.e. the World Radiocommunications Conference (WRC-07) organised by the International Telecommunication Union (ITU).

On this occasion, the Authority prepared and upheld Romania's position on the WRC-07 agenda, in accordance with the relevant European common proposals, while elaborating proposals for updating and amending the Radiocommunications Regulation of ITU (RR ITU). These proposals aimed to update the allocation of frequency bands by radiocommunications services, as per the RR ITU for Romania (since obsolete radiocommunications systems were discarded) and to amend the allotments within the 10 GHz range for Romania, introducing the fixed service in certain sub-bands within this range. The purpose of these proposals was obtaining international recognition for spectrum uses already in place in Romania (modulation lines and video link lines (ENG-OB) within the 10 GHz range).

During the conference works, the ANRCTI representatives conducted due diligence negotiating with the communications administrations of the neighbouring countries, in view of obtaining their consent on the amendments proposed by Romania as regards the new allotments, on its behalf, for the fixed service within the 10 GHz range, and successfully upheld Romania's proposals during the meetings of the working committee. All the proposals submitted by Romania in view of amending the RR ITU were adopted within the WRC Plenary Meeting, being included in the WRC final documents.

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

2007, the year when the Agreement concluded during the Regional Radio Conference RRC06 held in Geneva, in 2006 (RRC06), represented, at the European and international level the bridgehead towards digital television, which will gradually replace the current analogue television services. The introduction of new technical concepts, new frequency coordination and licensing procedures for digital services triggered the ANRCTI involvement in activities directed towards achieving the objective of completing the digital switchover by 2012.

In addition to the plan for terrestrial digital television and to the agreement for the coordination of digital services in the mixed analogue-digital mode, as well as in the digital-digital mode, the RRC06 agreement provides a greater flexibility in the use of the frequencies allotted based on the planning. Thus, administration may introduce radiocommunications services and systems different from the ones provided in the planning, on the condition that the spectrum mask (envelope) of the planned service should be observed. The so-called "digital dividend" is the flexible sharing between DVB-T (Digital Video Broadcasting Terrestrial) and other radiocommunications services. ANRCTI upheld and took an active part in the debates on this issue within the speciality ECC TG4 group – Spectrum dividend. ECC entrusted this group with the elaboration of technical report on the possibility of effectively introducing this concept in the European countries, in European harmonised bands, while ensuring inter-service compatibility, mainly at the level of the EU Member States. Most of this group's findings were tackled during the World Radiocommunications



Conference held in Geneva, in November 2007, when the higher range of the television band (790-862 MHz) was provided to be used by other services starting from 2015. Romania upheld this European point of view by means of the ANRCTI representatives who attended the conference.

In 2007, ANRCTI was also intensely involved in the process of reviewing the relevant legislation (The Audiovisual Law no. 504/2002), taking part in the working groups organised together with the National Audiovisual Council and the Ministry of Communications and Information Technology, which also assembled all the operators in the Romanian broadcasting market.

Taking into account the ANRCTI attributions in the broadcasting spectrum management, the Authority started the transition technical plan, which should enable the introduction of digital television, with a minimum impact, in the first phase, on the current receiving of analogue television. Therefore, in September 2007, Romania concluded a protocol on the coordination of the digital television service with Hungary and Ukraine, which enabled the operation of certain allocations in the western border area. The coordination process will continue for the other border areas, so that, by the end of 2008, this plan should be completed.

In view of introducing digital television as soon as possible, ANRCTI approved and upheld, in 2007, a digital television experiment in Bucharest, one of the few experiments conducted in Europe, due to the high technical complexity of the respective television system. This experiment envisaged the high definition digital television system (HDTV), MPEG4 modulation, as well as the transmission - using one multiplex - of 4 programmes in the Digital Video Broadcasting Handheld (DVB-H) system, by using 3 synchronised transmitters, the channel adjacent to the channel used for analogue television .

Although the current European context imposed a focus on the digital switchover, ANRCTI suspending the issuance of licences for new analogue television stations, most of the Authority's activity in this field envisaged the management of FM radio broadcasting bands. Thus, during 2007, CNA organised two tenders in view of granting audiovisual licences (in January – **23** new licences and in June – **22** new licences). Therefore, ANRCTI assigned the frequencies and the associated technical data for the set up of new radio broadcasting stations and the technical authorisations for the participating companies.

Moreover, ANRCTI addresses the providers' needs, handling numerous requests for modification of the technical parameters, so that the provided coverage should be optimised, ensuring public access to a greater variety of programmes.

Special attention was granted to the problem of managing the spectrum for the retransmission of audiovisual programmes by means of MMDS systems. Having regard to the development of fibre optic communications, 2007 witnessed many renunciations to the MMDS system where fibre optic was an alternative, this system remaining effective in rural, remote areas. Thus, out of the **390** licences for the use of frequencies for the MMDS system, in 2007, **57** such licences were withdrawn upon request, as compared to the **54** licences withdrawn upon request during 2004-2006.

7.3.1 Broadcasting video service

In 2007, the ANRCTI central unit issued:

- **30** new analogue television licences;
- **77** amended analogue television licences, out of the **256** existing television broadcasting licences;

- **130** solved requests for digital television coordination received from other administrations;
- **46** agreements on amending the technical parameters.

Furthermore, Bucharest Territorial Division issued **38** new technical functioning authorisations and **30** amended technical functioning authorisations, out of the **188** existing technical functioning authorisations.

Cluj Territorial Division issued **58** new technical functioning authorisations and **24** amended technical functioning authorisations, out of the **161** existing technical functioning authorisations.

Iasi Territorial Division issued **34** new technical functioning authorisations and **14** amended technical functioning authorisations, out of the **77** existing technical functioning authorisations.

Timisoara Territorial Division issued **64** new technical functioning authorisations and **10** amended technical functioning authorisations, out of the **153** existing technical functioning authorisations.

7.3.2 Broadcasting Audio Service

During 2007, the ANRCTI headquarters issued:

- **51** new broadcasting audio licences;
- **361** amended broadcasting audio licences, out of the **714** existing broadcasting licences;
- **415** solved requests for broadcasting audio coordination received from other administrations;
- **81** agreements on amending the technical parameters.

Furthermore, Bucharest Territorial Division issued **26** new technical functioning authorisations and **133** amended technical

functioning authorisations, out of the **309** existing technical functioning authorisations.

Cluj Territorial Division issued **15** new technical functioning authorisations and **66** amended technical functioning authorisations, out of the **226** existing technical functioning authorisations.

Iasi Territorial Division issued **10** new technical functioning authorisations and **90** amended technical functioning authorisations, out of the **154** existing technical functioning authorisations.

Timisoara Territorial Division issued **18** new technical functioning authorisations and **65** amended technical functioning authorisations, out of the **196** existing technical functioning authorisations.

7.3.3 MMDS radiocommunications networks

During 2007, the central unit of ANRCTI issued:

- **14** new licences for the use of frequencies and **15** new radio frequency assignation authorisations in view of providing electronic communications networks;
- **20** amended licences for the use of frequencies and **102** amended radio frequency assignation authorisations in view of providing electronic communications networks.

7.3.4 Electronic communications networks for broadcasting/retransmitting audiovisual programme services

In 2007, Bucharest Territorial Division issued **43** new authorisations for technical operation and **304** amended authorisations for technical operation, out of the **558** existing CATV networks.



Cluj Territorial Division issued **183** new authorisations for technical operation and **352** amended authorisations for technical operation, out of the **1113** existing authorisations for technical operation.

Iasi Territorial Division issued **13** new authorisations for technical operation and **66** amended authorisations for technical operation, out of the **563** existing authorisations for technical operation.

Iasi Territorial Division issued **85** new authorisations for technical operation and **46** amended authorisations for technical operation, out of the **563** existing authorisations for technical operation.

7.4 Radiocommunications in the fixed- and mobile-satellite services

The development of communications technologies via the Earth's artificial, both geostationary and non-geostationary, satellites enabled the extending of practical applications, thus making possible their usage in all the radiocommunications sectors: television and radio, voice and data transmission (e.g. virtual private networks (VPN), videoconferences, distance learning, Internet etc), radionavigation and global positioning via satellite.

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

7.4.1 Fixed-satellite service

By the end of 2007, ANRCTI managed **37 licences for the use**

of radio frequencies in the fixed-satellite service (10 of which for satellite networks – public or private, providing for the transmission of voice, data and Internet services – and 27 for VSAT individual terminals) **and 1689 radio frequency assignment authorisations for HUB stations and Very Small Aperture Terminals (VSAT)** in the architecture of such networks. VSAT solutions are ideal for the communications needs of national or multinational corporations, as well as of public organisations, offering them the possibility to efficiently operate their own broadband communications network, irrespective of the terrestrial communications infrastructure or of geographic location.

Another important segment of fixed-satellite communications is the transport via 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 in view of direct broadcasting to the public (direct-to-home – DTH).

The transmission of television programmes via satellite requires the use of geostationary satellites (35,880 Km above the Earth) and features important advantages as compared to conventional television: full territorial coverage, higher quality reception as compared to terrestrial reception, availability of a wider range of audiovisual programme services. By the end of 2007, ANRCTI granted **24 licences for the use of radio frequencies for satellite stations destined to uploading sound and/or TV radio broadcasting programmes**, serving 93 radio and television programme services.

Moreover, at the end of 2007, 1.6 million Romanian users benefited from satellite television services provided by the operators of direct-to-home (DTH) platforms. The higher quality of this service offers a viable alternative to cable television distribution (CATV networks), especially in rural or remote areas. The **5 operators of DTH platforms who were granted licences for the use of radio frequencies**, during

2005 and 2006, are 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 DSNG (Digital Satellite News Gathering) stations, destined to occasional, temporary transmission towards the studio, of reportages, news, cultural/sports events and of other audio-visual productions from outside the studios, ANRCTI managed, by end-02007, **39 frequency assignation authorisations for the 10 operators holding licences for the use of frequencies for SNG applications.**

Furthermore, during 2007, ANRCTI issued **13 temporary licences for the use of frequencies for (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 outside Romania.

7.4.2. Mobile-satellite service

The mobile-satellite service is an important component of satellite communications. Over the last ten years, new satellite systems were launched, especially non-geostationary, which provide a large range of services for individual users. These new systems are identified as providing Satellite Personal Communications Services (S-PCS) such as voice, SMS, data, with a global or regional coverage. S-PCS communications can be described also as: GMPCS (Global Mobile Personal Communications by Satellite) or S-PCN (Satellite-Personal Communication Networks).

During 2007, ANRCTI granted the third **licence for the use of radio frequencies in view of providing S-PCS, on the Romanian**

territory, to Iridium Satellite LLC, using the IRIDIUM system. This is a global satellite system, designed to provide global communications services. The system consists of 66 non-geostationary low earth orbiting satellites (LEOs -), located at approximately 780 km above the Earth, by means of which voice, data, paging, fax and navigation services are provided.

The first two licences for the use of radio frequencies in view of providing S-PCS service on the Romanian territory, were granted to: Global Communications Services Romania (using the THURAYA system) and Rokura (using the ORBCOMM system).

The **INMARSAT** system is a relevant example of evolution of mobile communications via satellite. Initially, this has been devised as a system which should satisfy, by means of geostationary satellites, the needs for communications over long distances of the ships on route at the world seas and oceans, 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 2007, ANRCTI granted **20 licences for the use of frequencies for users holding 54 mobile terminals in various INMARSAT terminals.**



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

During the year 2007 in the area of maritime mobile and maritime mobile-satellite radiocommunications, the ANRCTI activity were completely in line with the international and specific European requirements. The high level technical and procedural developments, the introduction of new digital communications technologies, as well as a more efficient use of the allocated radio spectrum were good reasons to develop important actions in this quite special field of our activity.

The strict requirements that ANRCTI imposed to the Romanian ship owners ensured that the ships were properly equipped and that they observed the correct procedures in view of effectively sending and receiving security, distress and search and rescue radio communications to/from the on shore authorities or from other ships, in accordance with the requirements of the Radio Regulations of the International Telecommunications Union.

Therefore, in 2007, ANRCTI issued licences for the use of radio frequencies, experimental licences for ships under delivery tests programmes and frequency assignment authorisations, as follows:

- **57** licences for the use of frequencies in the maritime mobile and maritime mobile-satellite services and radiotelephone service on inland waterways and 182 frequency assignment authorisations for ships stations;
- **10** licences for the use of frequencies in the radiotelephone service on inland waterways for on shore radio stations and in the mobile maritime service for coast radio stations and 24 frequency assignment authorisations;

- **35** licences for the use of frequencies in the mobile maritime and maritime mobile-satellite services and **35** frequency assignment authorisations for ships stations, with an experimental character (ships under shipyard testing programmes);

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

ANRCTI continued, in 2007, the activity in the field of aeronautical mobile and aeronautical mobile-satellite services, following in a dynamic manner the requirements imposed both at the global level (International Telecommunication Union-ITU, International Civil Aviation Organisation-ICAO) and at the European level (EUROCONTROL).

The continuously growing traffic values in the European air space imposed a high level development of the corresponding management capacity. This growth triggered the necessity of improving the operational activity - such as the algorithms for the dynamic resectorization of airspace – which drove to requirements for the allotment of additional VHF frequencies. Due to the difficulties encountered in satisfying the request for new VHF frequencies in the band reserved for aeronautical mobile service – 117.975-137 MHz – and taking into account the restrictions imposed inside the process of assignment of additional frequencies and/or re-usage of frequencies – ICAO, in collaboration with ITU decided to reduce the channel spacing from 25 kHz to 8.33 kHz.

Hence, the modifications required to adapt the radiocommunications equipments from the 25 kHz spacing to the 8.33 kHz, the introduction of new digital communications technology, as well

as the increasingly effective use of the allocated spectrum, constituted as many guidelines for the ANRCTI activity.

The highly demanding attitude manifested both by our Administration and by the Romanian air operators, enabled ANRCTI to ensure that aircrafts are provided with the adequate equipment and use the proper procedures in view of transmitting and receiving, under the optimum effectiveness conditions, security, distress and search and rescue radiocommunications from/to the air traffic authorities based on the ground or on other aircrafts, in accordance with the requirements of the Radio Regulations of the International Telecommunication Union.

Aeronautical mobile-satellite systems, radiocommunications equipments – both analogue and digital (VDL) – Emergency Locator Transmitters (ELTs), weather radars or radionavigation equipments are good examples of aeronautical radiocommunications equipments.

Thus, in 2007, ANRCTI issued the following licences and authorisations in the field:

- **44** licences for the use of frequencies in the aeronautical mobile and aeronautical mobile-satellite services and 211 frequency assignment authorisations for airborne radiocommunications stations;
- **2** licences for the use of frequencies in the aeronautical mobile service and 9 frequency assignment authorisations for aeronautical radiocommunications stations;

7.7 Radiocommunications in the radiotelephone service on inland waterways

ANRCTI is a member of the RAINWAT (Regional Arrangement for INland WATerways) European Committee ever since 1998, when

this body operated as Project Team RAINWAT. The document defining and guiding the Committee activity is the Regional Arrangement concerning the Radiotelephone Service on Inland Waterways, an European cooperation document signed at Basel, in 2000, by 16 European countries – both alongside and outside the pan-European navigation Inland Waterways (Austria, Belgium, Bulgaria, Croatia, Switzerland, France, Germany, Luxemburg, Moldova, the Netherlands, Poland, the Czech Republic, Romania, Serbia, Slovakia and Hungary).

Having yielded good results in the coordination and management of the Committee activity, ANRCTI was awarded a new 2-years Presidency mandate, during the meeting held in spring 2007, by the unanimous vote of the 16 member administrations.

The RAINWAT European Committee aims is to harmonise regulations concerning radiocommunications on Inland Waterways with a view to implement common safety principles and rules for people and goods on Inland Waterways, considering that the harmonisation of the radiotelephone service shall contribute to a safer navigation on Inland Waterways, particularly in case of bad weather conditions, as well as amending and improving the European regulations and conventions regarding the radiocommunications equipment in this radiocommunications service.

7.8 Radiocommunications in the radiodetermination service

Any type of radiolocation equipment (in the weather forecasting, maritime or aeronautical fields) or radionavigation equipment (in the maritime, aeronautical field or on inland waterways) belongs to the radiodetermination service. During 2007, ANRCTI coordinated the experiments on and the licensing of the first Romanian GPS signal correction station (dGPS-IALA correction beacons) within the Vessel



Traffic Management and Information System on Romanian Danube (RoRIS - Romanian River Information System), developed by the Romanian Naval Authority under the aegis of the RIS European Directive.

During 2007, ANRCTI issued **2** licences for the use of frequencies in the radiodetermination-radiolocation and in the radiodetermination-radionavigation services and **8** frequency assignment authorisations.

7.9 Certification of professional radio operators

The activity of certifying professional radio operators encompassed, in 2007, a number of steps taken in order to maintain their certified level of competence. Taking into account the fact that, without these radio operator certificates, the personnel on duty on sailing or flying decks, the personnel in charge of controlling and managing the vessels movement and air traffic, as well as the personnel of the naval and aeronautical authorities, cannot conduct in good order their activities, ANRCTI solved the certification requests promptly.

Thus, ANRCTI optimised the protocols concluded with the training centres, checked the compliance with the regulations in force and took actions in view of maintaining the ANRCTI procedures in line with the international requirements, taking into account the fact that the holders of such certificates conduct safety operations at global level. Thus, ANRCTI made their contribution to including Romania on the so-called "white list" of the International Maritime Organisation (IMO).

In 2007, pleasure boats category registered a growing trend in Romania, which determined ANRCTI to take due diligence in view of certifying quasi-professional radio operators, for the pleasure boats that use techniques, procedures and frequencies from the Global Maritime

Distress and Safety System (GMDSS) on voluntary bases. The implementation of this process will continue in 2008.

ANRCTI permanently envisages concrete actions ensuring that radio station operators are highly qualified as provided by the Radio Regulations of the International Telecommunication Union.

In 2007, ANRCTI examined **948** persons and issued **2300 professional radio operator's certificates** (including renewed certificates).

7.10 Certification of radioamateurs and radio-communications operators in the land mobile service

ANRCTI, by its territorial divisions in Bucharest, Cluj, Iasi and Timisoara, organizes - every year - examinations for the certificates of radioamateur and radiocommunications operator in the land mobile service.

In order to be considered for an examination, the candidates must be aware of the internal and international regulations in the field, must have knowledge of electronics and radiotechnics, technical labour protection rules, as well as the procedures of operating radiocommunications stations. During the examination, the candidates shall sit both a theoretic and a practical test, in order to prove they know the relevant radiocommunications traffic rules. In view of obtaining the certificate, the candidate has to obtain the score provided in the regulations, for each test.

During 2007, Bucharest Territorial Division organised **29** examination sessions, granting **945** radiotelephonist certificates, and **5** examination sessions, granting **99** radioamateur certificates. Iasi

Territorial Division organised **51** examination sessions, granting **299** radiotelephonist certificates, and **2** examination sessions, granting **27** radioamateur certificates. Cluj Territorial Division organised **2** examination sessions, granting **62** radiotelephonist certificates and **94** radioamateur certificates, the certification examinations were organised upon the candidates' request, throughout the year. Timisoara Territorial Division organised **2** radioamateur examination sessions, granting **51** certificates, and **6** radiotelephonist examination sessions, granting **242** certificates.

In 2007, ANRCTI President's Decision no. 3173/2007 amending IGCTI President's Decision no. 660/2005 on the approval of the Radiocommunications Regulation for the Radioamateur Service in Romania simplified the authorisation procedure by repealing the fees for the assignment of codes in the amateur service. Thus, ANRCTI envisaged fostering the development of this radiocommunications service, taking into account the fact that many radioamateurs are pupils or students and people with low income.

Moreover, upon the Romanian radioamateurs' request, the examinations in the radioamateur service were typified, by the introduction of grids and by making publicly available the test subject list, in view of enabling the candidates to better prepare the exams for the second- and third-class certificates, in the radiotechnics test. This proved to be a salutary initiative, as the candidates came better prepared for the exam.

7.11 Radio equipment and telecommunications terminal equipment

Radio equipment and telecommunications terminal equipment (R&TTE) constitute an essential share of the telecommunications market and are a key-requirement for the functioning of this market.

In the European Union, conformity and the free movement of R&TTE are regulated by Directive 1999/5/CE of the European Parliament and of the Council, of March 9, 1999, on radio equipment and telecommunications terminal equipment and the mutual recognition of their conformity. This directive was transposed into the Romanian legislation by Government Decision no. 88/2003 of February 14, 2003, with the subsequent amendments and completions, which establishes the regulatory framework for the placing on the market, free movement and putting into service in the national territory of radio and telecommunications terminal equipment, together with the conformity assessment and marking system.

For the purpose of market surveillance, in view of enforcing the provisions of the above-mentioned directive, the TCAM Committee (*Telecommunications Conformity Assessment and Market Surveillance Committee*) was established at the European level. This committee consists of representatives of the Member States of the European Union, Romania included, which the European Commission consults, on a regular basis, in respect of the matters related to Articles 5, 6(2), 7(4), 9(4) and Annex VII (5) of this directive.

The National Regulatory Authority for Communications and Information Technology represents Romania within the TCAM and has the following attributions in the field:

- ensure that equipment is placed on the market only if it complies with the relevant provisions of R&TTE Directive;
- publish the National Table of Frequency Allocations , in a sufficiently detailed format;
- adequately deal with the radio equipment notifications received (Article 6.4 of Directive 1999/5/EC), as these equipment use frequency bands that are not harmonised throughout the Community;



- ensure the elaboration and publishing of the accurate and adequate technical regulations regarding the equipment interfaces;
- ensure the ongoing adjustment of all the national regulations in the field, in line with the Community rules.

Romania, as a Member State of the European Union, has to continuously harmonise its activity with the other Member States' activity. Thus, ANRCTI, by virtue of its attributions in the field of radio equipment and telecommunications terminal equipment, elaborated all the documents requested from the EU Member States within the TCAM and exchanged speciality correspondence related to the information and comments requested on various topics in the field of radio equipment and telecommunications terminal equipment, as well as in the radio spectrum field.

In this context, in the first phase, ANRCTI proposed MCTI to amend the Order of the Minister of Communications and Information Technology no. 210/2003 on the notification of radio equipment in accordance with Article 13 of the Government Decision no. 88/2003 in view of transposing, to the greatest possible extent, the provisions of Article 6.4 of the Directive. Thus, MCTI issued OMCTI no. 426/2007 on the notification of radio equipment that uses frequency bands whose use is not harmonized throughout the European Union. This order enables ANRCTI to organise the notification procedure for radio equipment using frequency bands that are not harmonised within the European Union, in accordance with the Member States' agreement concluded in TCAM 12.

This approach provided for Romania's adhesion to the OSN - *One Stop Notification* electronic notification system for radio equipment proposed by the Commission and made available by the *DG Enterprise*

& *Industry Stakeholder Portal*. The establishment of this notification system is one of the objectives on the Commission's Fast Track Actions list.

ANRCTI created and made publicly available, on its website, a detailed section dedicated to the implementation of Directive 1999/5/CE. Thus, updated information on Romania was posted on the R&TTE Directive section of the European Commission's website, which was linked with the Authority's portal.

8. Fixed telephony



8.1 Number of access lines/fixed telephony subscribers – structure and evolution. Penetration rates.

Compared to the previous year, the total number of fixed telephony access lines - as of December 31, 2007 - registered a slight growth, i.e. by 1.4%, due to the 10.5% increase of access lines allotted to business users.

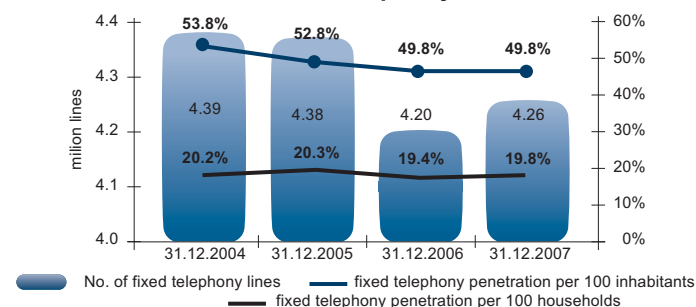
Fixed telephony penetration rate per inhabitant, as of December 31, 2007, is higher compared to December 31, 2006, due both to the increase in the number of access lines and to the population decrease.

Table 8.1 Dynamics of the no. of access lines/fixed telephony subscribers. Fixed telephony penetration rates per inhabitant/household (millions)

Indicator	31.12.2004 lines	31.12.2005 lines	31.12.2006		31.12.2007	
			lines	subscribers	linii	subscribes
Total no. of access lines/subscribers (millions), of which:	4.4	4.4	4.2	3.9	4.3	3.9
- access lines installed by the alternative providers ³⁾ (millions)	0.05	0.4	0.8	0.7	1.2	1.1
Fixed telephony penetration rate per 100 inhabitants (%) ⁴⁾	20.2	20.3	19.4		19.8	
Fixed telephony penetration rate per 100 households (%) ⁵⁾	53.8	52.8	49.8		49.8	

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

Exhibit 8.1 Number of fixed telephony lines. Penetration rate.



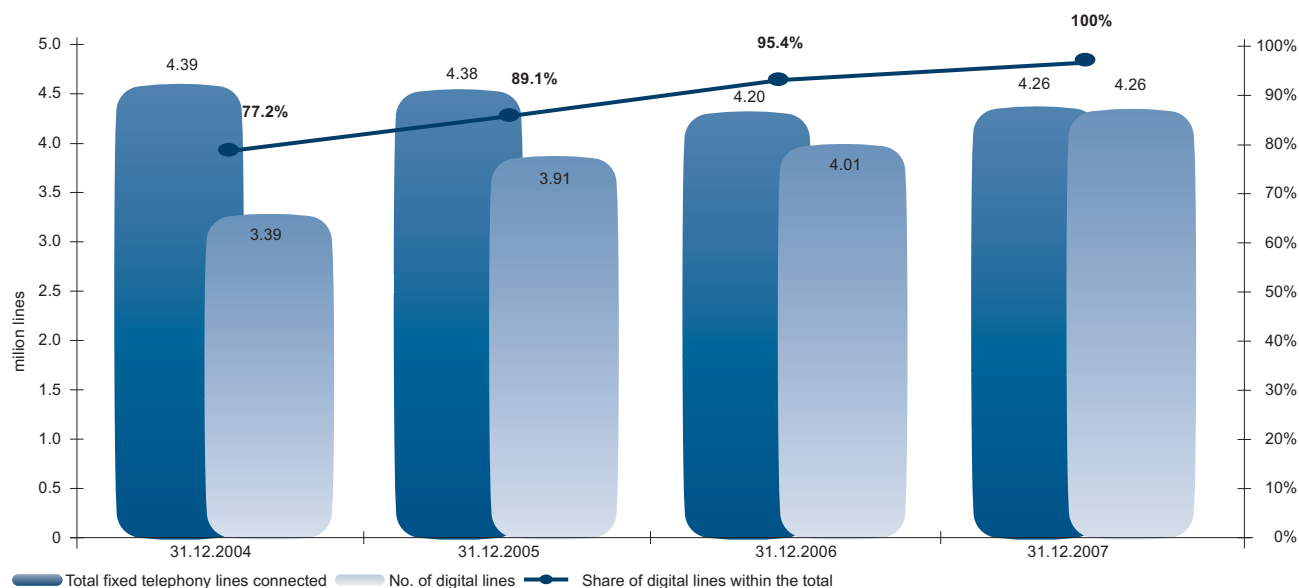
Source: ANRCTI, according to the statistical data reported by the providers of electronic communications networks and services, based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

³⁾ On own fixed networks, respectively by total or shared access to the local loop.

⁴⁾ Fixed telephony penetration rate per 100 inhabitants = no. telephone lines/Romania's population*100; population = 21,680,974 as of 31.12.2004, respectively 21,623,849 as of 31.12.2005, 21,584,365 as of 31.12.2006, 21,530,000 as of 31.12.2007 (Source: INS).

⁵⁾ Fixed telephony penetration rate per 100 households = no. telephone lines connected for residential users/no. of households in Romania*100; no. of households = 7,320,202 (Source: INS).

Exhibit 8.2 Evolution of the digitalisation level and of the number of fixed telephone lines connected on fixed public networks



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

The digitalisation level reached 100% by mid-2007, due to the investments the incumbent made in order to modernise the network.

8.2 Number of agreements of interconnection/access to the local loop concluded - December 31, 2007

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

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

8.2 Active providers

In 2007, the total number of retail fixed telephony active providers increased by 9.

Table 8.3 Number of retail fixed telephony active providers, by category of services

Indicator	31.12.2004	31.12.2005	31.12.2006	31.12.2007
No. of alternative providers	43	48	63	71
Total no. of providers⁶⁾, of which:	44	49	64	72
Access*	18	24	30	38
Calls to national destinations**	20	35	51	60
- by carrier selection	-	-	21	21
- by carrier pre-selection	-	-	-	3
Fixed – mobile calls	14	27	36	45
- by carrier selection	-	-	19	18
- by carrier pre-selection	-	-	-	3
International calls***	42	46	52	59
- by carrier selection	-	-	26	24
- by carrier pre-selection	-	-	-	3

* the provider installs the telephone line

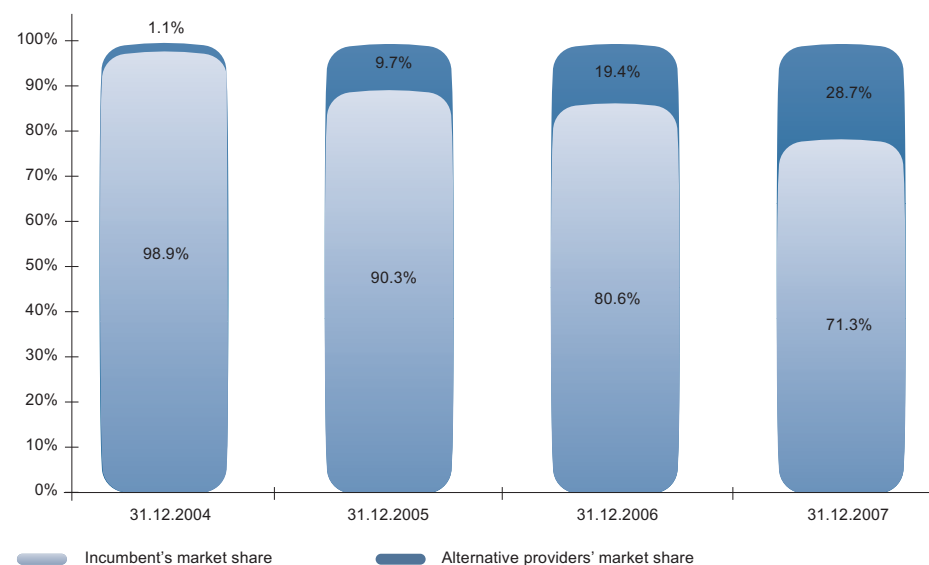
** local calls (within one county) + long-distance calls (between counties) + calls to national non-geographic numbers in the 09 domain + calls to national non-geographic numbers in the 08 domain + other types of traffic to national destinations

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

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

⁶⁾ Certain providers offer several categories of services, so they were considered only once within the total number;

Exhibit 8.4 Structure of the markets of access to a fixed public telephone network (market shares), by access lines



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

In 2007, the alternative providers' market share - by number of access lines installed - preserved its approximately 10% annual growth rate, reaching almost 29% (more than 1.2 million telephone lines installed), similar to the value calculated by the volume of total voice traffic achieved in 2007 on the networks owned by the providers of retail

access services. The majority of fixed telephone lines installed by alternative providers (88%) belong to residential users; yet, for the first time in the last years, the number of lines installed for business users (+54%) increased more rapidly than the number of access lines installed for residential users (+49%).

Table 8.4 Dynamics of the number of access lines/subscribers of fixed telephony alternative providers, by category of customers

Indicator	31.12.2004	31.12.2005		31.12.2006		31.12.2007	
	thousand	thousand	%	thousand	evol. (%)	thousand	evol. (%)
No. of access lines⁷⁾ installed by alternative providers, of which:	50	425	+752	816	+92	1,222	+50
- residential users	41	368	+797	724	+96	1,079	+49
- business users	9	56	+543	93	+64	143	+54
No. of subscribers to other persons' access networks, of which:	16	31	+100	113	+259	159	+41
- residential users	1	7	+385	77	+998	110	+43
- business users	14	24	+71	36	+47	49	+36

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

8.3 Volume of traffic on the Romanian fixed public telephone networks – structure and evolution

As in the previous years, in 2007, the most significant increase, i.e. +55%, was registered by the volume of off-net fixed voice traffic, whereas the on-net voice traffic - the greatest share within the total – decreased by 10%.

⁷⁾ On own networks, respectively on other persons' access networks, by full or shared access to the local loop.

Table 8.5 Structure of the total volume of traffic on the Romanian fixed public telephone networks, by call destination

Indicator	2004	2005		2006		2007	
	abs. (mill. minutes)	abs. (mill. minutes)	evol. (%)	abs. (mill. minutes)	evol. (%)	abs. (mill. minutes)	evol. (%)
On-net voice traffic*	7,635	6,636	-13	6,068	-9	5,478	-10
Off-net fixed voice traffic**	99	519	+424	936	+80	1,447	+55
Fixed-to-mobile voice traffic	793	778	-2	959	+23	1,149	+20
International voice traffic	250	246	-2	317	+29	354	+12
Dial-up Internet access traffic***	2,699	2,159	-20	1,302	-40	586	-55
Traffic to public networks, via satellite	-	-	-	0.03	-	0.02	-34
Call traffic to national non-geographic numbers in 0Z = 09 domain	-	-	-	1.8	-	2.3	+30
Call traffic to national non-geographic numbers in 0Z = 08 domain	-	-	-	23	-	28	+21
Other types of traffic	-	-	-	36	-	25	-31
Total volume of traffic	11,476	10,338	-10	9,643	-7	9,070	-6

* local voice traffic + long-distance voice traffic on own networks, excluding traffic by calls for dial-up and ISDN Internet access: between 2004 – 2005, the market shares by local voice traffic encompass also the traffic volume to national non-geographic numbers, itemised by call destination, and other types of traffic;

** local voice traffic + long-distance voice traffic both on own networks and on other persons' access networks, excluding the traffic by calls for dial-up and ISDN Internet access: between 2004 – 2005 the market shares by local voice traffic encompass also the traffic volume to national non-geographic numbers, itemised by call destination, and other types of traffic;

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

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

Fixed telephony

Table 8.6 Dynamics of the total volume of traffic achieved by the fixed telephony alternative providers, by call destination

Indicator	2004	2005		2006		2007	
	abs. (mill. minutes)	abs. (mill. minutes)	evol. (%)	abs. (mill. minutes)	evol. (%)	abs. (mill. minutes)	evol. (%)
Total traffic - alternative providers	233	811	+248	1,930	+138	2,774	+44
On-net voice traffic*	20	140	+609	684	+388	870	+27
Off-net fixed voice traffic**	95	471	+397	811	+72	1,226	+51
Fixed-to-mobile voice traffic	23	94	+307	251	+167	454	+81
International voice traffic	95	105	+10	184	+74	215	+17
Dial-up Internet access traffic***	-	-	-	-	-	-	-
Traffic to public networks, via satellite	-	-	-	-	-	8	-
Call traffic to national non-geographic numbers in 0Z = 09 domain	-	-	-	0.00	-	0.02	-
Call traffic to national non-geographic numbers in 0Z = 08 domain	-	-	-	0.1	-	0.4	+319
Other types of traffic	-	-	-	0.1	-	-	-100

* local voice traffic + long-distance voice traffic on own networks, excluding traffic by calls for dial-up and ISDN Internet access: between 2004 – 2005, the market shares by local voice traffic encompass also the traffic volume to national non-geographic numbers, itemised by call destination, and other types of traffic;

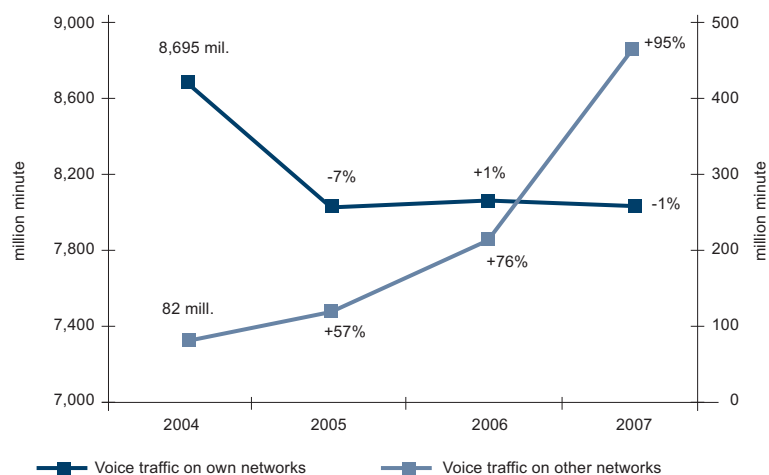
** local voice traffic + long-distance voice traffic both on own networks and on other persons' access networks, excluding the traffic by calls for dial-up and ISDN Internet access: between 2004 – 2005 the market shares by local voice traffic encompass also the traffic volume to national non-geographic numbers, itemised by call destination, and other types of traffic;

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

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

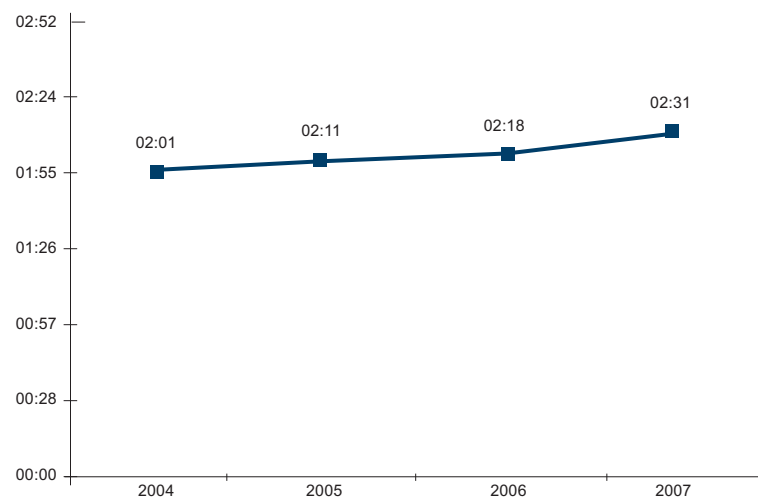
In 2007, compared to 2006, the volume of voice traffic originated on the fixed public telephone networks registered a slight upward trend, by +2% (approximately 8.5 billion minutes in 2007, compared to 8.3 billion in 2006), due to the rise of the voice traffic volume registered by the alternative providers' users (+43%). In 2007, the alternative providers' subscribers used the fixed telephone mainly to initiate calls towards other fixed networks (44% of the alternative providers' traffic).

Exhibit 8.5 Structure of the total volume of voice traffic, itemised by manner of providing services – by own fixed public networks/by other persons' fixed public networks



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

Exhibit 8.6 Average duration of a voice call on fixed public networks



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

In 2007, the average duration of a voice call on fixed public networks reached approximately 2 and a half minutes, growing by 13 seconds compared to 2006, mainly due to the offers of subscriptions with credit including a significant or unlimited number of minutes.

Table 8.7 Alternative providers of fixed telephone services on the retail market, who offered access services* on their own networks in December 2007

Current no.	Provider
1	S.C. ADISAM TELECOM S.A.
2	S.C. ADVANCED BUSINESS SOLUTIONS INTERNATIONAL S.R.L.
3	S.C. AIETES TELECOM GALATI FILIALA TULCEA S.R.L.
4	S.C. ATLAS TELECOM NETWORK ROMANIA S.R.L.
5	S.C. BP OFFICE & SERVICE S.R.L.
6	S.C. CANAL S S.R.L.
7	S.C. COMBRIDGE S.R.L.
8	S.C. CONNET-RO S.R.L.
9	S.C. DATEK TELECOM S.R.L.
10	S.C. DIAL TELECOM S.R.L.
11	S.C. DIGICOM SYSTEMS S.R.L.
12	S.C. EUROWEB ROMANIA S.A.
13	S.C. GLOBTEL INTERNET S.R.L.
14	S.C. GTS TELECOM S.R.L.
15	S.C. IDILIS S.A.
16	S.C. INES GROUP S.R.L.
17	S.C. INTERSAT S.R.L.
18	S.C. MEDIA SAT S.R.L.
19	S.C. NET-CONNECT INTERNET S.R.L.
20	S.C. NETMASTER COMMUNICATIONS S.R.L.
21	S.C. NETPOINT S.R.L.
22	S.C. NEVI TELECOM S.R.L.
23	S.C. NXTEL SOLUTIONS S.R.L.

24	S.C. ORANGE ROMANIA S.A.
25	S.C. PARLATEL S.R.L.
26	S.C. PLUG IT INTERNATIONAL S.R.L.
27	S.C. RARTEL S.A.
28	S.C. RCS & RDS S.A.
29	S.C. ROMTELECOM S.A.
30	RADIOCOMMUNICATIONS NATIONAL COMPANY S.A.
31	S.C. TELCOR COMMUNICATIONS S.R.L.
32	S.C. THOMAS HOOK COMMUNICATIONS ROMANIA S.R.L.
33	S.C. TOTAL TELECOM S.R.L.
34	S.C. TRANS TEL SERVICES S.R.L.
35	S.C. UPC ROMANIA S.A.
36	S.C. VIP NET S.R.L.
37	S.C. VODAFONE ROMANIA S.A.
38	S.C. VOXILITY S.R.L.

*the provider installs the telephone line; it has subscribers on its own network

Source: ANRCTI

8.4 Regulatory activity

8.4.1 Interconnection regime

8.4.1.1 Cost-orientation

Romtelecom is the only operator of electronic communications networks provided at fixed locations on which the Authority imposed the obligation of cost-orienting the interconnection tariffs. The tariff glide path towards the level of effective costs was established by the ANRC



President's Decision no. 1459/2005 on the establishment of tariffs for the interconnection services provided by S.C. "Romtelecom" – S.A. on the market for access to the public fixed telephony networks for the purpose of call origination, termination and transit, based on a long-run incremental costing (LRIC) model. Thus, starting January 1, 2007, Romtelecom started charging interconnection tariffs that thoroughly reflect the efficient costs of service provision, as resulted from the LRIC model:

Table 8.8 Romtelecom Interconnection tariffs

Interconnection service	Maximum tariffs applicable from January 1, 2007 (Eurocents/minute)	
	Peak hours	Off-peak hours
Local	1.02	0.56
Regional	1.18	0.65
National	1.29	0.71
Simple Transit	0.06	0.03
Double Transit	0.20	0.11

8.4.1.2 Accounting separation

Romtelecom was imposed the obligation of keeping separated accounts within the internal accounting system for the activities related to interconnection and access to its own network or to the associated infrastructure, by the ANRC President's Decision no. 1380/2003 for the approval of the regulation on conducting separate accounting statements within the internal accounting by "Romtelecom" – S.A., amended by the ANRC President's Decision no.1250/2005 on imposing obligations on the provider with significant power on the specific relevant retail markets.

The separate financial statements for the financial year concluded by December 30, 2006, as well as the Methodology for keeping separate accounts were audited by an independent auditor and transmitted to ANRCTI, together with the audit report, by June 30, 2007; the public versions of these documents are available on the Romtelecom website.

The implementation of this obligation by Romtelecom allows ANRC to control whether this company observed the obligations of transparency, non-discrimination and tariff cost-orientation.

9. Mobile telephony



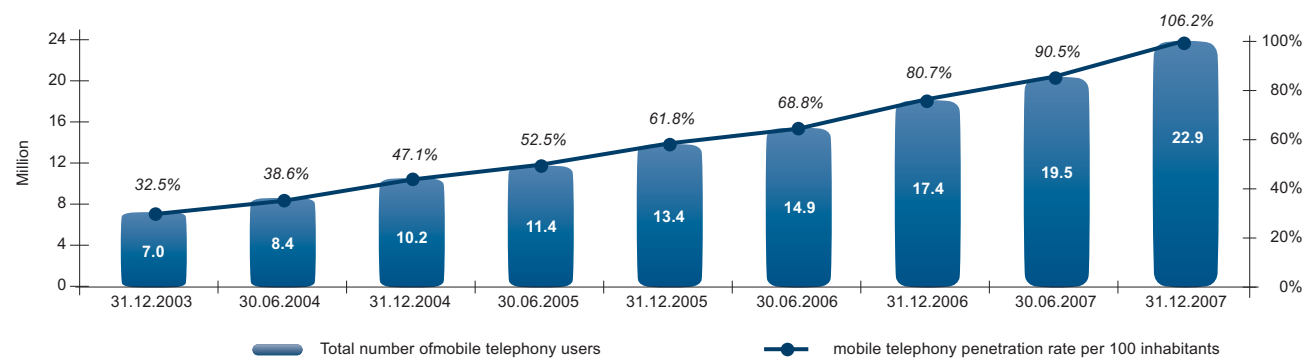
9.1 User data – structure and evolution

The number of mobile telephony “users” (active SIM cards) reached 22.9 million as of December 31, 2007, i.e. an increase by 17.2% compared to June 30, 2007 and by 31.3% compared to December 31, 2006. As well, the mobile telephony penetration rate increased, by the same date, by 16%, compared to mid-2007, and by approximately 30% compared to end-2006.

The dynamics of the number of users increases at the end of each year, as compared to the growth rate registered in the first semester, mostly due to season characteristics, which influence the evolution of these sales each year, between July and December.

The penetration rate registered by Romania is little below the EU15 average penetration rate of 109%.

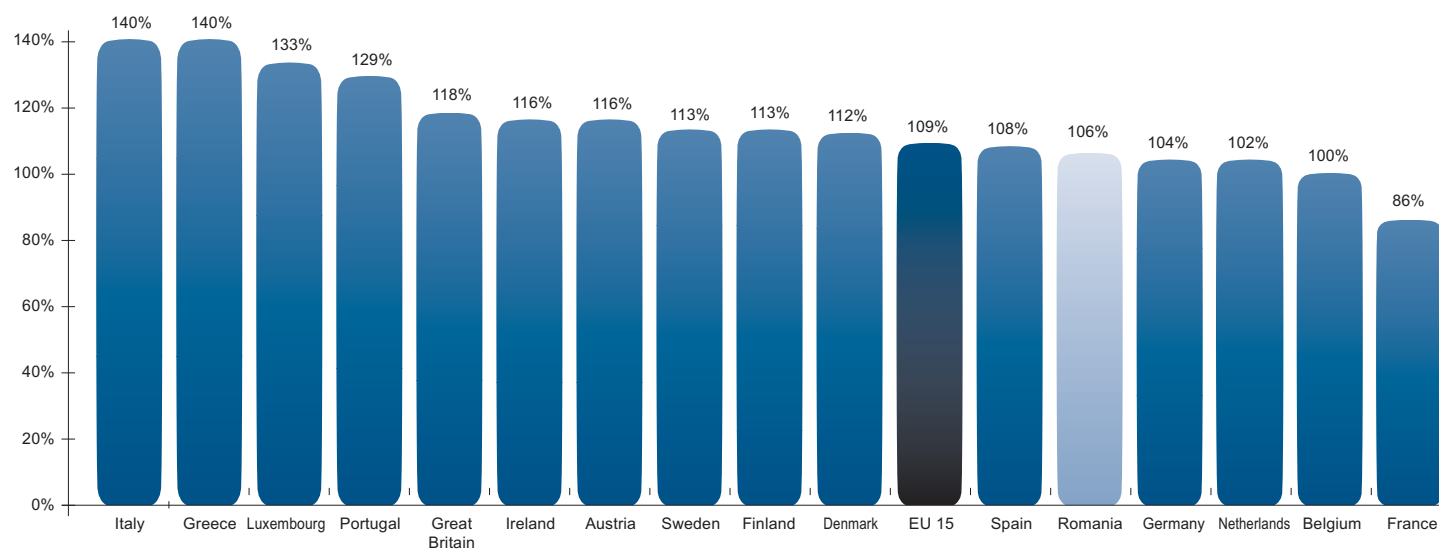
Exhibit 9.1. Total number of mobile telephony users. Penetration rate



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



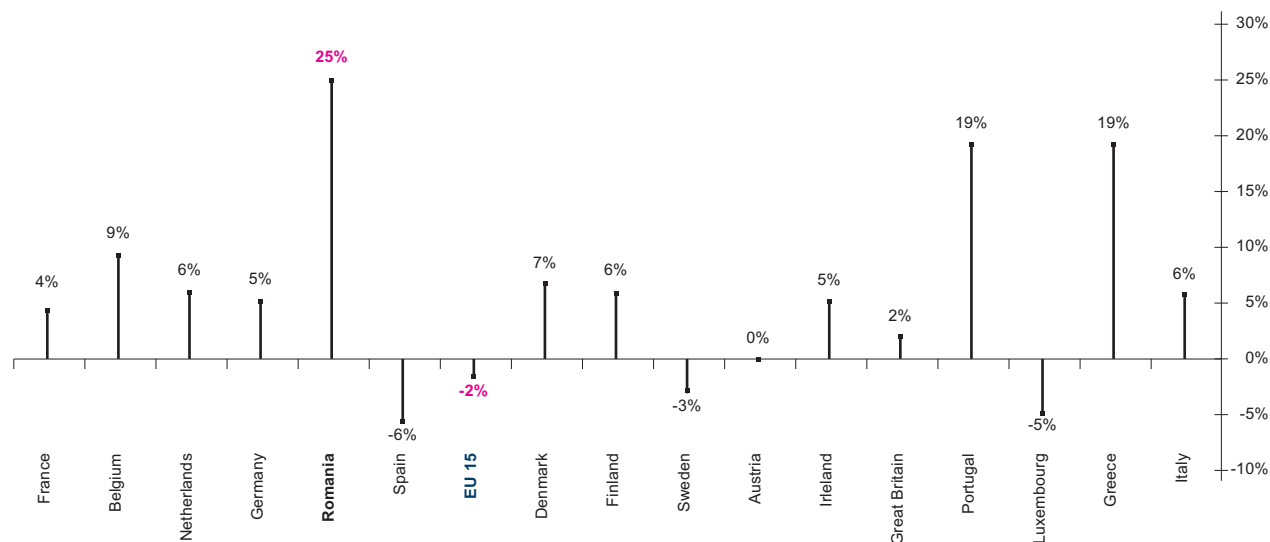
Exhibit 9.2 Mobile telephony penetration rate in Romania vs. EU 15⁸⁾ penetration rates vs. EU 15 average penetration rate



Sursa: ANRCTI

⁸⁾ Source: http://www.comreg.ie/_fileupload/publications/ComReg0652. Data as of December 2007 were used for Italy, Great Britain, Sweden, Austria, Germany, Denmark, Spain, Finland, Netherlands, France, Ireland and average of the west-European countries; data as of September 2007 were used for Greece, Portugal and Belgium; data as of June 2007 were used for Luxembourg.

Exhibit 9.3 Dynamics of the Romanian mobile telephony penetration rate vs. EU 15⁹⁾ penetration rates vs. evolution of EU 15 average penetration rate



Sursa: ANRCTI

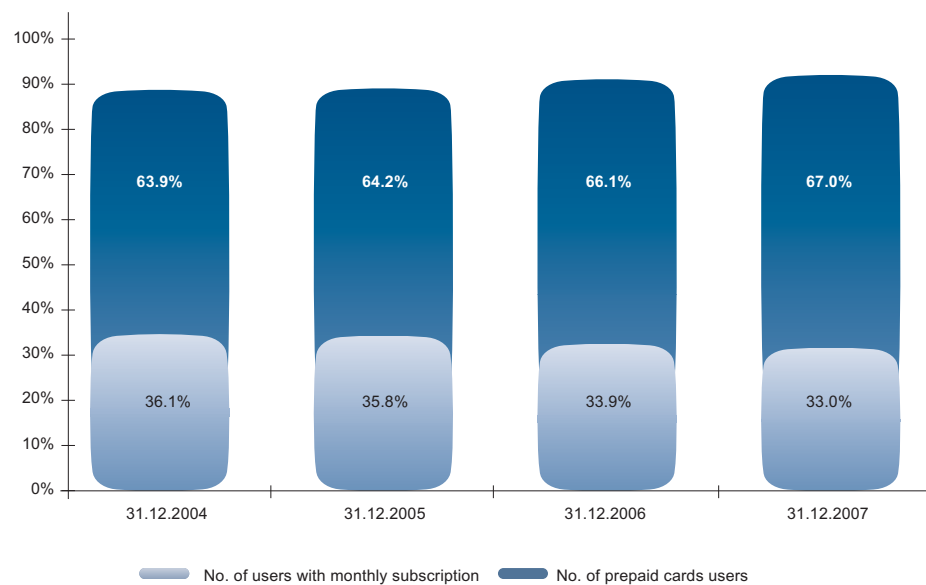
EU15 mobile telephony penetration rates range between the 86% minimum rate registered in France and the 140% maximum penetration rate registered in Italy.

Mobile telephony penetration rate registered, in Romania, in 2007, the most significant evolution, compared to 2006, growing by 25% (by 6 % more than the 19% maximum evolution rates in the EU15 countries - i.e. Portugal and Greece). The EU15 average penetration rate is falling by 2 %, compared to end-2006.

⁹⁾ Source: <http://www.comreg.ie/fileupload/publications/ComReg0652>



Exhibit 9.4 Structure and dynamics of the total numbers of mobile telephony “users”, itemised by payment method

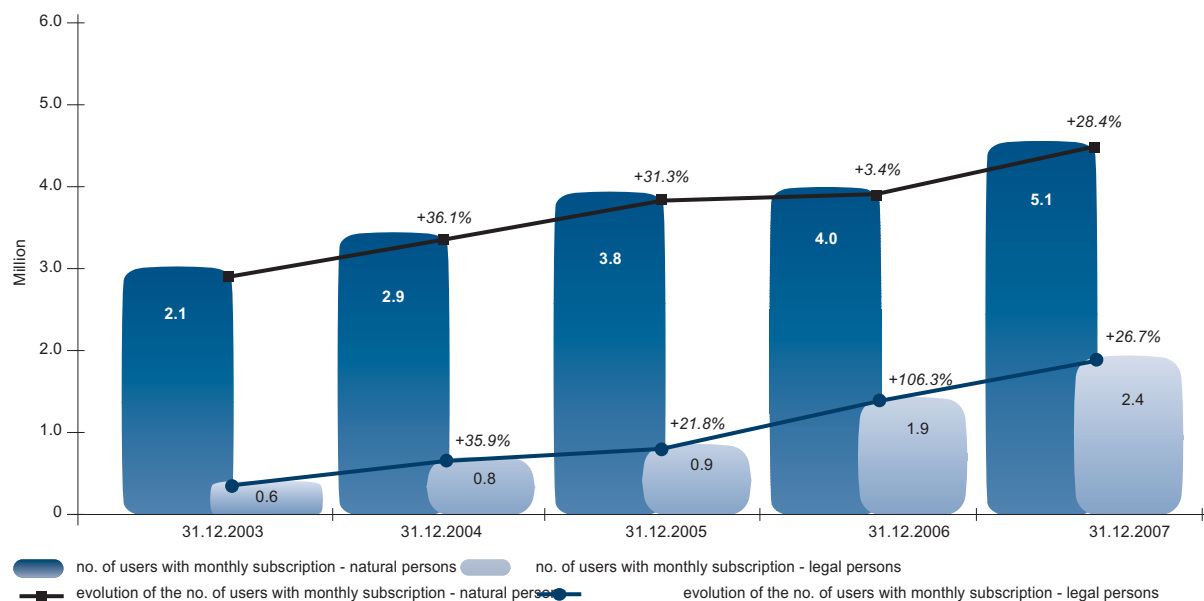


Source: ANRCTI, according to the statistical data reported by the providers of electronic communications networks and services, based on the ANRC President’s Decisions no.1332/2003, respectively no.151/2006.

One may notice that the use of prepaid cards continues the rising trend. In 2007, the share of consumers who used prepaid cards grew

by 0.9 %, therefore - by December 31, 2007 - these represented more than 67% within the total number of active SIM cards.

Exhibit 9.5 Number of mobile telephony users with monthly subscription, itemised by category. Annual evolution of the number of users, by category



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

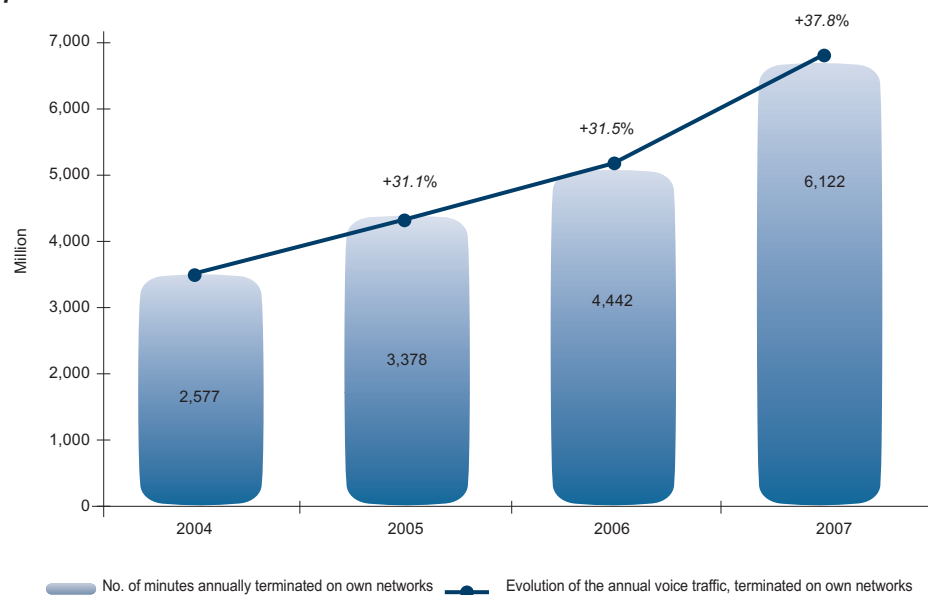
9.2 Traffic volume data

9.2.1 Traffic in the wholesale market

Out of the 7.5 million users who pay monthly subscriptions, registered by December 31, 2007, approximately 68% were residential users (5.1 million) and approximately 1/3 were business users (2.4 million).

The traffic terminated on the mobile public telephone networks register, in 2007, an ascending trend (+38%), higher than the growth in the number of users (+31%).

Exhibit 9.6 Annual evolution of voice traffic terminated on the Romanian mobile public networks

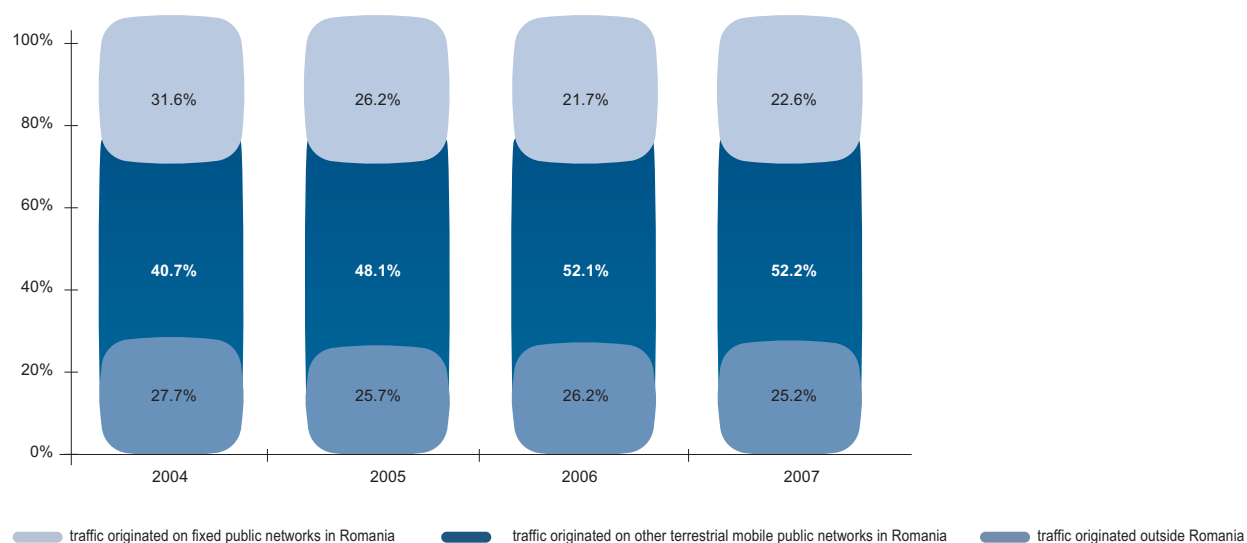


Source: ANRCTI, according to the statistical data reported by the providers of electronic communications networks and services, based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

As regards the traffic terminated on the mobile public networks, itemised by origination, the highest increase rate was registered by the *traffic originated on the Romanian fixed public networks*, which is by almost 43.6% higher than in 2006. The traffic terminated on mobile

networks, originated on other Romanian mobile public networks, increased by 38.2%. The traffic originated outside Romania registered the lowest evolution (+32.3%) among the traffic categories.

Exhibit 9.7 Structure of the total volume of voice traffic terminated on the Romanian mobile public networks, itemised by origination

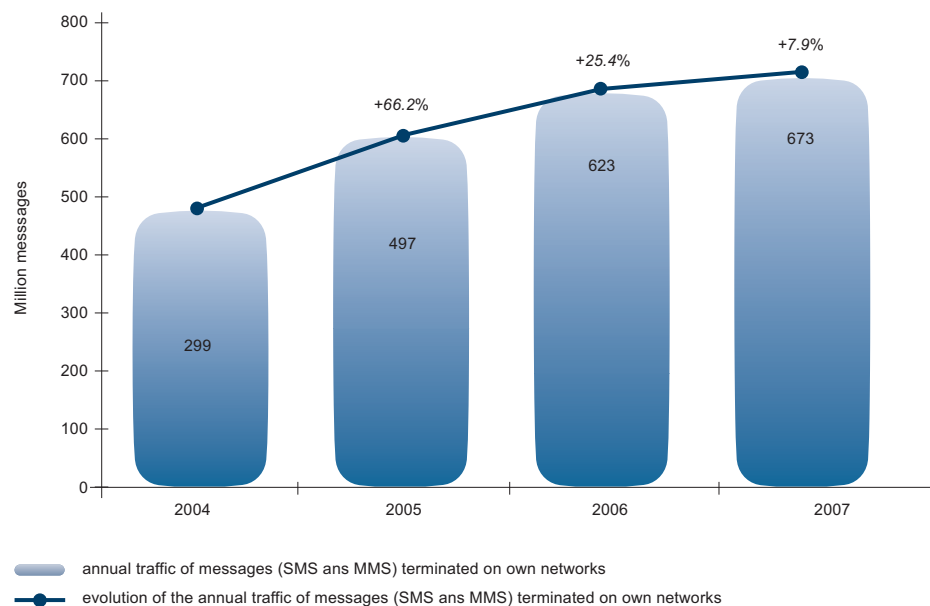


Source: ANRCTI, according to the statistical data reported by the providers of electronic communications networks and services, based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

As shown above, the 2007 structure of the traffic terminated on the mobile public telephone networks, itemised by origination, is similar to the 2006 one. The traffic originated on other Romanian terrestrial mobile public networks keeps an approximately constant share within

the total traffic of minutes terminated on the Romanian mobile public networks (it increased by only 0.1%). The traffic originated outside Romania loses 1% to the traffic originated on the Romanian fixed public networks, reaching 22.6% in 2007.

Exhibit 9.8 Annual evolution of the SMS and MMS traffic terminated on the Romanian mobile public networks, originated on other mobile public networks, itemised by origination

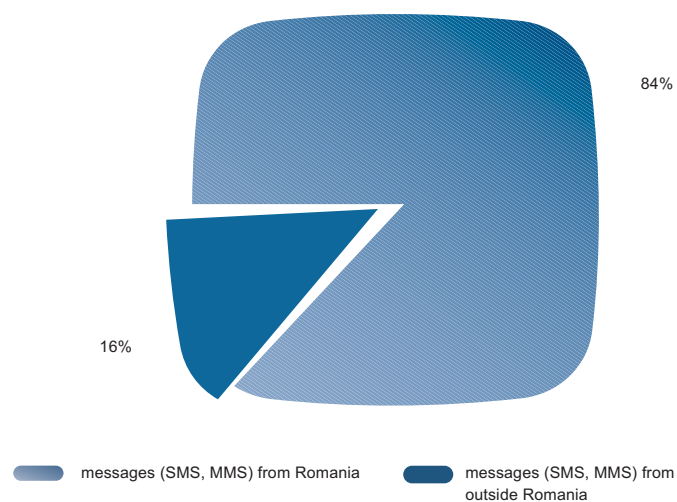


Source: ANRCTI, according to the statistical data reported by the providers of electronic communications networks and services, based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

The annual growth rate of the total volume of SMS and MMS terminated on the operators' own networks keeps falling, and,

consequently, in 2007, it registered a +8% evolution, compared to the previous years (+25% in 2006 and +66% in 2005).

Exhibit 9.9 Structure of the SMS and MMS traffic terminated on the Romanian mobile public networks, originated on other terrestrial mobile public networks, itemised by origination



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

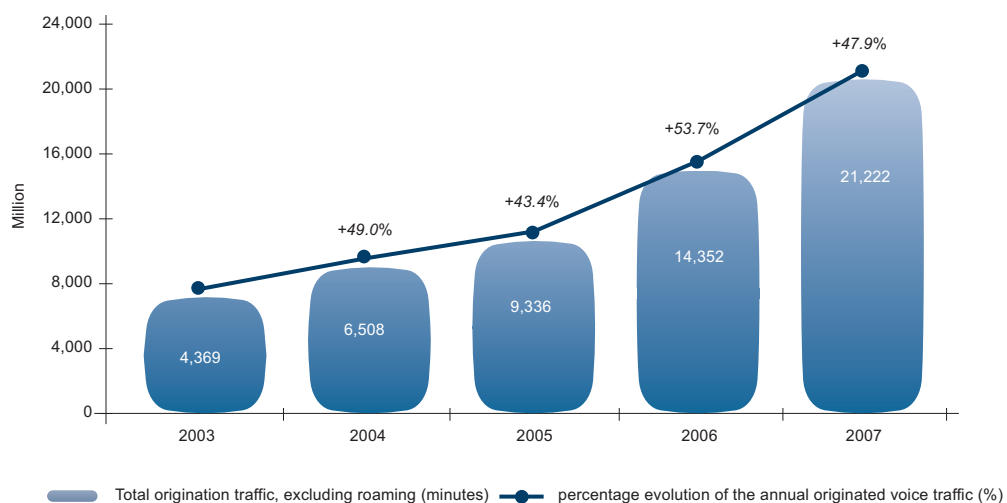
The structure of the SMS and MMS traffic terminated on the Romanian mobile public networks, during 2007, changes in favour of the SMS traffic originated outside Romania (16%), due to the evolution of this category of traffic in the second half of the year (by more than 13%).

9.2.2 Traffic in the retail market

The traffic originated in 2007 exceeded 21 billion voice minutes. The growth rate registered by the annual volume of voice traffic originated on the mobile networks decreased by approximately 6%, compared to 2006, but it is however higher than in 2005.



Exhibit 9.10 Dynamics of the total volume of traffic (excluding roaming) originated on the mobile public networks

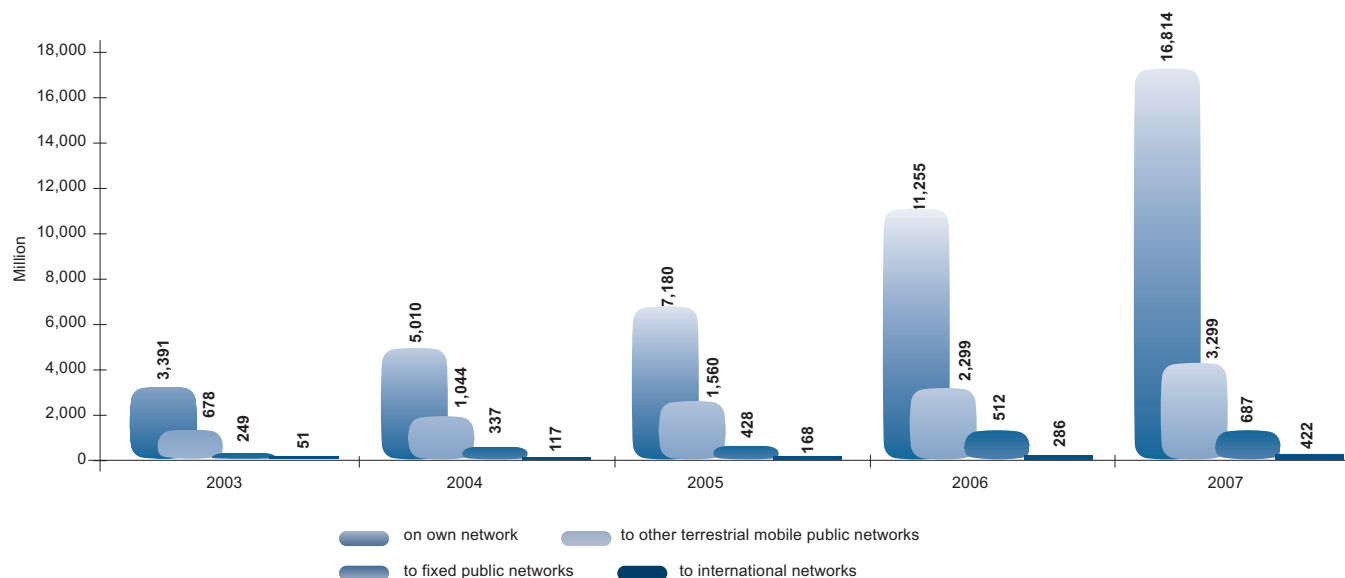


Source: ANRCTI, according to the statistical data reported by the providers of electronic communications networks and services, based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

The traffic originated on the providers' own networks registered little below 17 billion voice minutes, further outdistancing the other three

categories of voice traffic. The traffic towards other terrestrial mobile public networks exceeded 3 billion minutes.

Exhibit 9.11 Dynamics of the total volume of traffic (excluding roaming) originated on mobile public networks, itemised by destination



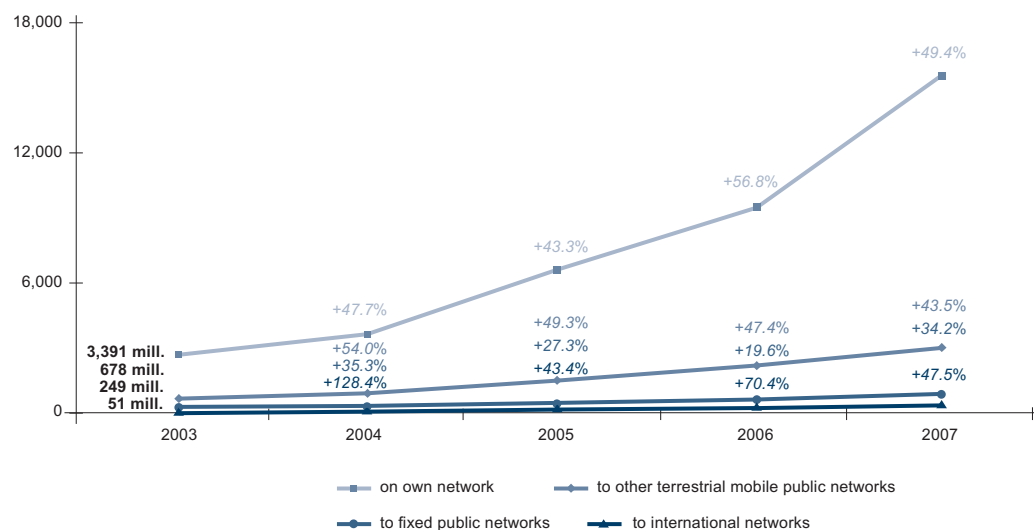
Source: ANRCTI, according to the statistical data reported by the providers of electronic communications networks and services, based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

The most significant annual growth rate is registered by mobile on-net traffic, which increased by more than 49%, as indicated in

Exhibit 9.12. below. The traffic towards fixed networks registered the lowest growth rate with a 34% increase compared to 2006.



Exhibit 9.12 Annual evolution of the traffic volume originated on the mobile public networks (excluding roaming), by destination

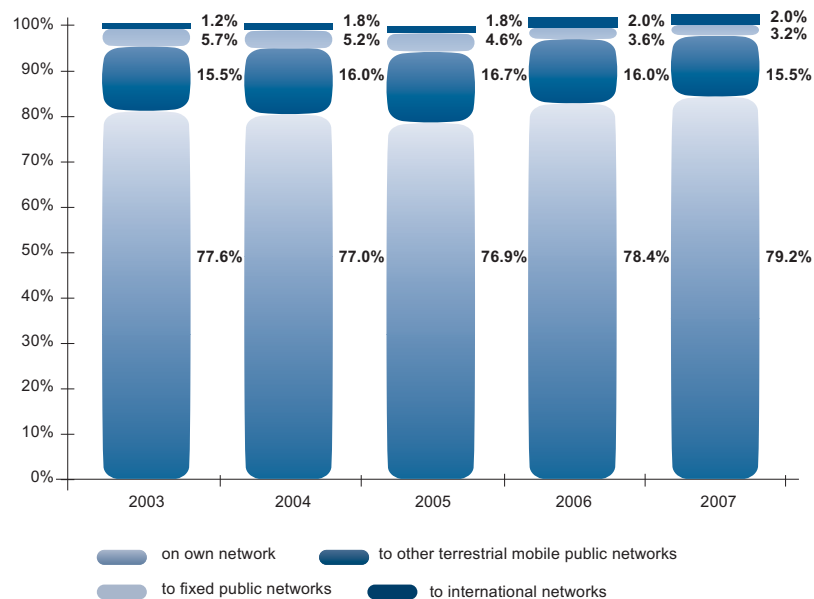


Source: ANRCTI, according to the statistical data reported by the providers of electronic communications networks and services, based on the ANRC President's Decision no.151/2006.

No obvious change occurred in the structure of the traffic achieved by the mobile telephony users, by call destination. Thus, on-net traffic further holds the highest share (79.2%). Voice traffic towards

international destinations holds the smallest share (2%) within the total. Although voice traffic to fixed public networks registers an ascending trend, its share within the total originated traffic keeps dwindling (slightly over 3%).

Exhibit 9.13. Structure of the annual voice traffic volume (excluding roaming traffic) originated on mobile public networks, itemised by call destination



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

9.3 Regulatory activity

9.3.1 Interconnection regime

Cost-orientation

In 2006, ANRCTI regulated the maximum tariffs to be charged by S.C. Vodafone Romania S.A. and respectively, S.C. Orange Romania S.A., for the provision of interconnection services for the purpose of mobile call termination, as follows:

- a) 7.21 Eurocents/minute, from September 1, 2006;
- b) 6.40 Eurocents/minute, from January 1, 2008;
- c) 5.03 Eurocents/minute, from January 1, 2009.

Therefore, in 2007, the regulated interconnection tariff for call termination on the networks of Vodafone Romania and Orange Romania was 7.21 Eurocents/minute.

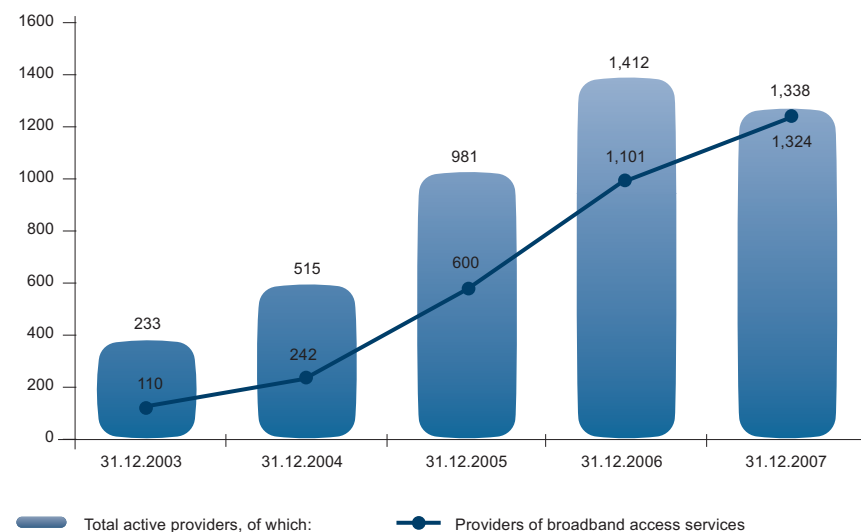
10. Internet access, leased lines and data transmissions

10.1 Market structure and dynamics

Although the total number of Internet access providers decreased by 5 % in 2007, amounting to 1,338 active providers, the number of the providers of broadband services is continually increasing (+20%). Thus, at the end of 2007, approximately 99% providers offered broadband Internet access, whereas 99.6% offered dedicated access services (1,333).

The total number of Internet connections as of December 31, 2007 reached 5.79 million, as indicated in Exhibit 10.2 below, itemised by support.

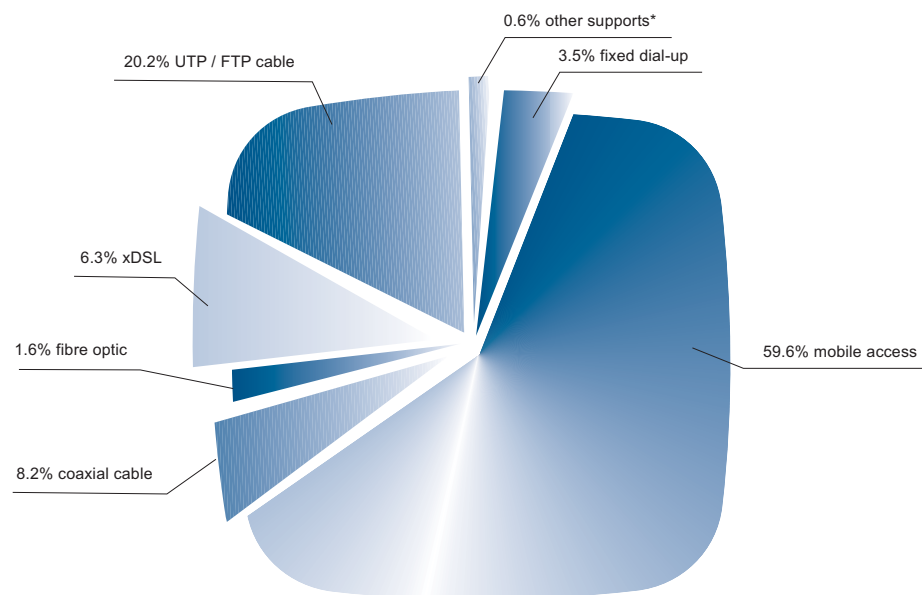
Exhibit 10.1 Evolution of the number of active providers of Internet access services



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



Exhibit 10.2 Structure of the total number of Internet access connections, itemised by support



* radio access, satellite access, Cu leased lines access

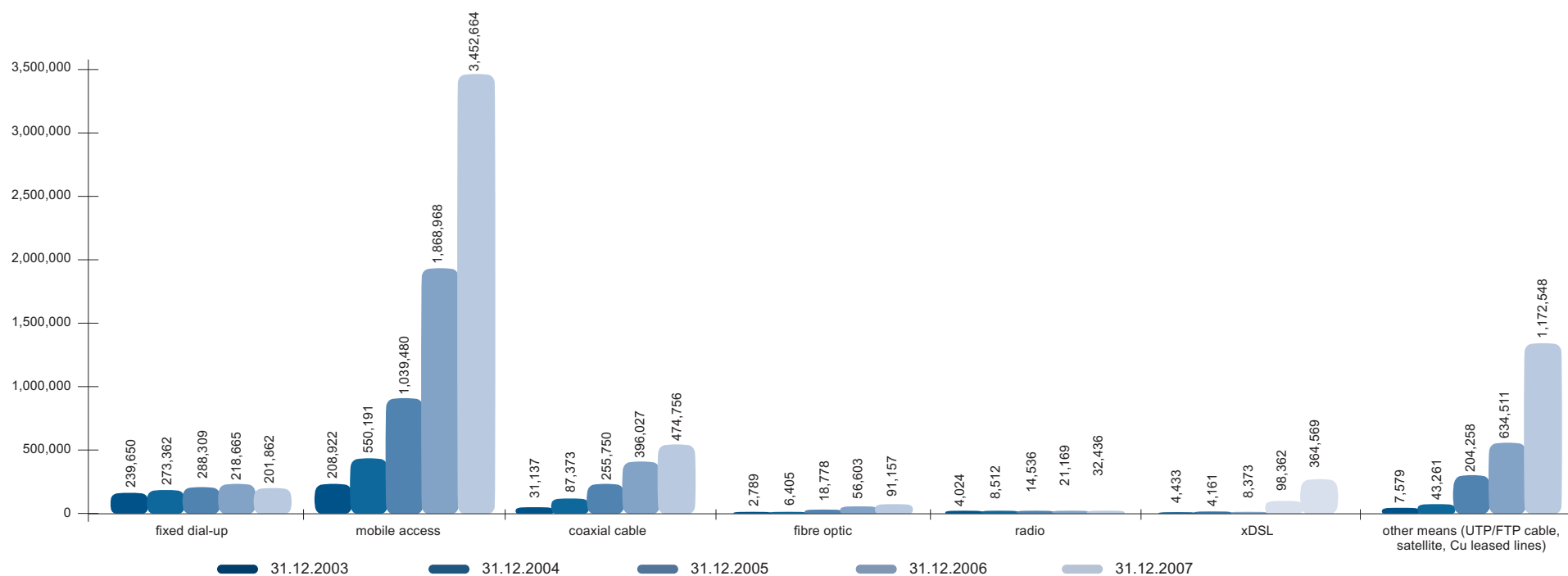
Source: ANRCTI, according to the statistical data reported by the providers of electronic communications networks and services, based on the ANRC President's Decision no.151/2006.

By the end of 2007, the number of mobile Internet access connections held the highest quota (approximately 60%) within the total number of Internet access connections, followed by the UTP/FTP cable connections (more than 20%) and coaxial cable connections (8.2%). The Internet mobile access connections hold the most significant share due to the fact that these include in the mobile telephony subscriptions connections which allow cost-free Internet

access over the CDMA/GPRS technologies.

As well, the number of fixed dial-up connections keeps decreasing, both as an absolute value (-8% as of December 31, 2007 compared to December 31, 2006), and as a share in the total number (3.5% as of December 31, 2007, compared to 6.6%, in the previous year).

Exhibit 10.3 Number of Internet access connections – evolution by support



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

One can see an upsurge in the number of Internet access connections provided over the xDSL technology, which increased 4 times faster - as of December 31, 2007 – that in the same period of 2006 (by more than 270%). Furthermore, Internet mobile access

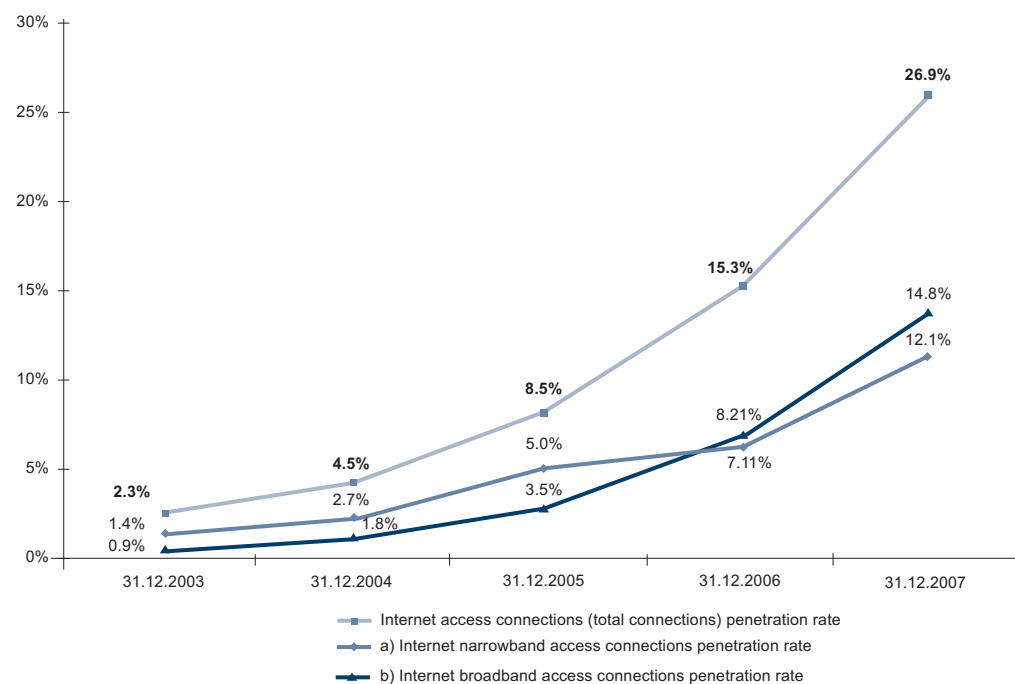
connections witnessed a significant increase (+85%), mainly due to the evolution of connections provided over the GPRS technology as part of the mobile telephony subscriptions, with an option for the Internet access service activated at the end of the reporting period.

Internet access, leased lines and data transmission

The investments the operators made in networks, increasingly deploying fibre optic, triggered an increase by 61% of the number of connections provided on this support, compared to end-2006.

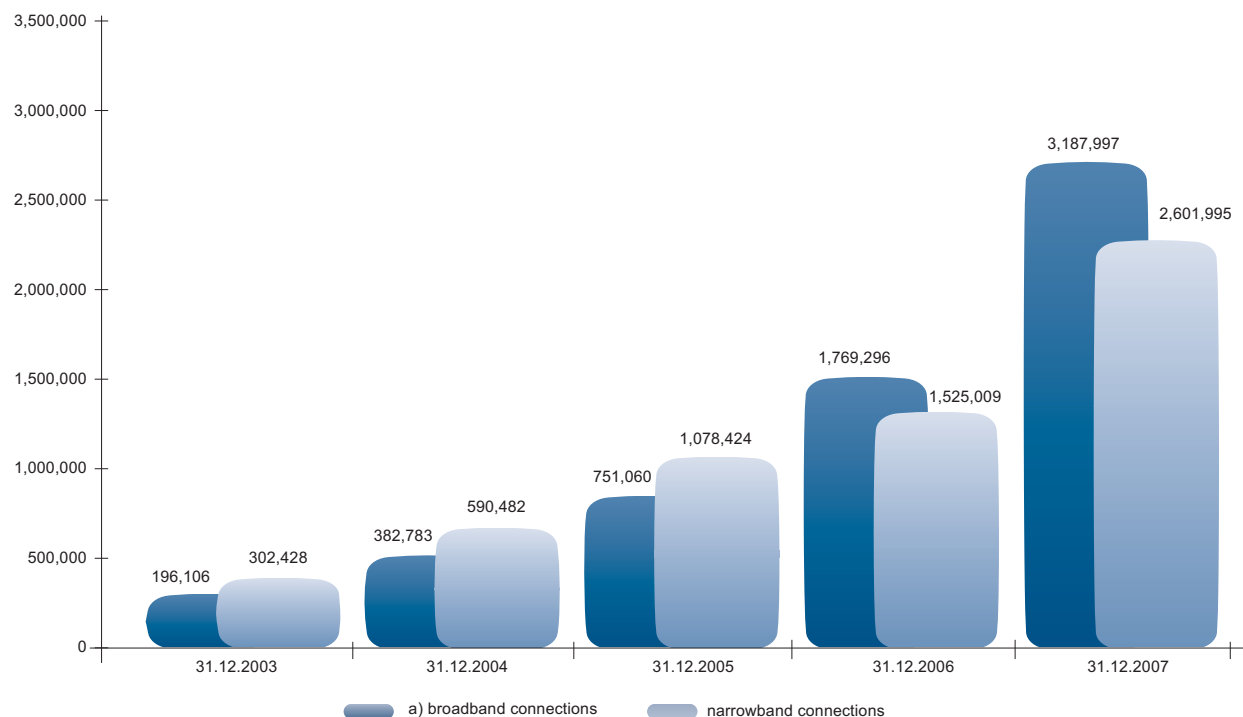
The development of “neighbourhood networks”, as an alternative to the Internet access mainly on UTP/FTP cable support, determined a significant increase of the UTP/FTP cable connections as of December 31, 2007 - by 85% - compared to December 31, 2006.

Exhibit 10.4 Internet access connections penetration rate per 100 inhabitants – evolution by bandwidth



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

Exhibit 10.5 Annual evolution of Internet access connections, by bandwidth

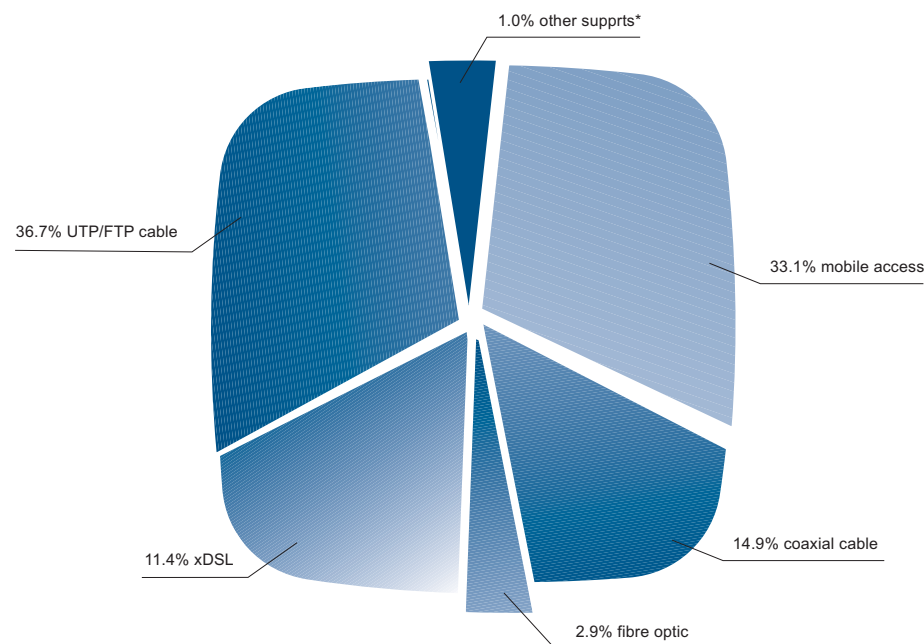


Source: ANRCTI, according to the statistical data reported by the providers of electronic communications networks and services, based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

Broadband Internet access connections increased by 80%, in 2007, compared to the +71% evolution of the narrowband connections. Consequently, the share of the broadband access connections grew, reaching 55% of the total Internet access connections, in comparison with the narrowband connections (45%). It is worth mentioning that the

upward trend of the dedicated Internet access connections, which increased by 77% compared to end-2006, is mainly due to the evolution of broadband access connections, which increased by 96% compared to the same period of 2006.

Exhibit 10.6. Structure of the total broadband Internet access connections



* fixed dial-up access, radio access, satellite access, copper leased lines access

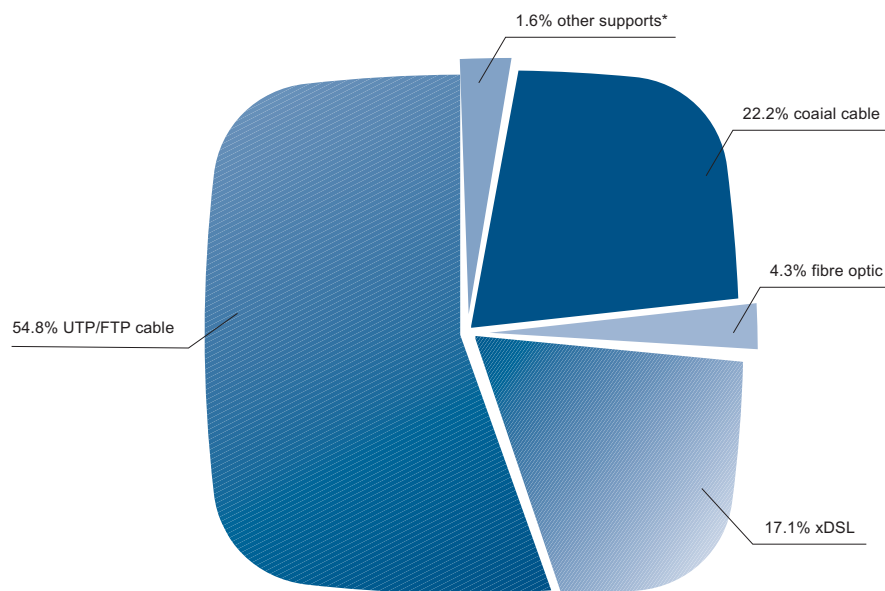
Source: ANRCTI, according to the statistical data reported by the providers of electronic communications networks and services, based on the ANRC President's Decision no.151/2006.

As of December 31, 2007, the share of mobile Internet access connections within the total number decreased (from approximately 39% to 33%), whereas the share of broadband cable connections (coaxial cable and UTP/FTP) kept the ascending trend, increasing by

7 % in 2007 (from 30% at end-2006, to 37% at end-2007). Moreover, broadband Internet access connections on fibre optic and xDSL supports held together more than 14% as of December 31, 2007, compared to 9%, in 2006.



Exhibit 10.7. Structure of the total dedicated Internet access connections, itemised by support



* radio access, satellite access, leased copper access lines

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

As regards the structure of the total dedicated Internet access connections, by December 31, 2007, more than a half were UTP/FTP connections (56%), followed by coaxial cable connections (22%). An ascendant trend was also registered by the connections provided on

fibre optic and xDSL supports, which hold together more than 21% of the total number of dedicated access connections, compared to 13%, in 2006.

Internet access, leased lines and data transmission

Table 10.1. Number of active providers of leased line services and data transmission services

Active providers	31.12.2003	31.12.2004	31.12.2005	31.12.2006	31.12.2007
- leased line services	26	17	21	30	29
- data transmission services	33	36	32	65	55

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

Table 10.2. Structure of the total number of leased lines provided, itemised by type and by the market on which they are provided

Indicator	31.12.2005	31.12.2006	31.12.2007
	abs. (thousand)	abs. (thousand)	abs. (thousand)
on the retail market	24.0	21.1	23.0
a) leased lines – total circuits	24.0	21.1	23.0
on the wholesale market	2.5	6.6	5.8
a) leased lines – total circuits	1.2	3.1	1.7
b) leased lines – termination segments	0.7	3.1	3.5
c) leased lines – trunk segments	0.5	0.4	0.6

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



The total number of leased lines grew by approximately 4% in 2007 compared to 2006, due to the 9% increase on the retail market,

whereas - on the wholesale market - the number of leased lines decreased by 12% compared to December 31, 2006.

Table 10.3. Number of connections to data transmission services on the retail market, itemised by technology

Indicator	31.12.2006	31.12.2007	
	abs. (thousand)	abs. (thousand)	evolution (%)
a) X.25	0.4	0.2	-50
b) Frame Relay	0.4	0.4	-
c) ATM	0.03	0.03	-
d) TCP/IP, of which:	24	34.4	+43
d1) IP VPN	23.1	30.6	+33
e) other technologies/communication protocols (telex, message delivery, VSAT, etc.)	0.6	1.3	+117

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

In general, in 2007, the number of connections to data transmission services grew, due to the increase by 117% of the number of connections to data transmission services provided via other technologies/communication protocols (telex, message delivery, VSAT etc.). On the other hand, the ATM and TCP/IP connections maintain the

same level registered at end-2006, whereas the X.25 connections keep falling by 50% compared to 2006. This involution is mainly due to the development of banking services provided by ATMs (utility payment directly from the ATM), which require advanced IP technologies to allow greater data traffic.

11. Audiovisual programme retransmission

11.1 Market structure and dynamics

The total number of active providers of audiovisual programme retransmission reached 572 as of December 31, 2007. The decrease of the number of providers of such services via cable support (by approximately 10%) is mainly due to a series of purchases/takeovers of small-sized companies by the main players in this market segment.

Table 11.1 Number of active providers of audiovisual programme retransmission

	31.12.2003	31.12.2004	31.12.2005	31.12.2006	31.12.2007
Total no. of active providers ¹⁰⁾,					
of which, by:	489	625	625	631	572
a) cable networks (analogue and digital)	489	625	622	626	566
b) satellite networks (DTH)	-	-	3	5	5
c) IP (IPTV) technology	-	-	1	1	1
d) other supports	-	-	-	-	1

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

Starting 2005, both "wireless" (direct-to-home) solutions and IP (IPTV) protocol solutions, as well as cable solutions for the digital transmission of video signals were launched on the market. Therefore, at present, a Romanian customer may choose between digital television via coaxial cable (8 providers), digital television using the "Direct-To-Home" solution (5 providers), IP television (1 provider) and a provider of retransmission services on other supports (Internet). The development of infrastructure-based competition and competition

between providers are expected to significantly impact service quality, encourage the launch of diversified offers and meet increasingly refined and sophisticated needs.

11.2 Subscriber data – structure and evolution

As of December 31, 2007, the total number of subscribers to audiovisual programme retransmission services increased by 19%

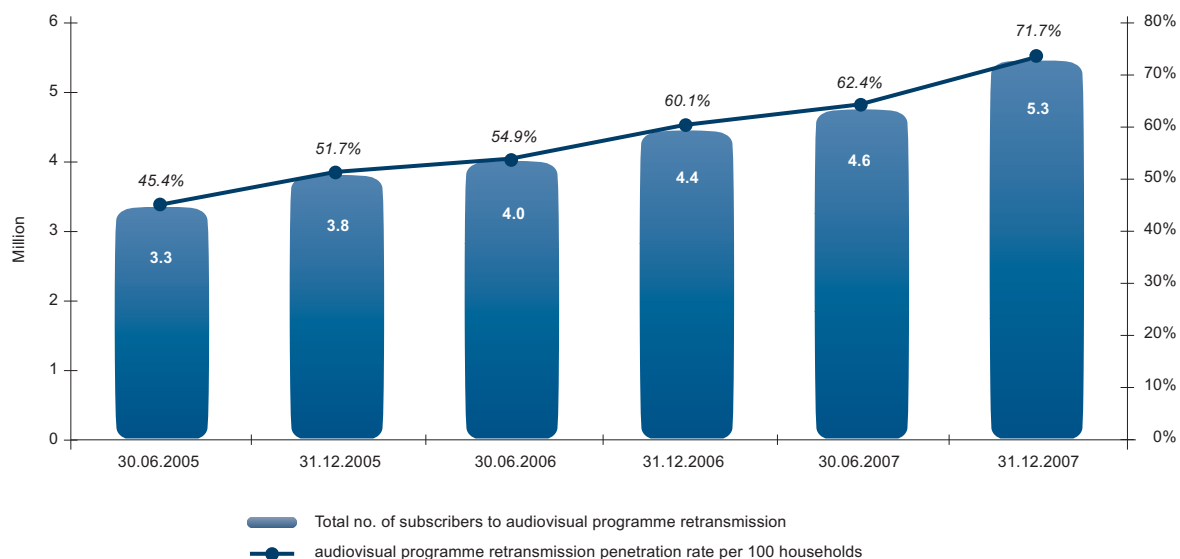
¹⁰⁾ Certain providers of audiovisual programme retransmission offer services via several categories of supports.

compared to end-2006, mainly due to the alternative cable solutions – “direct-to-home” digital satellite transmission – which attract part of the customers living in the rural areas and in towns without access to commercial television programme services. Thus, digital (re)transmission of TV programme services via satellite is both a satellite-based alternative to cable support and a necessary complement, offering the consumers the possibility to choose, by

preference and need, a wider or more diversified range of programmes.

The penetration rate, per household, of audiovisual programme retransmission registers a growing trend, increasing by 9.3%, compared to last semester, respectively by 11.6%, compared to the same period of 2006.

Exhibit 11.1. Total number of subscribers to audiovisual programme retransmission. Evolution of the penetration rate per household



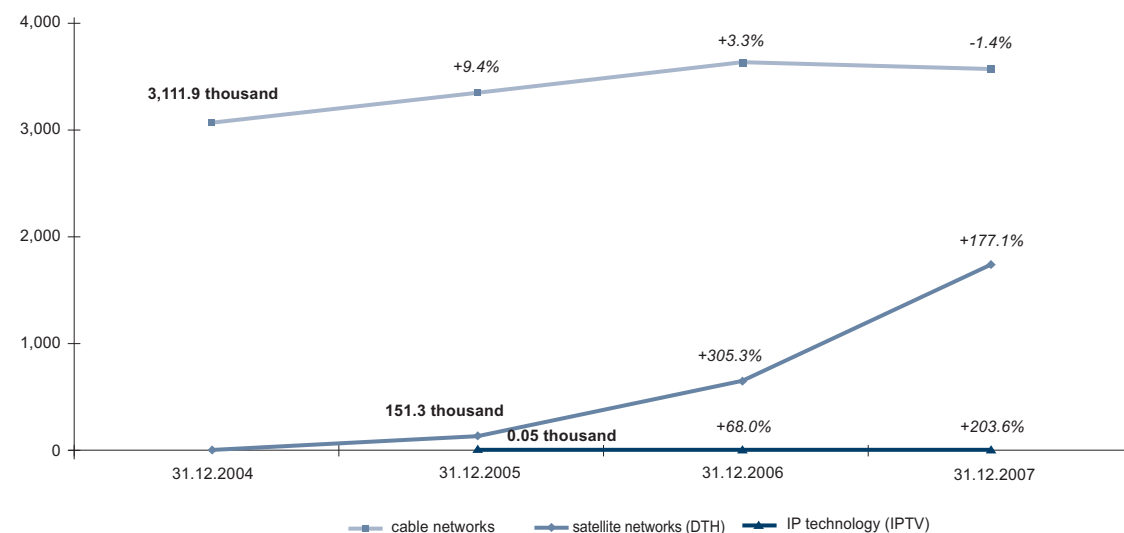
Source: ANRCTI, according to the statistical data reported by the providers of electronic communications networks and services, based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

Audiovisual programme retransmission

The evolution of the number of subscribers to audiovisual programme retransmission is upward, for all the supports, especially for the services provided over DTH satellite networks, increasing by 177% (almost 3 times) in 2007 and by 76% compared to the first half of 2007. The subscribers to services provided over IP technology tripled

compared to the same period of 2006, whereas - compared to December 31, 2007 – their number increased by 78%. The evolution of the number of cable connections changed, as the number of subscribers to such services sunk by 6% compared to 2006 and by approximately 2% compared to the first half of 2007.

Exhibit 11.2 Percentage evolution, per semester, of the total number of subscribers to audiovisual programme retransmission, itemised by support



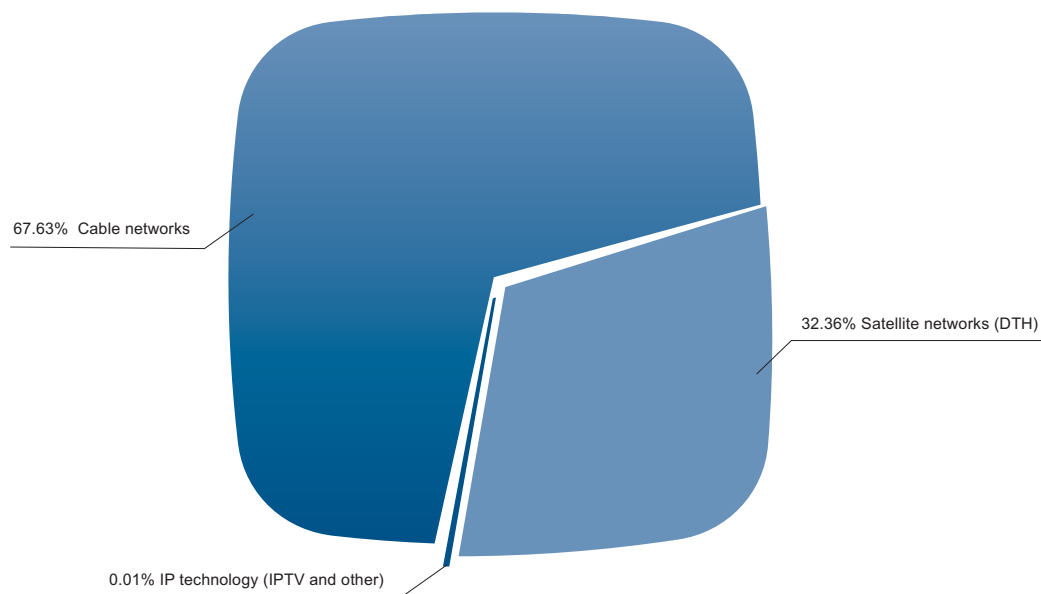
Source: ANRCTI, according to the statistical data reported by the providers of electronic communications networks and services, based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.



As of December 31, 2007, the number of subscribers to services provided via cable networks (68%) still holds the highest quota within the total number of subscribers, decreasing compared to the share registered in mid-2007, whereas the subscribers to services provided via DTH (direct-to-home) satellite networks hold a 32% quota within the

total, increasing by 18.5 percentage points compared to 2006. The subscribers to services provided over IP technology hold a low share within the total, mostly due to their exclusive character both as regards quality and as regards the area of provision, which is limited to Bucharest and Voluntari-Ilfov.

Exhibit 11.3 Structure of the number of subscribers to audiovisual programme retransmission, by support



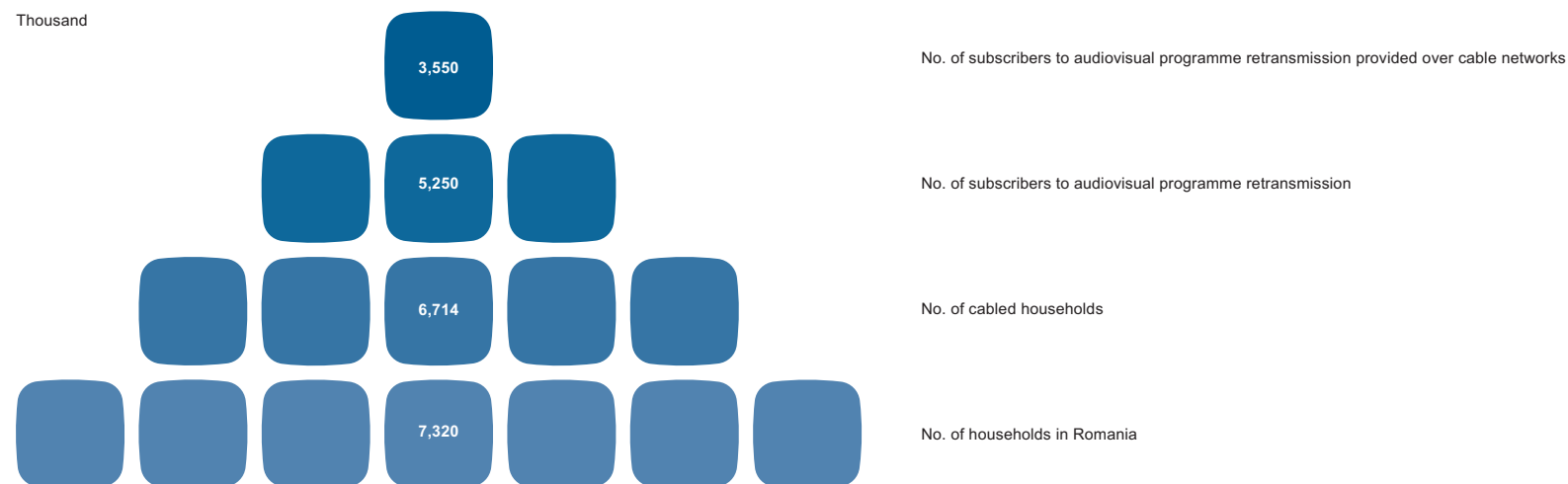
Source: ANRCTI, according to the statistical data reported by the providers of electronic communications networks and services, based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.

Audiovisual programme retransmission

According to the data reported by the 566 providers of retransmission services on cable support, as of December 31, 2007, 6.7 million households (i.e. approximately 92% of the total number of Romanian households) had access to a cable network (including

households without a subscription to such services), whereas 3.6 million households paid subscriptions for cable retransmission services – which highlights the penetration potential of these services.

Exhibit 11.4 Number of subscribers to audiovisual programme retransmission on cable networks; number of cabled households



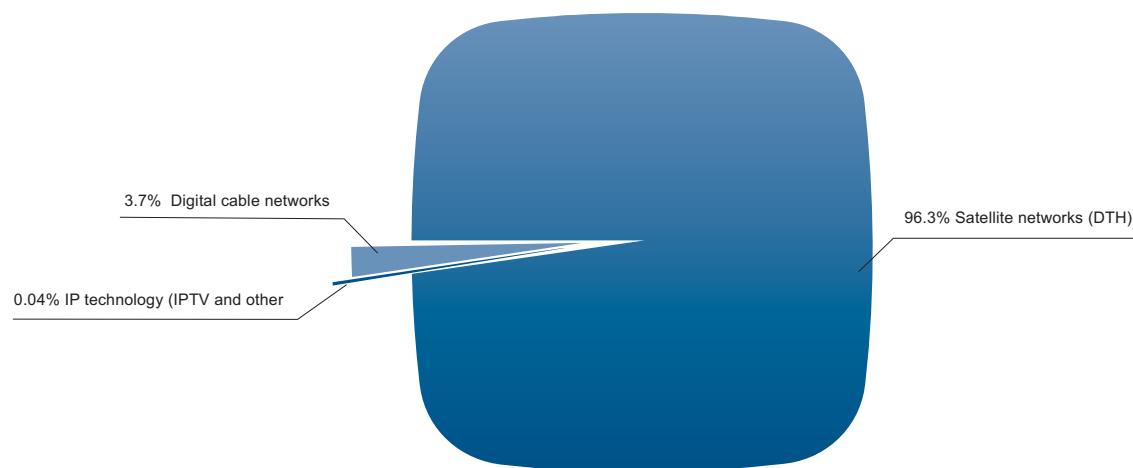
Source: ANRCTI, according to the statistical data reported by the providers of electronic communications networks and services, based on the ANRC President's Decisions no.1332/2003, respectively no.151/2006.



Considering that the commercial offers for digital TV programme (re)transmission were launched at end-2005 and their provision is limited to a few areas, the number of subscribers who receive digital TV

programmes was very low during the second semester of 2006. At the end of 2007, there were slightly over 1.76 million subscribers, 97% of which were subscribers to DTH services.

Exhibit 11.5 *Structure of the number of subscribers to digital audiovisual programme retransmission, itemised by support*



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

The exclusive use of IPTV technology by one audiovisual programme retransmission provider, whose services cover a limited area, is reflected in the very low number of subscribers, which hold,

together with the subscribers to retransmission services on other supports, only a 0.04% share.



12. Postal Services

At present, the provision of postal services is mainly regulated 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 Technology no.2858/2007 on the general authorisation regime for the provision of postal services, published in the Romanian Official Journal, Part I, no.608 of September 4, 2007, a normative act which repealed the Decision of the President of the National Regulatory Authority for Communications no.118/2003 on the procedure of authorising the providers of postal services, with the subsequent amendments.

The legal provisions in force in Romania and in Europe divide the postal services into two categories: postal services within the scope of Universal Service and postal services outside the scope of Universal Service.

At present, all the types of postal services may be provided under the general authorisation regime, as ANRCTI removed the individual licence (based on which the services within the scope of Universal Service were provided).

The general authorisation regime enables the providers to offer postal services without ANRCTI issuing an explicit decision, since a simple notification on the intention to provide such services suffices.

12.1. Postal services market

The simpler authorisation mechanism stimulated the development of the Romanian postal services market. Therefore, in 2007, it followed

the ascending trend of the previous years, the number of providers of postal services amounting from 5 in 1999 to 248 at end-2007.

In 2007, the number of authorised providers increased by 4.2% compared to 2006.

ANRCTI elaborated in 2007 a **report on the Romanian postal services market in 2006**, based on the statistical data corresponding to the 2006 postal services sector, collected according to the provisions of the Decision of the President of the National Regulatory Authority for Communications no.1301/2004 on reporting certain statistical data by the postal service providers, published in the Romanian Official Journal, Part I, no.1125 of November 30, 2004.

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

The reported data reveal that, in 2006, there were 135 active providers in the postal services market (i.e. 56.72% of the 238 authorised providers), whereas 83 providers (i.e. 34.87% of the authorised providers) did not actually exercise their right to provide postal services.

In 2006, the total postal traffic registered **576,311,125** postal items, of which **555,039,393** domestic postal items, i.e. 96.31% of the total postal traffic, and **21,271,732** cross-border postal items, i.e. 3.70% of the total traffic.



The comparative analysis of the data corresponding to 2004, 2005 and 2006 highlighted an approximately constant increase of the

total and domestic traffic, whereas the cross-border traffic registered a significant increase between 2005 and 2006.

Exhibit 12.1 Evolution of the postal services market (number of authorised providers) between 1999 – 2007

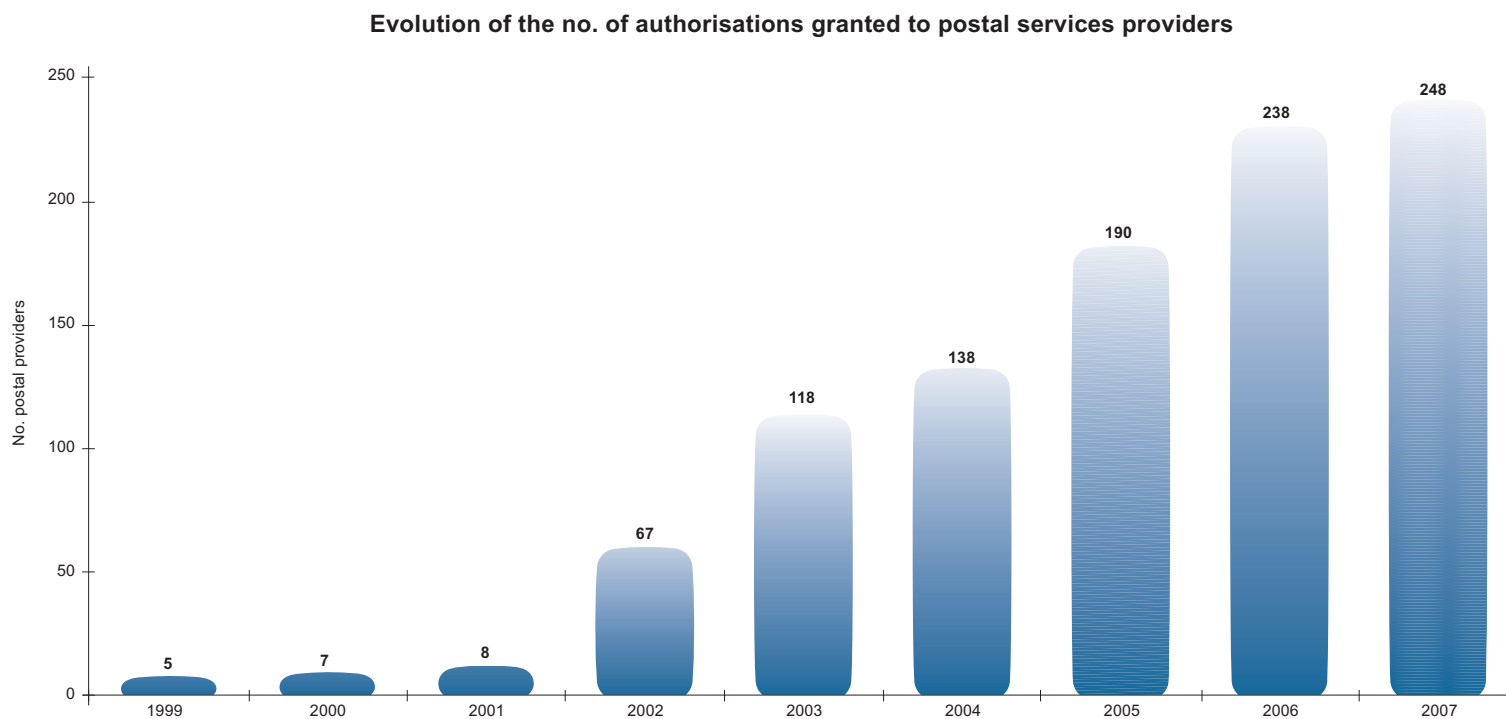


Exhibit 12.2 Dynamics of the total postal traffic during 2004-2006

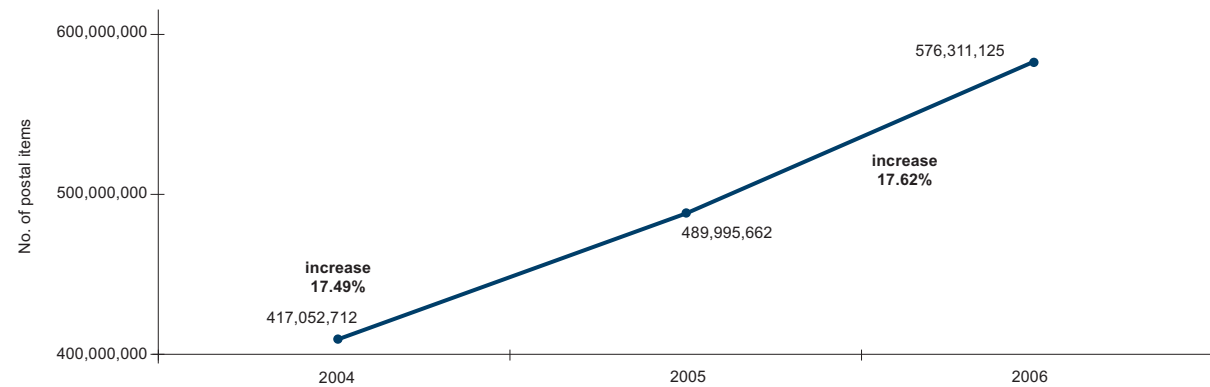


Exhibit 12.3 Dynamics of the total domestic traffic during 2004-2006

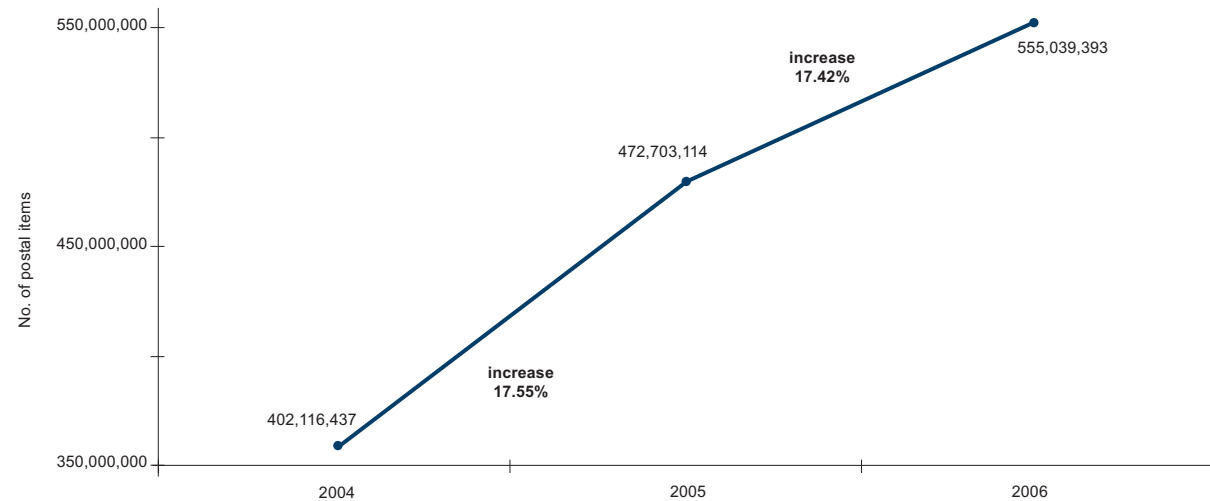
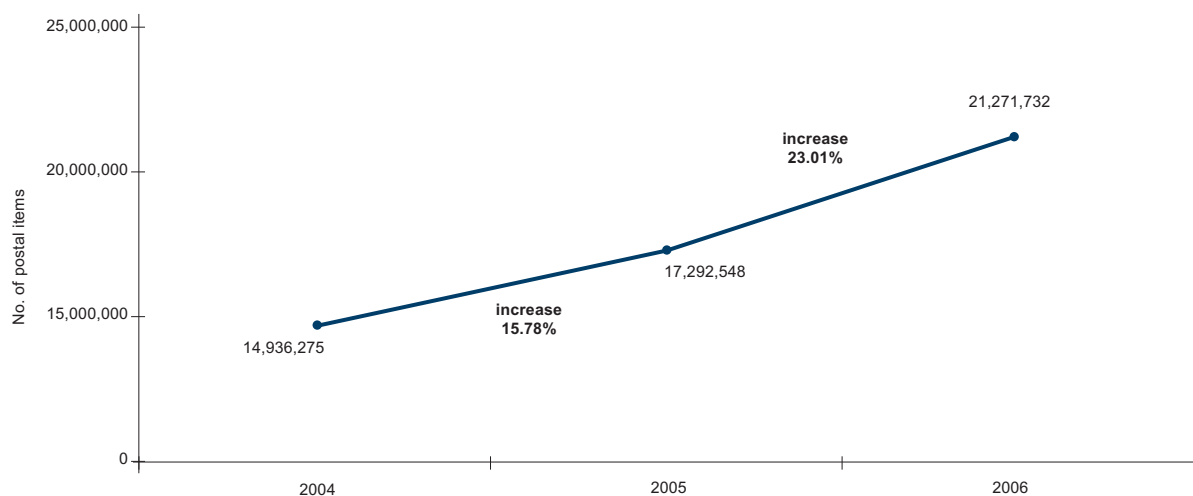


Exhibit 12.4 Dynamics of the total cross-border traffic during 2004-2006

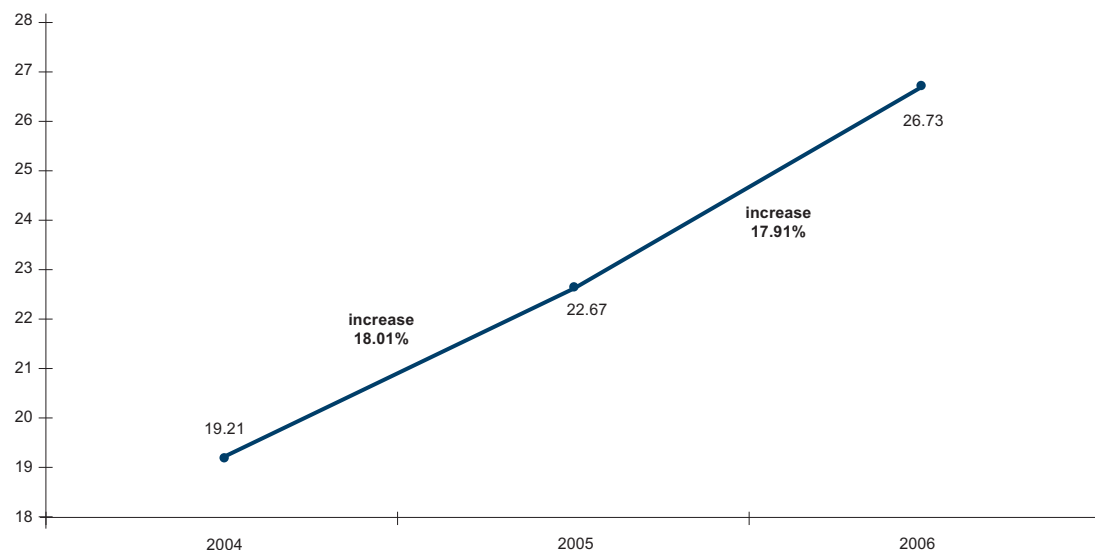


The proportion between the 2006 total postal traffic and Romania's¹¹⁾ population reveals an average of 26.73 of postal items

per inhabitant, increasing from an average of 22.67 in 2005 and 19.21 in 2004.

¹¹⁾ According to the data provided by the National Statistics Institute, Romania's population amounted to 21,565,119 inhabitants, as of January 1, 2007, 21,711,252 - as of January 1, 2005, and 21,610,213 inhabitants, as of January 1, 2006.

Exhibit 12.5 Average number of postal items per inhabitant (total traffic /no. of inhabitants)



12.1.1 Structural analysis of 2006 postal traffic

The structural analysis of the postal traffic on the three categories, i.e. **letter post**, **parcels** and **Express services**, highlighted the following information:

12.1.1.1. Letter post

The letter post traffic represented 96.01% of the total postal traffic and registered **553,297,963** postal items. As well, the statistical data indicated the following amounts of letter post items processed in 2006:

- **534,972,486** domestic letter post items (96.69% of the total letter post traffic), i.e. 96.38% of the total domestic traffic;
- **18,325,477** international letter post items (3.31% of the total letter post traffic) i.e. 86.15% of the total cross-border traffic.

The letter post items were processed by 79 providers, i.e. 58.52% of the 135 active providers on the postal market in 2006.



Exhibit 12.6 Postal providers who processed letter post items

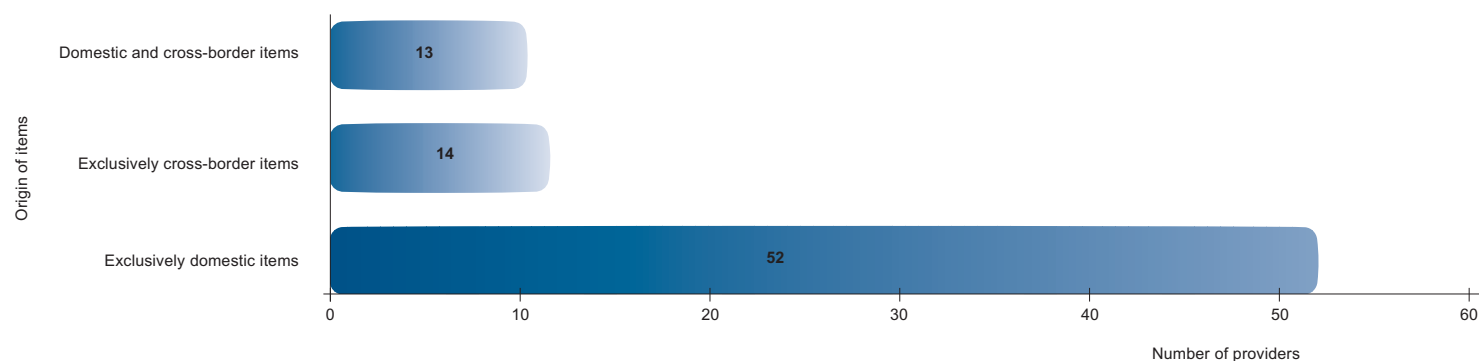
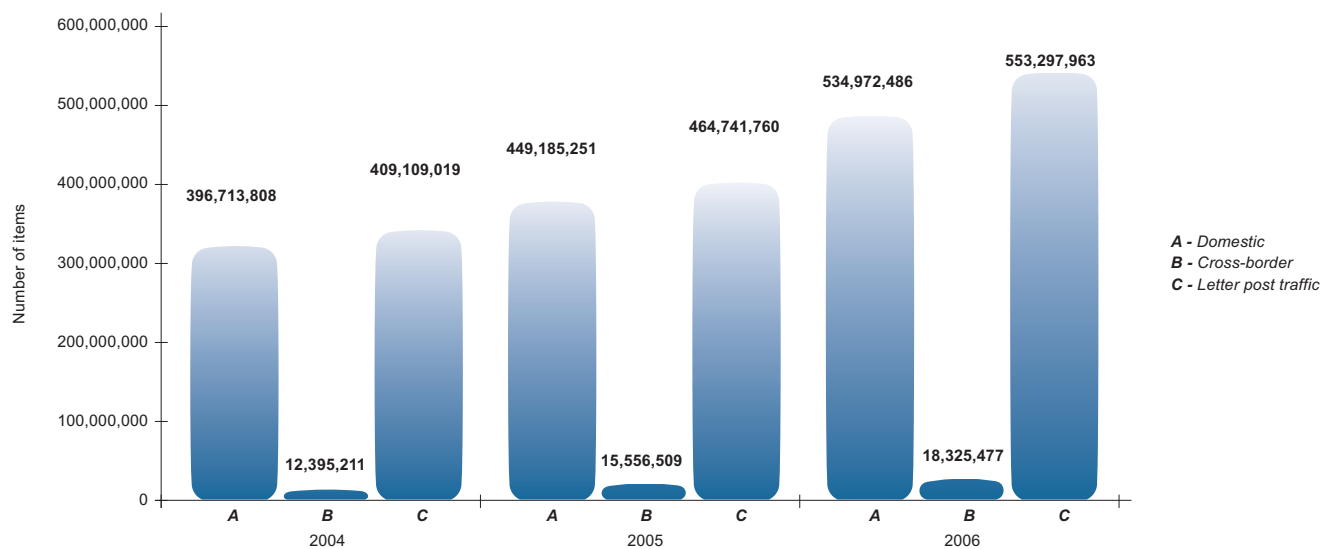


Exhibit 12.7 Letter post traffic between 2004-2006



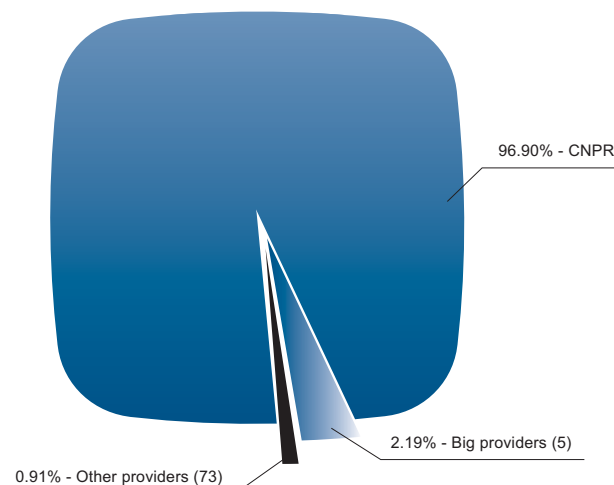
Postal Services

CNPR processed **536,128,848** items, i.e. 96.90% of the total letter post traffic, whereas the next five providers processed a volume of **12,119,825** items, i.e. 2.19%. The other 73 providers processed **5,049,290** items, i.e. 0.91% of this market segment.

The following companies registered the highest letter post traffic (in alphabetical order): S.C. Cargus International S.R.L., Romanian Post National Company S.A., S.C. Concorde Courier S.R.L., S.C. Curiero S.A., S.C. Inform Media S.R.L., S.C. Nemo Prod Com Impex S.R.L.

12.1.1.2. Parcels

Exhibit 12.8 Letter post market distribution between providers



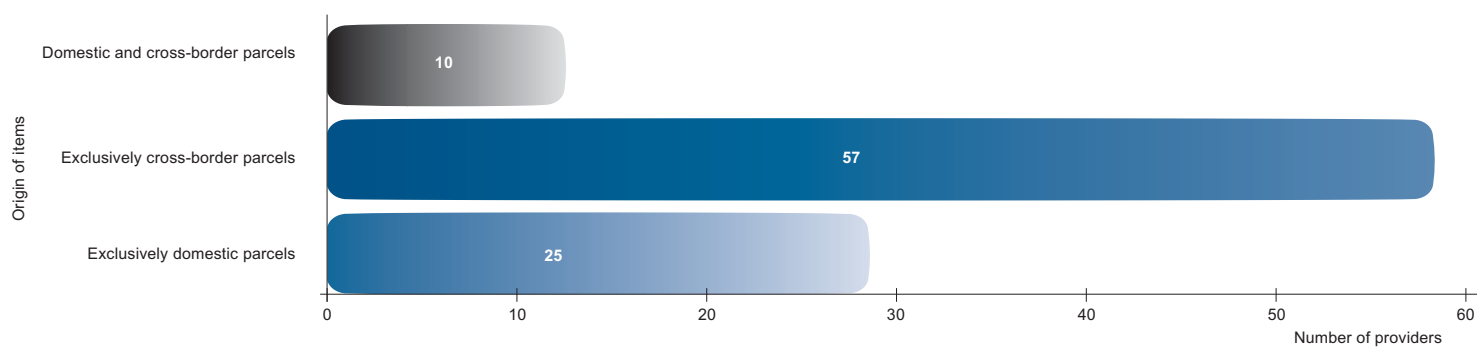
In 2006, **6,383,343 postal parcels**, i.e. 1.11% of the total postal traffic, were cleared and sent. Furthermore, the statistical data showed that, in 2006, the following amounts were processed:

- **4,401,885** domestic parcels (i.e. 68.96% of the total parcel traffic), representing 0.79% of the total domestic postal traffic;
- **1,981,458** cross-border parcels (31.04% of the total parcel traffic), representing 9.32% of the total cross-border postal traffic.

The parcels were processed by 92 providers, i.e. 68.15% of the active providers (135) in 2006.



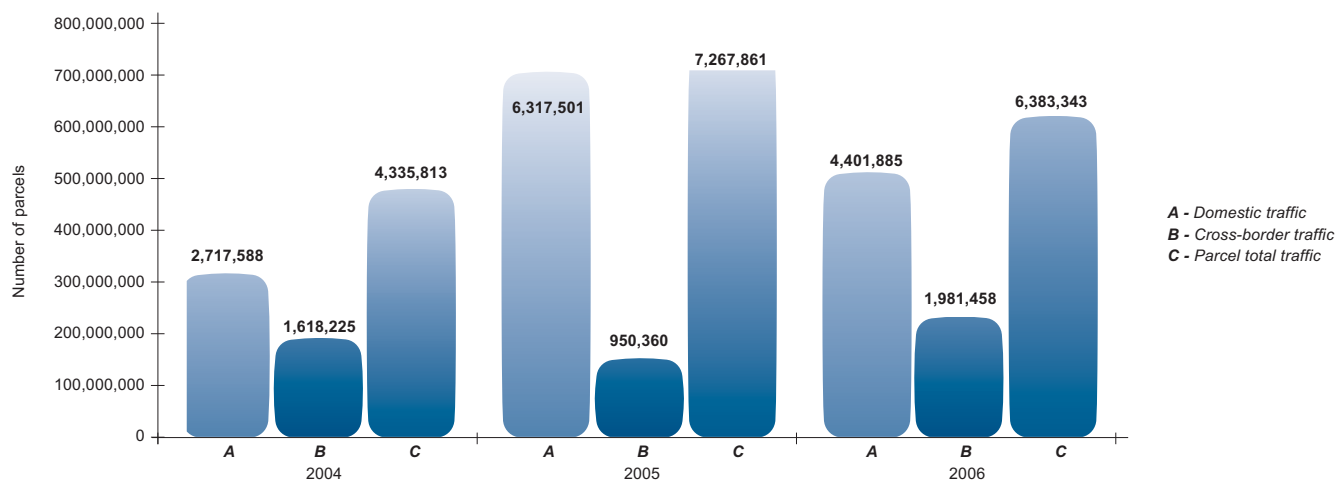
Exhibit 12.9 Postal providers who processed postal parcels



CNPR processed **800,386** items, i.e. 12.54%, whereas the next five providers processed **2,697,217** items, i.e. 42.25% of the total parcel

traffic. The other 86 providers processed **2,885,740** parcels, i.e. 45.21% of the total parcel traffic.

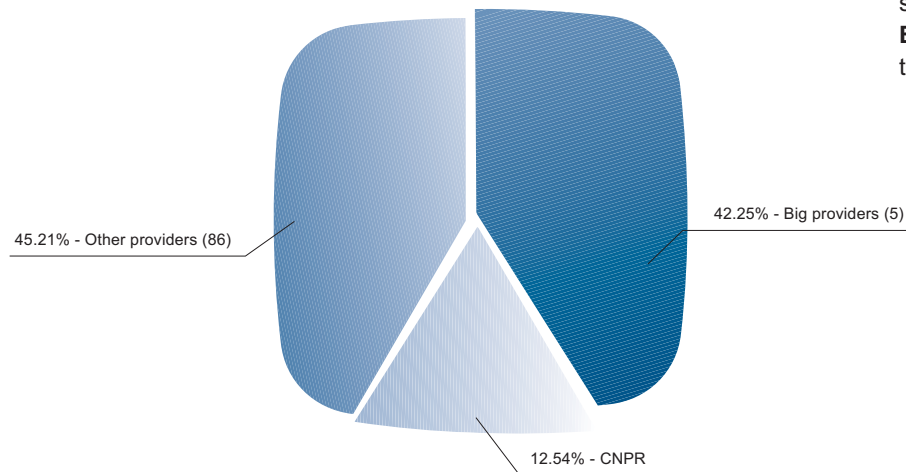
Exhibit 12.10 Parcel traffic between 2004-2006



Postal Services

The following providers, active on the parcel market in 2006, achieved the highest traffic (in alphabetical order): S.C. Andante S.R.L., S.C. Colet Express S.R.L., Romanian Post National Company S.A., S.C. DHL International Romania S.R.L., S.C. Nemo Prod Com Impex S.R.L., S.C. TCE Logistica S.R.L.

Exhibit 12.11 Distribution of the parcel market



12.1.1.3. Express Services

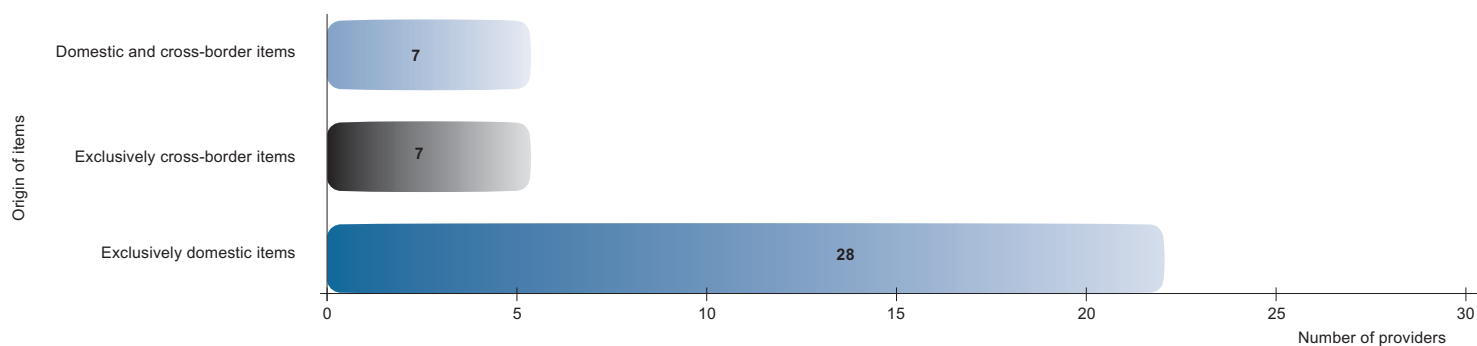
In 2006, the total postal traffic of **Express services** registered **16,629,819** postal items, thus representing 2.89% within the total postal traffic. The analysis of the statistical data shows that, in 2006:

- the domestic traffic registered **15,665,022** postal items, i.e. 94.20% of the total Express traffic;
- the international traffic registered **964,797** postal items, i.e. 5.80% of the total Express traffic.

The traffic of domestic Express items holds 2.83% within the total domestic postal traffic, whereas the traffic of cross-border Express services holds 4.54% within the total cross-border postal traffic. **Express** postal items were processed by 42 providers, i.e. 31.11% of the 135 active providers in the postal market in 2006.



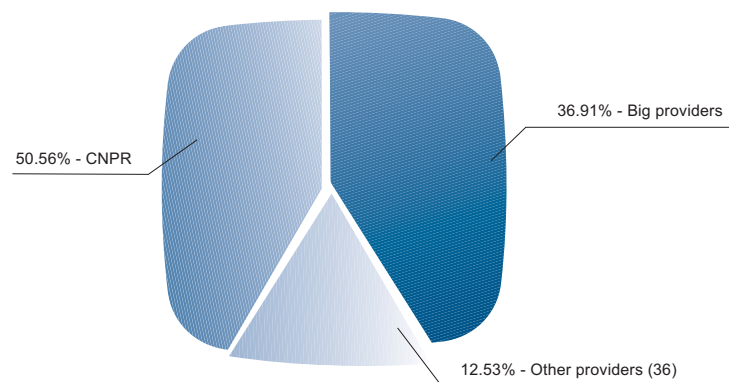
Exhibit 12.12 Postal providers who provided Express services



CNPR processed **8,407,726** items, i.e. 50.56% of the total traffic of Express services, the next five providers processed **6,138,371** items, i.e. 36.91%. The remaining 36 providers processed **2,083,722** items, i.e. 12.53% of the total traffic of Express services.

The providers that registered, in 2006, the highest traffic on the express services segment are (in alphabetical order): The National Company "Romanian Post" S.A., S.C. DHL International Romania S.R.L., S.C. Fan Courier Express S.R.L., S.C. Pegasus Courier S.R.L., S.C. TNT Romania S.R.L., S.C. Trans Courier Service T.C.S. S.R.L.

Exhibit 12.13 Distribution of the Express services market



12.2 Postal services within the scope of Universal Service

Postal services within the scope of Universal Service encompass:

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

- postal parcels up to 20 kg, sent from outside Romania to an address located in Romania.

In 2006, postal services within the scope of Universal Service were exclusively provided by CNPR, in its capacity as a Universal Service provider designated by the *ANRC President's Decision no.88/2004 on the designation of the Universal Service provider in the postal services sector, with the subsequent amendments.*

Exhibit 12.14 Dynamics of the total postal traffic within the scope of Universal Service during 2004-2006

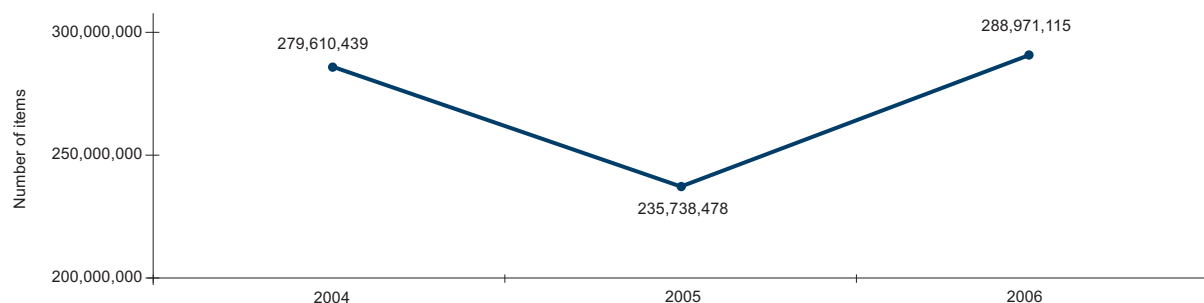


Exhibit 12.15 Dynamics of the domestic postal traffic within the scope of Universal Service during 2004-2006

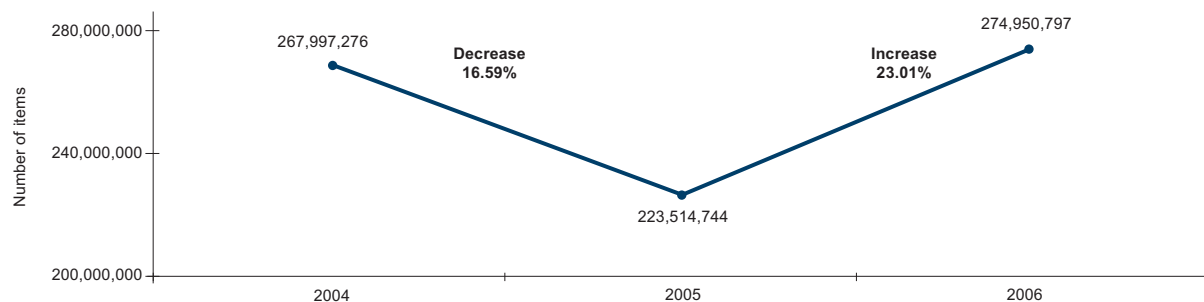
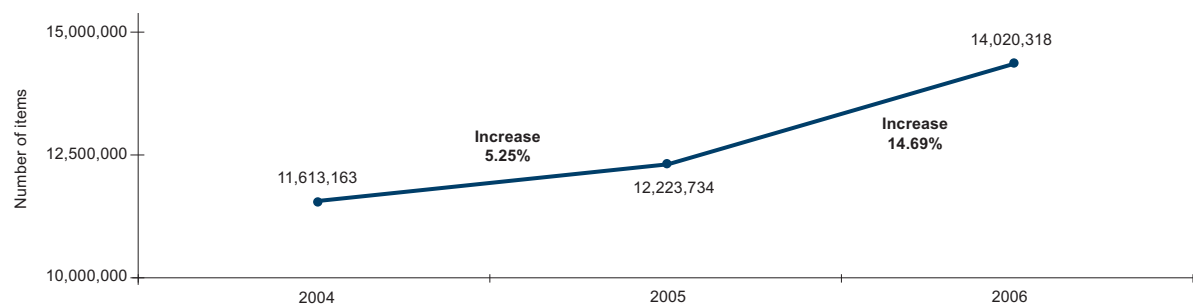


Exhibit 12.16 Dynamics of the cross-border postal traffic within the scope of Universal Service during 2004-2006

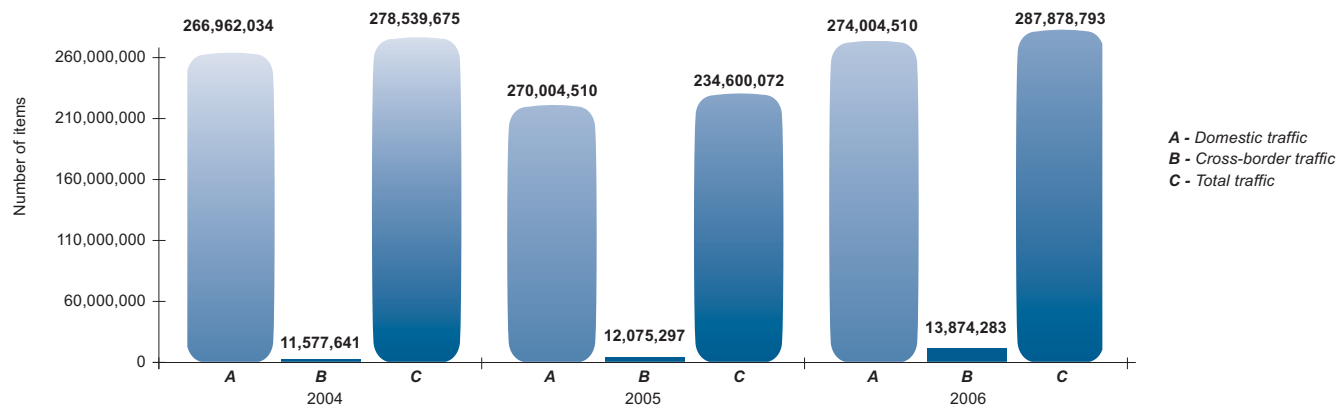


12.2.1 Traffic of letter post items within the scope of Universal Service

Table 12.1 Traffic of letter post items

2006		Number of letter post items
Letter post (postal items up to 2 kg)		287,878,793
Domestic		274,004,510
Cross-border	Total	13,874,283
	Inbound	6,934,002
	Outbound	6,940,281

Exhibit 12.17 Traffic of letter post items within the scope of Universal Service during 2004-2006



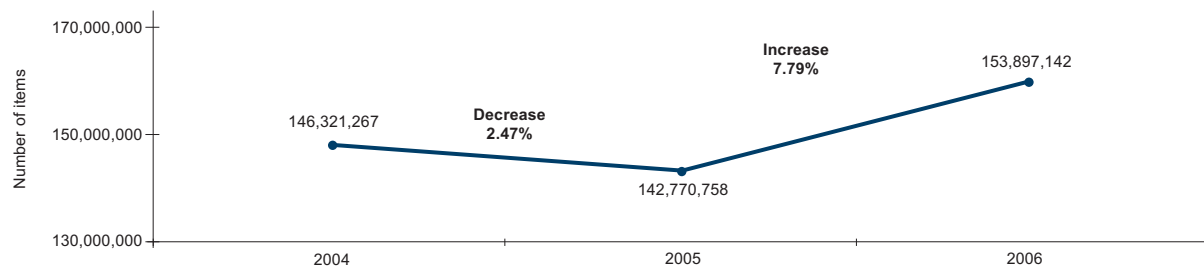
12.2.1.1 Traffic of CNPR reserved postal services

In its capacity as a Universal Service provider, CNPR benefited, in 2006, from the exclusive right to provide services - within specific tariff and weight limits - consisting of clearance, sorting, transport and delivery of domestic *items of correspondence*, and services consisting of distribution of the items of correspondence sent from outside Romania to an address located in Romania; the weight and tariff limits

that triggered the extension of the rights reserved to CNPR were 50 g, respectively RON 1.2 (including the added value).

The Universal Service provider, CNPR, processed **153,897,142** items of correspondence, i.e. 53.26% of the Universal Service traffic and 26.70% of the entire postal traffic achieved in 2007, by virtue of the reserved rights it benefited from in 2006.

Exhibit 12.18 Dynamics of the traffic registered by the CNPR reserved postal services



The Universal Service provider benefited from the exclusive right to provide reserved postal services subject to domestic items of correspondence and items of correspondence sent from outside

Romania to an address located in Romania, as follows:

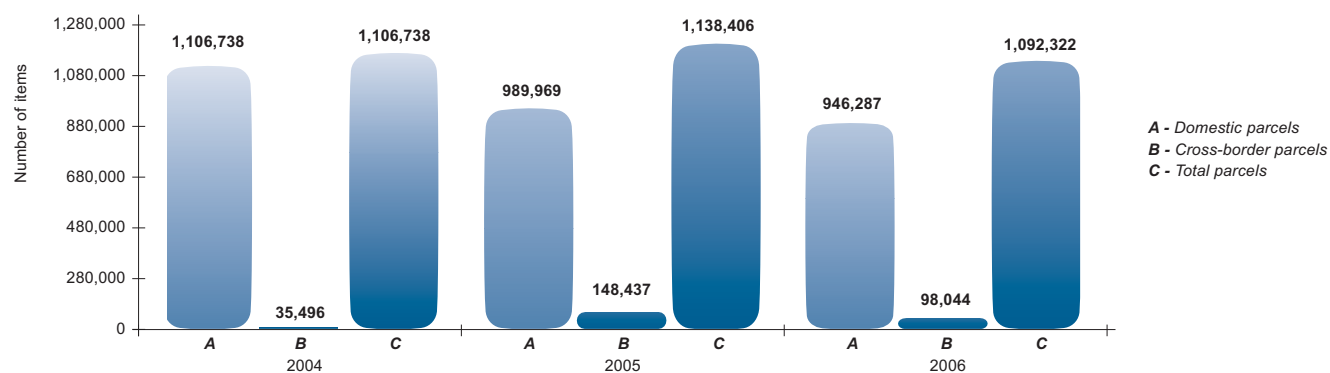
- 100 g, until December 31, 2005
- 50 g, from January 1, 2006.

12.2.2 Traffic of parcels within the scope of Universal Service

Table 12.2 Traffic of parcels

2006		No. of parcels
Parcels (total)		1,092,322
Domestic Parcels up to 2÷10 Kg		946,287
Cross-border Parcels up to 2÷10 Kg	Inbound	80,424
	Outbound	17,620
Cross-border Parcels up to 10÷20 Kg	Inbound	47,991

Exhibit 12.19 Traffic of parcels within the scope of Universal Service



12.2.3 Distribution of postal services within the scope of Universal Service

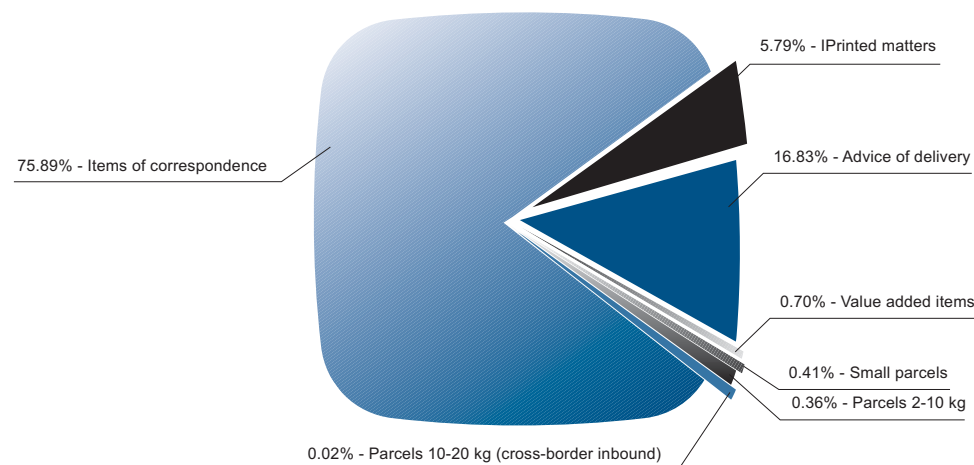
Exhibit 12.20 below shows the distribution of the postal items included in the services within the scope of Universal Service, in 2006:

12.3 Postal services outside the scope of Universal Service

The postal services outside the scope of Universal Service (with and without added value)⁴ encompass:

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

Exhibit 12.20 Distribution of postal items included in the services within the scope of Universal Service in 2006





12.3.1 Traffic of letter post items outside the scope of Universal Service

Table 12.3 indicates the total volume of the postal items included in these services:

Table 12.3 Traffic of letter post items

2006	Number of postal items
Letter post items up to 2 kg	265,419,170
Domestic	260,967,976
Cross-border	4,451,194

Exhibit 12.21 2005 - 2006 comparative analysis of the letterpost items outside the scope of Universal Service

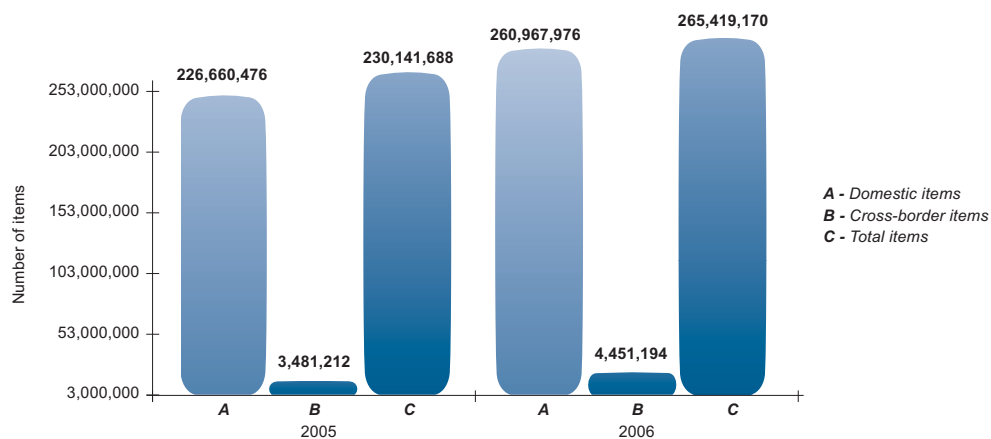
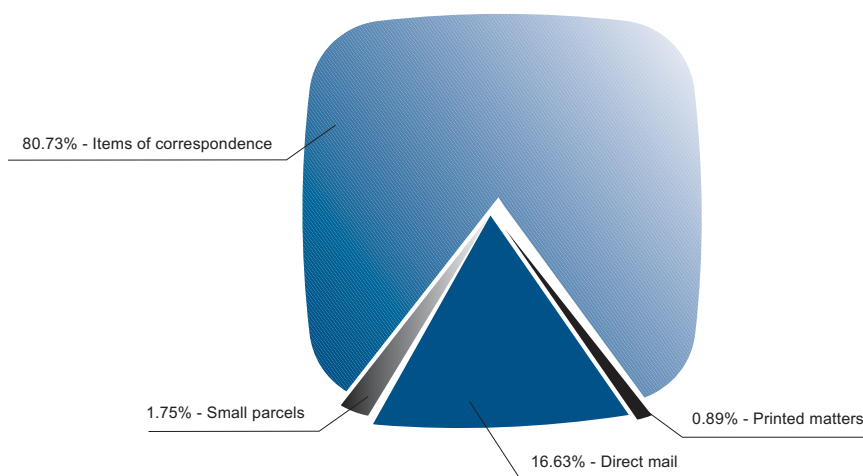


Exhibit 12.22 Distribution of letter post services outside the scope of Universal Service: services subject to items of correspondence, printed matters, direct mail and small parcels up to 2 kg.

Letter post services outside the scope of Universal Service



12.3.2 Traffic of parcels outside the scope of Universal Service

The analysis of the statistical data reported by the postal providers reveals that, in 2006, the domestic parcels prevailed within the total parcel traffic.

Table 12.4 Parcel traffic

2006	No. of parcels
Parcels	5,291,021
Domestic parcels between 2÷10 Kg	1,577,349
Domestic parcels between 10÷50 Kg	1,878,249
Cross-border parcels between 2÷10 Kg	998,323
Cross-border parcels between 10÷50 Kg	837,100



Exhibit 12.23 Postal parcels outside the scope of Universal Service

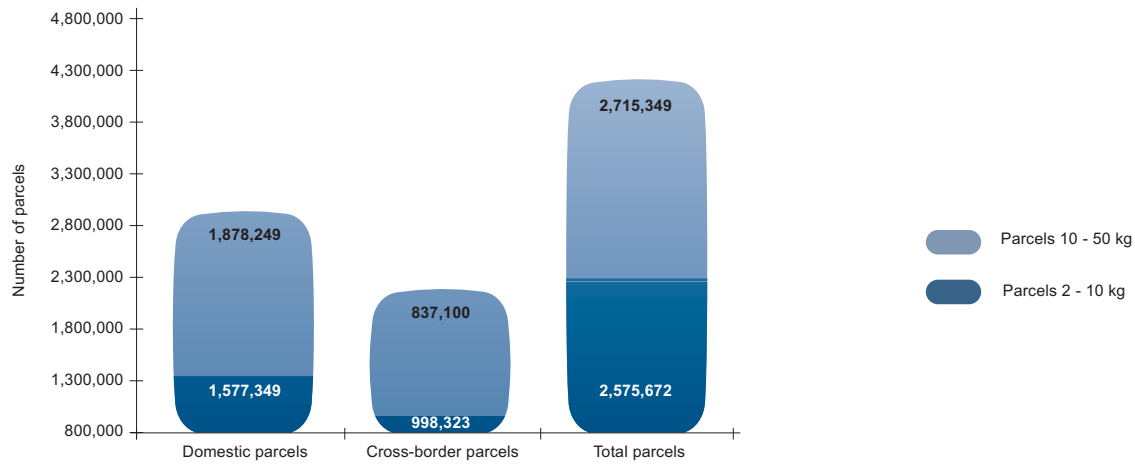
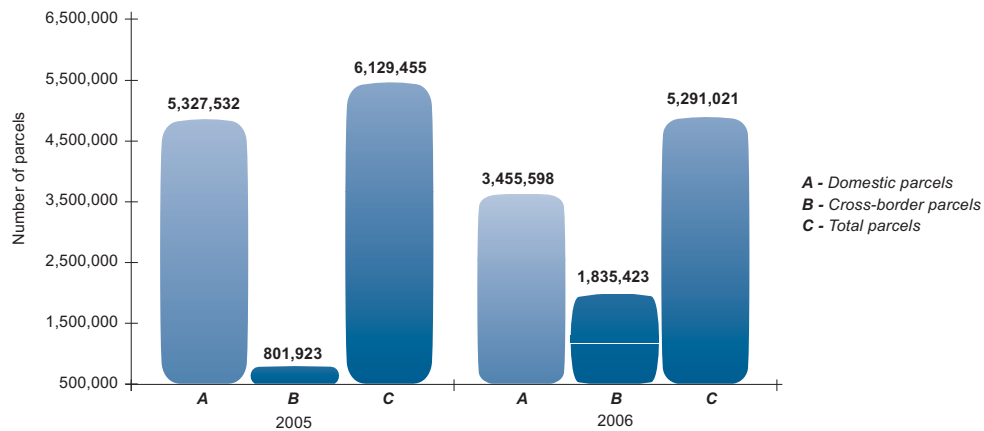


Exhibit 12.24 2005 – 2006 comparative analysis of postal parcels outside the scope of Universal Service



12.3.3 Traffic of Express services

Table 12.4 Traffic of Express services

2006	Number of postal items
Express services	16,629,819
Express services for domestic items of correspondence up to 2 Kg	13,636,407
Express services for cross-border items of correspondence up to 2 Kg	349,085
Express services for domestic printed matters up to 2 Kg	5,997
Express services for domestic parcels between 2÷10 Kg	1,500,840
Express services for cross-border parcels between 2÷10 Kg	298,292
Express services for domestic parcels between 10÷50 Kg	521,778
Express services for cross-border parcels between 10÷50 Kg	317,420

12.4. Quality and Standardization

The ANRC President's Decision no.1468/2005 on establishing the terms and procedure for assessing the compliance of the National Company Romanian Post with the quality objectives imposed by the ANRC President's Decision no.88/2004 on the designation of the Universal Service Provider in the postal services field, with the subsequent amendments, set out the obligations of measuring the quality objectives in accordance with the EN13850:2003 standard.

Due to the legislative changes occurred in 2007, CNPR needed to propose ANRCTI a distinct plan of measures for the timely

accomplishment of the obligations incurred by the Decision no.1468/2004, the respective plan including certain derogations, in accordance with the subsequent amendments and completions.

Thus, in July 2007, CNPR sent ANRCTI a draft Plan of Measures for 2007-2008, drawn up in accordance with the amendments and completions brought to the postal services field by Law no.133/2007, a Plan which was approved by ANRCTI board.

The CNPR Plan of Measures for 2007 regarding the accomplishment of the quality standards for the services within the scope of Universal Service and the assessment of compliance with



these standards, included - among others:

- designation of the independent body in charge of measuring the real flow of domestic items of correspondence, as well as of the independent body entrusted with making the required measurements in view of assessing the level of compliance with the quality objectives (this stage was extended due to the fact that CNPR had to cancel the first tender for the establishment of the two bodies, as the participating companies failed to submit the requested documentation, in accordance with the provisions of the normative acts in force);

- establishment of the real flow corresponding to the items of correspondence;
- implementation of the new guidance plan for the priority items of correspondence;

- monitoring of the circulation times;
- selection of the independent audit body.

Therefore, in July 2007, following the tender, two companies were designated in view of carrying out the measurements on the real flow corresponding to the domestic items of correspondence, respectively for carrying out the measurements required to assess the level of compliance with the quality objectives. The measurements for establishing the real flow corresponding to the domestic items of correspondence started in the fourth quarter of 2007, further actions provided in the plan of measures being scheduled for 2008. CNPR shall inform ANRCTI on the progress of these processes, on a regular basis.

13. Dispute mediation and settlement

13.1 Disputes between providers

13.1.1. Dispute settlement in 2007

Romania's accession to the European Union, in 2007, has repercussions also on the dispute settlement procedure in the electronic communications sector, given to the well-known importance the European Commission grants to this activity. The annual reports of this European body emphasize the disputes settled by the regulatory authorities (NRAs) of the Member States, and make comments and suggestions on the peculiarities of this activity. Although the Member States do not have the obligation to notify or to communicate their dispute settlement decisions, these are monitored by the European Commission's representatives on the NRAs' websites.

In 2007, ANRCTI received six complaints from the providers of electronic communications networks and services, two of which followed the mediation procedure and the other four cases underwent directly the contentious procedure. Furthermore, in two disputes, the respondents submitted a counter claim; in one dispute, ANRCTI disjoined the counter claim from the main action, and thus settled it separately. Following the complaints filed in 2007, five disputes were settled¹²⁾, and one is still in progress. As well, in 2007, ANRCTI settled six complaints filed by providers during the previous year. The average settlement term was four months and two weeks.

Generally, the disputes concerned issues related to interconnection terms (ANRCTI's establishing the conditions for interconnection between the parties' networks: scope of the services,

technical solution, tariffs, implementation terms of the agreements etc.). Moreover, in three cases, the plaintiffs requested ANRCTI to take provisional measures, until the pronounced judgement on merits. ANRCTI admitted one of these requests, whereas the plaintiffs withdrew the other two complaints. Taking into account that several providers required the imposition of obligations on certain providers, hereafter are some comments on ANRCTI's competence in this area, as well as on the measures the Authority may impose.

13.1.2. Dispute settlement procedures

The providers may optionally and cost-free address ANRCTI in view of settling the disputes under its competence.

In accordance with the nature and complexity of the disputes, the President of ANRCTI designates a commission responsible for settling the respective dispute. The commission performs a preliminary analysis of the material provided by the parties and chairs the dispute settlement procedure. During the dispute settlement procedure, the commission plays an active role, keeping in close contact with the parties.

ANRCTI established two procedures for the settlement of disputes that rise between the providers of electronic communications networks and services. Thus, the interested party may choose the mediation procedure, which is one of the alternatives available for amicable dispute settlement. Mediation is a structured process, in which a third party, which is neutral and impartial, assists the parties in the dispute, during a face-to-face meeting, for the main purpose of reaching an agreement accepted by and to the benefit of both parties.

¹²⁾ The ANRCTI President's dispute settlement decisions are available on ANRCTI website, at the following address: <http://www.anrcti.ro/DesktopDefault.aspx?tabid=1271>



The ANRCTI contribution in this situation consists of the explanations it may provide regarding the scope of the legal provisions in the electronic communications sector related to the case. If the mediation results in the settlement of the dispute, the parties conclude a transaction. The mediation procedure must comply with the confidentiality principle and cannot exceed 30 days from the date of filing the complaint with ANRCTI. If the parties do not reach an agreement within this term, the dispute shall be settled by means of the contentious procedure.

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

The decision by which ANRCTI settles the dispute must be issued within 4 months from the date of filing the complaint. Under exceptional circumstances, for the adequate settlement of the dispute, this term may be extended by the ANRCTI President's Decision. At any moment of the mediation procedure or of the contentious procedure, the parties may conclude a transaction on the object of the dispute. The decision may be challenged at the Court of Appeal of Bucharest – Administrative Contentious Section within 30 days from the communication date, without undergoing the preliminary procedure provided in art.7 of the Administrative Contentious Law no.554/2004, with the subsequent amendments.

13.2 Disputes between users and providers

In pursuit of best satisfying the communication needs of the users, given their higher demands, creating and ensuring the premises for the sustainable development of a competitive market in the Romanian field of electronic communications is a difficult task. The Romanian consumer of electronic communications is the supreme instance to assess the success or the failure of the ANRCTI diligences in the field.

According to the provisions of art.5(2) letter a) and art.5(4) letter d) of the Government Emergency Ordinance no.134/2006 on the establishment of the National Regulatory Authority for Communications and Information Technology, the ANRCTI activity focuses on taking all the appropriate measures to ensure that the end-users obtain maximum benefits on a competitive market in terms of offer diversity, tariffs and quality of services, as well as on protecting the end-users' interests by promoting the provision of clear information especially as regards tariff transparency and the conditions of use of the publicly available electronic communications and information technology services.

ANRCTI informs the consumers on their rights as users of electronic communications services, of which they should be aware in order to be able to claim for the service providers to observe these rights. As well, ANRCTI takes the appropriate measures to ensure that the end-users obtain maximum benefits on a market where the providers freely compete in terms of offer diversity, tariffs and quality of services, and where the specific interests of the disabled and of the persons with special needs are promoted.

As regards the end-users' proper informing, according to the provisions of art.20(1) of Law no.304/2003, the providers of public

telephone networks and the providers of publicly available telephone services have the obligation to make publicly available clear, detailed and up-to-date information on the applicable prices and tariffs, as well as on the other conditions concerning the possibility of access to and use of publicly available telephone services, so as to ensure that the end-users are able to make informed choices.

According to the provisions of art.36 of Law no.304/2003, the regulatory authority must establish a *“transparent, simple and inexpensive procedure in order to accurately and promptly settle the disputes between end-users and providers of electronic communications services, occasioned by the enforcement of this Law (...)”*. Hence, with a view to protecting the end-users’ interests, ANRCTI regulated the concrete procedure of settling the disputes between end-users and electronic communications providers by the ANRC President’s Decision no.1331/2003 on the establishment of the procedure for the resolution of disputes within the competence of ANRC. The users may therefore address ANRCTI in view of settling the disputes between them and the electronic communications providers occasioned by the enforcement of Law no.304/2003, exclusively if the respective disputes have not been amicably settled between the parties.

As regards the settlement of disputes occasioned by the interpretation or execution of contracts concluded between end-users and electronic communications providers, in accordance with art.19(1) letter g) of Law no.304/2003, the providers have the obligation to include certain clauses in these contracts to regulate the agreed dispute

settlement procedure, including the initiation method. If, following the abovementioned procedure, the dispute has not been amicably settled, the users may address ANRCTI under the conditions established by the provisions of the ANRC President’s Decision no.1331/2003.

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

The most frequent complaints received from users during 2007 concerned the telephone services and the Internet access services, signalling problems related to the non-functioning or poor quality of the services, the repair terms, the connection terms, accuracy of the invoice and the legal status of the contractual terms.



14. Monitoring, Surveillance and Control; Sanctions

14.1 Monitoring of the providers of electronic communications services

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

In 2007, the control activity in the electronic communications sector resulted in 979 control actions, 815 of which were carried out at the headquarters or at the work stations of the providers of electronic communications networks and services and, respectively, 164 - in view of checking compliance with the obligations imposed by the decisions for the designation of the Universal Service providers in the electronic communications sector.

Following these control actions, on a national level, 651 contraventions were assessed on the electronic communications market, most of which were remedied following the measures imposed by the ANRCTI authorised personnel. In conformity with the relevant legal provisions, pursuant to the assessed contraventions, the ANRCTI President established terms and imposed conditions for remedying the breaches committed by 23 providers, transmitting them Notifications on the intention to enforce sanctions, which drove to the respective providers' removing the assessed failures.

By the end of December 2007, on the fixed telephony market, ANRCTI carried out 40 control actions during which 20 contraventions were assessed. Some of these were initiated by the President of ANRCTI following the end-users' complaints. According to the legal provisions, two Notifications on the intention to apply the sanction were sent and two sanctions were applied resulting in two contravention fines that amounted to RON 450,000.

As for the mobile telephony market, five control actions were carried out, and one contravention was found, related to the failure to comply with the minimum terms provided in art.19(1) of Law no.304/2003 on the Universal Service and the users' rights regarding the electronic communications networks and services, with the subsequent amendments and completions, and a Notification on the intention to apply the sanction was sent.

On the market of leased lines, data transmission and Internet access, 680 control actions were carried out in 2007, and 572 contraventions were found. Some of these were initiated by the ANRCTI President, following certain complaints received from the end-users. The most serious contraventions concerned the provision of electronic communications networks and services by unauthorised persons. According to the legal provisions, the ANRCTI President established terms and imposed conditions for remedying the breaches committed by 16 providers, transmitting them the Notifications on the intention to enforce sanctions, which drove to the respective providers' recovery of their lawful status, and applied 47 sanctions which resulted in 45 warnings and two contravention fines amounting to RON 6,000.

As well, in 2007, 69 control actions were carried out on the CATV networks providers, during which 46 contraventions were found and four Notifications on the intention to apply sanctions were sent.



According to the legal provisions, seven sanctions were actually applied, i.e. four warnings and three contravention fines amounting to RON 17,000.

In 2007, following the failure to comply with the legal provisions under art.3 of the Decision of the President of the National Regulatory Authority for Communications no.151/2006, the Authority sent 12 Notifications on the intention to apply the sanction for failure to send the half-yearly statistical data provided in annexes 2-10 for the July 31 – December 31, 2006 reporting period, respectively 186 Notifications on the intention to apply the sanction for failure to send the half-yearly statistical data provided in annexes 2-10 for the January 1 – June 30, 2007 reporting period, as well as 52 Notifications on the intention to apply the sanction for failure to send the annual statistical data provided in annex no.1 for the reporting period represented by the 2006 financial year.

14.2 Spectrum monitoring

The monitoring of the radio spectrum for non-governmental use aims to:

- provide for the effective management of the spectrum resources;
- ensure the surveillance and control of the compliance with the obligations under the licences for the use of radio frequencies and under the frequency assignment authorisations or provided by the regulations in the field of the electronic communications which use the radio spectrum.

By monitoring the spectrum, ANRCTI fulfils an important role in ensuring and making available for all the authorised users interference-free spectrum resources, taking organisational and technical measures such as:

- imposition of compliance with the regulations in force and with the provisions of licences and authorisations;
- investigation of interferences, disturbances and their remedying, in view of removing or at least reducing them to a level that no longer jeopardizes the respective applications;
- preventive monitoring of the radio spectrum for non-governmental use;
- elaboration of procedures for accomplishing the abovementioned objectives;
- management and operation of NSMS (National Spectrum Management System) integrated systems and of the RADIS (radio inspection system).

In view of ensuring the electromagnetic compatibility with the National Spectrum Management System, administrated by ANRCTI, in 2007, the regulatory authority analysed and issued endorsements in view of obtaining building authorisations for more than 1,000 files submitted by Romanian business entities involved in building ducts for radiating systems or sky-scrapers (compared to 732 files, in 2006). This increase is due to the market entry of new mobile telephony operators, upon the award of the last two licences for the use of radio frequencies for the provision of mobile public networks and third generation mobile communications services.

In 2007, ANRCTI participated in the short wave monitoring campaigns organised by ITU/CEPT, engaging the mobile monitoring stations of the NSMS and RADIS systems and was involved in monitoring campaigns for special events such as the F3 competition organised in Bucharest and for special applications with international attendance which needed the monitoring of the spectrum for non-governmental use – for instance “Danube Guard 2007”.



Other activities carried out by the ANRCTI specialists concerned the investigation of the current use of the 3.5 GHz band in view of introducing new technologies or of making special measurements on the interferences occurred in the radio frequency bands which may be used without previously obtaining a licence for the use of radio frequencies.

The actions carried in 2007 as part of the current activities of monitoring the radio spectrum for non-governmental use and of tracking unauthorised broadcastings and interferences, focused on the sub-bands assigned for non-governmental use in the bands assigned according to the broadcasting audio and video service, with 80% share of the spectrum occupancy missions. The rest of the missions (goniometry, measurements and real-time missions) were conducted upon the request of the ANRCTI units in charge with spectrum management.

The National Spectrum Management System Project, as well as the RADIS inspection system have been completed and are both operational at present, but ANRCTI needs to keep up with the new standards - such as PMR 410-430, WiMAX, IEEE 802.11n - to be introduced in Romania, in order to ensure interference-free bands, by permanently updating the technical equipment and the personnel's professional background.

14.3 Electromagnetic compatibility

ANRCTI actively participated, together with the specialists of the Ministry of Economy and Finances and of the Ministry of Communications and Information Technology, in the elaboration of the Government Decision no.982/2007 on electromagnetic compatibility, a normative act which transposes into the national legislation the Directive 2004/108/EC of the European Parliament and of the Council.

In 2007, following the transposition of the abovementioned Directive into the national legislation, ANRCTI and ACER – Romanian Association of Electromagnetic Compatibility – carried out information campaigns - for all interested persons - in Bucharest, Sibiu and Cluj on the provisions of the new Directive.

In order to correct and rapidly implement this regulation, ANRCTI started the elaboration of the Romanian version of the Guide for the EMC Directive 2004/108/EC, laid down by the European Commission, to be made available for all interested persons on ANRCTI website, starting March, 2008.

Furthermore, ANRCTI representatives took part in the actions coordinated by the European Commission through the Ministry of Economy and Finances on the surveillance of the market of radio equipment and telecommunications terminal equipment, a field regulated by the Government Decision no.88/2003 on radio equipment and telecommunications terminal equipment and the mutual recognition of their conformity, republished, as well as the market of electric and electronic equipment concerning the electromagnetic compatibility, a segment currently regulated by the Government Decision no.982/2007, and sent the synthesis data required by the European Commission.

14.4 Surveillance of the market of radio equipment and telecommunications terminal equipment

ANRCTI is the body in charge with the surveillance of the market of radio equipment and telecommunications terminal equipment and of the market of electric and electronic equipment concerning the electromagnetic compatibility throughout the country.

Monitoring, Surveillance and Control; Sanctions

Therefore, market surveillance is an essential tool for the enforcement of the European directives. Market surveillance involves two main stages:

(1) national surveillance authorities shall monitor that products placed on the market comply with the provisions of the applicable national legislation transposing the European directives and

(2) subsequently, when necessary, they shall take action to establish conformity

The ANRCTI four territorial branches checked the conformity with the provisions of the abovementioned directives, respectively with the provisions of Government Decision no.88/2003, republished, and Government Decision no.982/2007, of more than 5,000 telecommunications terminal equipment.

Table 14.1

Legislation	Territorial Branch	Number of checked products of which:	
		with substantial non-compliance	with non-substantial non-compliance
Government Decision no.88/2003, republished;	Iasi	1,376	
		0	12
Government Decision no. 497/2003, with the subsequent amendments and completions	Cluj	2,135	
		101	218
Government Decision no. 982/2007	Bucharest	978	
		0	81
	Timisoara	612	
		18	15



Table 14.2

Territorial Branch	Hierarchy of the non-substantial non-compliance	Non-substantial non-compliance identified in accordance with the provisions of art.17 letter a) of Government Decision no.891/2004	Comments
Iasi	A	1	
	B	0	
	C	6	
	D	6	
	E	0	
Cluj	A	1	The label "importer" was applied over the CE marking
	B	3	FCC, FC, CCC markings appear
	C	135	DoC lack in Romanian or, if there is an unofficial DoC, there is no indication to a website where the original DoC may be found
	D	79	The distributor did not have instructions in Romanian at the moment of the control
	E	0	
Bucharest	A	0	
	B	0	
	C	18	
	D	38	Lack of Web address for the download of the original DoC
	E	18	
Timisoara	A	9	Lack of the CE conformity mark
	B	0	
	C	14	Lack of the Declaration of Conformity
	D	1	Absence of the instructions for use in Romanian
	E	0	

Legend:

A – Improper use and affixing of the CE marking; **B** – Improper affixing of other conformity markings and additional labels; **C** – Failure to immediately submit the Declaration of Conformity (DoC) in the Romanian language or failure to attach this document to the product; **D** – Failure to attach or incomplete attachment to the products of other information provided in the applicable regulation; **E** – Failure to attach the identification number of the notified body as part of the CE marking.

Moreover, the data sent via the notification of the radio equipment in accordance with Government Decision no.88/2003, republished, for more than 300 pieces of equipment were assessed, and the information was registered in the database.

14.5 Control and sanctions applied to the operators that use the radio frequency spectrum

In 2007, ANRCTI carried out approximately 10,300 controls, on a national level, in order to monitor the activity of the operators that use the radio frequency spectrum. The ANRCTI territorial branches of Bucharest, Cluj, Iasi and Timisoara control broadcasting audio and video stations, electronic communications networks dedicated to audiovisual programme retransmission, radiocommunications networks, telecommunications terminal equipment suppliers and identify the radio stations that broadcast programmes illegally.

The control activities carried out in 2007 revealed 50 unauthorised radio stations, less than in 2006 and in 2005 - when 57, respectively 67 such radio stations were identified.

In 2007, ANRCTI issued 429 summons, 47 warnings (compared to 70 in 2006) and fined 8 companies (compared to 10 in 2006) RON 42,700 - whereas in 2006, the fines amounted to RON 50,000.

The main sanction reasons regarded the absence of documents required for selling telecommunications terminal equipments (usage instructions in Romanian, conformity statement), the lack of the

technical functioning authorisation, the use of other equipments than those provided in the authorisation or, for radiobroadcasters, the broadcasting of audiovisual programme services with other characteristics than those specified in the authorisation documents.

The control activity is not aimed at sanctioning the operators. On the contrary, its main purpose is to ensure that all the authorised persons comply with the legal provisions in the ANRCTI activity field. For these reasons, sanctions are not enforced unless prior warning has been ignored.

14.6 Postal service providers

On the postal services market, on a national level, 53 control actions were carried out in 2007 and 18 contraventions were found, most of them being instantly remedied following the measures imposed by the ANRCTI authorised personnel.

The most serious contravention assessed was the provision of postal services by unauthorised persons. According to the legal provisions, 15 sanctions were enforced, namely 13 warnings and two contravention fines amounting to RON 351,500.



15. Communication

15.1 Communication with the industry and with the users

The structural changes ANRCTI underwent in 2007, namely the broadening of its range of functions and the transition from an organisation with less than two hundred employees to a three times bigger one, imposed enhanced internal communication and a reassessment of its external public, with extended need for information. Therefore, ANRCTI initiated in 2007 two major projects: redefining the corporate visual identity, to be completed by half-2008, and designing a new website and a new Intranet page, by end-2008.

The ANRCTI website, www.anrcti.ro, remained one of the most important tools which provide both the industry and the users with information on the ANRCTI activity. Continuously updated, the application makes publicly available the main documents resulted from the ANRCTI activity, such as Decisions issued by the Authority and licences for the use of numbering resources, information on the indicators of services in the communications sector and their dynamics (such data result from processing the statistical data reported by the providers, twice a year), as well as registers of the authorised providers of electronic communications and postal services. Furthermore, following the takeover of new functions, the Authority published on its website information on the radio spectrum, radiocommunications,

audiovisual, as well as on radio equipments and telecommunications terminal equipments. The radio operators and the personnel operating the radiocommunications stations have dedicated pages.

Electronic briefs transmitted by ANRCTI weekly play a significant role in communication with the industry and the consumers. **The ANRCTI Newsletter** makes available to more than 2,000 registered users (including representatives of the European Commission and of European regulatory authorities) information regarding the Authority's weekly activity, both in Romanian and in English. In order to offer a comprehensive view on the regulatory measures and on the trends of the electronic communications market worldwide, ANRCTI draws up an international newsletter, in Romanian, dedicated to the Romanian industry, consumers and mass media representatives.

The website is also the main mechanism for announcing the launch of **public consultations**, a key process in the adoption of ANRCTI decisions with significant impact on the market. Public consultations – 17, in 2007 - precede the meetings of the Consultative Council, an advisory body within which representatives of the providers and of their professional associations, as well as other public institutions interested in the regulation activity in the communications and postal sectors, may express their points of view.



Table 15.1 Public consultation in 2007

1.	Number of draft normative acts adopted in 2007	12
2.	Number of draft individual acts communicated in 2007	5
3.	Number of withdrawn drafts	0
4.	Number of publicly announced draft decisions:	17
	- on the Authority's website	17
	- by posting at the ANRCTI headquarters	17
	- in mass media	-
5.	The number of drafts transmitted to residential users who submitted a request for information regarding a draft normative act	17
6.	Number of drafts transmitted to business associations and to other legal associations	17
7.	Number of persons designated in charge of relations with the civil society	3
8.	Total number of recommendations received	255
9.	Total number of recommendations included in decisions	103
10.	Number of participants in the consultations with the industry	95
11.	Meetings of the Consultative Council	3
12.	Number of consultative sessions with the industry and working groups	2
13.	Number of decisions issued by ANRCTI, challenged in court as regards the observance of the public consultation procedure in 2007	0
14.	Number of law suits against the public administration, for breaking the provisions of the law on decisional transparency	0

In 2007, ANRCTI reached the halfway point in **the implementation of the national programme for the installation of telecentres**, initiated by ANRCTI in 2004 for the localities with limited or no access to telephone and Internet service. Thus, the 300th telecentre was commissioned in Sighetu Silvaniei – Salaj County, in December 2007.

More than 17,000 children living in the communities endowed with telecentres have access to knowledge, are closer to the world. By means of the programme initiated by ANRCTI, approximately 230,000

of people in 300 localities can now communicate easier with their friends and relatives from abroad and keep up with the latest news.

ANRCTI organised 16 official launches of telecentres in 2007, with the participation of community members, local authorities and mass media. These events aimed to promote the services provided by the telecentres and to make the inhabitants more familiar with these, thus encouraging the users. The campaign was carried out on a national level, in all the regions, starting with Vaslui, Botosani, Cluj, Bistrita-Nasaud, Salaj, Alba, Arad, Hunedoara, Brasov, Dambovita,



Ialomita, Olt, Valcea, Buzau, Constanta and Tulcea. ANRCTI launched a telecentre on the first day of school, organised events on the inauguration of the 200th and 300th telecentres, a Christmas event and an event in collaboration with the EcoTic association, which donated 50 computers to 26 telecentres.

Petitions and requests for public interest information

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

In 2007, ANRCTI received more than 600 requests for information, considerably more than in the last years, which demonstrates that the industry and the end-users are more and more aware of the ANRCTI activity and address this institution for information and explanations. The interested natural or legal persons mostly required information on the authorisation procedure or information related to the telephone services available in Romania. The almost 400 complaints addressed to the Authority in 2007 mainly concerned deficiencies occurred in the provision of telephone services or Internet access services and issues related to the billing of such services.

Table 15.2 Requests for information and petitions solved in 2007

Requests for information by domain of interest	653
Electronic communications	
- networks installation and design	10
- neighbourhood networks	5
- telephony	46
- Internet access services	2
- cable television	6
- authorisation (procedure, standard-forms)	81
- monitoring tariff	8
- electronic communications tariffs	7

Communication

- providers	23
- interconnection	6
Postal services (authorisation, tariffs, providers etc.)	52
Legislation	38
Market surveys	19
General information on ANRCTI (contact data, organisation etc.)	67
Other	286
Solved requests	562
Pending requests	43
Unsolved requests	11
Rejected requests	0
Re-directed requests	37
Written requests	329
- on paper	31
- by electronic means	298
Requests addressed on telephone	324
Requests addressed by residential users	326
Requests addressed by business users	327
Administrative requests	0
Complaints in Court	0
Total costs	0
Average answering timeframe	10 days
Minimum answering timeframe	instantly
Maximum answering timeframe	37 days
Answering timeframe for requests addressed on telephone	instantly



Table 15.3 Complaints solved in 2007

Complaints	362
Complaints by domains of interest	
- fixed telephony	78
- mobile telephony	66
- Internet	116
- CATV	38
- postal services	13
- other	82
Issues challenged in the complaints	
- service billing/costs	79
- network/service operation/failure to operate	112
- installation/connection	27
- other	147
Petitions by network/service providers	
- S.C. Romtelecom S.A.	59
- S.C. RCS & RDS S.A.	70
- S.C. UPC Romania S.A.	31
- S.C. Vodafone Romania S.A.	24
- S.C. Orange Romania S.A.	8
- S.C. Cosmote RMT S.A.	17
- S.C. Telemobil S.A.	22
- Other	136
Submitted by natural persons	290
Submitted by legal persons	72

15.2 Communication with the mass media

ANRCTI is aware of the importance of providing the mass media representatives with accurate and prompt information, since - through this channel - the Authority maintains a coherent dialogue with the industry and disseminates information towards the consumers, in the context of an increasingly diversified offer on the communications market.

Thus, in 2007, the journalists accredited by ANRCTI received 80 press releases. The launch of telecentres offered a good opportunity for ANRCTI to have a dialogue with the local press representatives and to inform them on its activity.

Table 15.4 Information requests received from mass media, January – December 2007

Total number of requests	245
Requests for information, by domains of interest (most frequent)	
- economic regulation	30
- authorisation for electronic communications services	8
- interconnection	21
- local loop	0
- statistics/market surveys	54
- postal services	5
- legislation/ legal issues	15
- numbering	25
- Universal Service	27
- cable television	9
- Internet	11
- other	41
Solved requests	245
Unsolved requests	0
Withdrawn requests	0



Re-directed requests	0
Written requests	71
- on paper	1
- by electronic means	70
Requests addressed on telephone	174
Requests addressed personally	0
Total costs	no additional resources were necessary
Average answering timeframe	26.52h
Maximum answering timeframe	144.33 h
Minimum answering timeframe	0 h
Answering timeframe for requests addressed on telephone	instantly
Collaboration with the other divisions	very good

Table 15.5 The ANRCTI activity reflected by the mass media, January – December 2007

Total number of mass media reports	896
positive or neutral mass media reports	874
negatively biased mass media reports	22
Total number of electronic press reports	554



16. International relations, projects, programmes

16.1 International relations

Romania's accession to the European Union on January 1, 2007 triggered also consequences upon the ANRCTI international affairs, adding new implications, obligations and partners. On its turn, ANRCTI became an equal partner for dialogue with the EU structures, as now it has the right and the obligation to directly participate, with its technical expertise, in the elaboration of the community rules in the field of electronic communications, postal services and information technology.

16.1.1 Independent Regulators Group (IRG) and European Regulators Group (ERG)

Following Romania's accession to the European Union, starting January 1, 2007, ANRCTI became a full member in the European Regulators Group for Electronic Communications Networks and Services (ERG), while being the same active presence in the Independent Regulators Group (IRG) – within which ANRCTI is a full member since 2004.

The ANRCTI representatives participated in the elaboration of regulations, both in the plenary meetings and in the IRG and ERG working groups and project teams. Our representatives constantly focused on promoting regulations that would benefit the European single market in the electronic communications sector, adapted to the specific of the Romanian marketplace.

In the context of submitting proposals on the review of the community regulatory framework in the electronic communications sector, ANRCTI contributed to laying down the ERG Common Position on the European Commission's proposals.

In recognition of ANRCTI's professionalism and involvement in the IRG and ERG activities, our institution's representative in the End-User Working Group was chosen co-chair of the Working Group, and in November 2007, after the retirement of the fellow co-chair, our representative became chair of the group.

16.1.2 Radio Spectrum Policy Group - RSPG

The Radio Spectrum Policy Group (RSPG) is a consultative group set up by the European Commission Decision 2002/622/EC. After taking over the functions in the radiocommunications field, ANRCTI represents Romania in this group.

In 2007, ANRCTI's representatives in RSPG contributed to the elaboration of Reports and Opinions in the spectrum usage field, meant to assist the European Commission in laying down the final acts at the Community level.

16.1.3 Communications Committee

Following Romania's accession to the European Union on January 1, 2007, ANRCTI takes part, as a full member, in the working sessions of the Communications Committee (CoCom), the European Commission's consultative body. In 2007, the discussions within CoCom focused on topics such as: stage of the enforcement of art.7 of the Framework-Directive 2002/21/EC (the notification procedure); Universal Service; review of the regulatory framework; implementation of the European unique emergency call number – 112; leased lines; roaming, numbering within the 116 range; Commission Draft Decision on the completion of the List of standards; roaming; European Telephony Numbering Space (ETNS); collection of broadband indicators; authorisation of mobile communications services on aircraft.



16.1.4 Radio Spectrum Committee RSC

The Radio Spectrum Committee (RSC) was established by Decision 676/2002/EC on Radio Spectrum, as the body that assists the European Commission in laying down the implementation technical measures in view of ensuring harmonised conditions as regards the availability and the effective use of the radio spectrum. ANRCTI represents Romania in this group, after taking over the attributions in the radiocommunications field.

The issues approached by RSC during 2007, to the settlement of which the ANRCTI representatives contributed, were: broadband wireless access - BWA; draft decision on mobile communications services onboard aircraft; implementation of Community decisions; cooperation between the European Commission and the Electronic Communications Committee (ECC); the digital dividend, WAPECS.

16.1.5 European Conference of Postal and Telecommunications Administrations

ANRCTI actively participated 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. ANRCTI had the opportunity to host, for a week, the works of the 17th plenary reunion of the Electronic Communications Committee (ECC) within CEPT. During this reunion, a session was organised in view of the official signing of several international agreements, due to be amended, following the Regional Agreement adopted in Geneva, in 2006, during the Regional Radiocommunication Conference 2006 (RRC 06): repeal of the Chester 1997 Multilateral Coordination Agreement relating to Technical Criteria, Coordination Principles and Procedures for the introduction of Terrestrial Digital Video Broadcasting (DVB-T); review of the

Wiesbaden 95 Agreement and of the CEPT Special Agreement, Maastricht 2002, on the use of 1452 – 1492 MHz frequency bands for the introduction of terrestrial digital audio broadcasting (DAB-T); partial review of the Wiesbaden 95 Agreement and of the CEPT Special Agreement, Maastricht 2002, on the use of 47 – 68 MHz, 87.5 – 108 MHz, 174 – 230 MHz and 230 – 240 MHz frequency bands for the introduction of terrestrial digital audio broadcasting (T-DAB).

Starting 2007, ANRCTI chairs the project team on harmonised European Short Codes (PT HESC) within the ECC Working Group Numbering, Naming and Addressing (WG NNA).

The Authority's participation in the European Committee for Postal Regulations (CERP) within the CEPT enhanced - this body reorganised its structure in order to better cope with the changes in the field, the ANRCTI specialists getting deeper involved in its works.

16.1.6 World Radiocommunications Conference 2007

ANRCTI continued its activity within the International Telecommunications Union (ITU), taking part in seminars and working groups, transmission of data and indicators on the status of the Romanian electronic communications sector, as well as in the ITU Council reunion, where Romania is one of the C Region representatives. The participation of a delegation consisting of statesmen and specialists in the works of the World Radiocommunications Conference 2007 (WRC 07), the main global event in radiocommunications, was of high importance. The Conference assembled delegates from the ITU (a body of the United Nations Organisation) Member States, who decided to review and update the ITU Radiocommunications Regulation, an essential tool in this very dynamic field, bearing implications on all the economic activities.

In view of preparing the conference, ANRCTI carried out a significant number of activities: participation in the preparatory works of the CEPT Administrations – almost four years; active participation in the ITU Plenipotentiary Conference, Antalya 2006; preparation of the basic issues for upholding Romania's position on the topics approached during the WRC 07 and setting up the technical framework for the Romanian administration to sign the European Common Positions (ECPs).

16.1.7 International Conference “Reforming the Communications Regulation: in Search of the Winning Strategy”

The already traditional ANRCTI international conference, which took place on November 13, 2007, at Novotel Bucharest City Centre Hotel, was the first conference organised by the Authority after Romania's accession to the European Union.

This year's topic was “Reforming the Communications Regulation: in Search of the Winning Strategy”. Members of the ANRCTI management presented the *Position Paper on the Regulatory Strategy for Romanian Electronic Communications for 2007-2010* and invited the representatives of the communications industry, of the European Commission and of the other stakeholders and consultancy companies that attended the event to analyse the proposed objectives in this strategy paper. The success of the conference showed in the large audience and in the comments received after the conference.

16.1.8 Other bodies, other events

During August 28-30, 2007, ANRCTI hosted the working session of the Mobile Radiocommunications Services Working Group within the

“*Harmonised Calculation Methods*” Agreement – Vilnius 2005 (HCM SWG MS), which establishes the technical procedure for the coordination of radioelectric frequencies in border areas, for the fixed and terrestrial mobile services.

In the field of European radiocommunications on inland waterways, ANRCTI chairs the RAINWAT Committee - *Regional Arrangement concerning the Radiotelephone Service on Inland Waterways*.

As regards the military-civil common reunions which aim to plan civil communications, in its capacity as an administrator of the radioelectric frequency spectrum, ANRCTI was present at the reunions of the frequency management subcommittee of the working group “*Secure multi-media conferencing*” within the North Atlantic Treaty Organisation (NATO).

In 2007, as well as in the previous years, the bilateral relations with other states' regulatory authorities represented an important concern of ANRCTI. The Romanian authority strengthened the previously established ties with similar regulatory authorities from the European Union's Member States, as its specialists shared their experiences and suggested solutions on various occasions. As regards the regulatory authorities outside the Union, the most significant was the three-day working meeting with the delegation of the National Regulatory Agency for Telecommunications and Informatics from the Republic of Moldova, which wished to gather more information on the process of establishing the Romanian harmonised legislative framework, as well as on our Authority's activity. Furthermore, ANRCTI received a large delegation from the People's Republic of China, during their European tour within the “*EU-China Information Society Project*”, in the light of this country's intention to modernise and update its legislative framework for communications, as well as its interest in the Romanian model.



ANRCTI continued to take part in the activities organised by other relevant international bodies, such as: the Universal Postal Union (UPU), the French-speaking Regulators Network (FRATEL), the Latin American Forum of Telecommunications Regulators (REGULATEL), etc.

16.2 Projects and programmes

16.2.1 PHARE projects initiated in 2007

16.2.1.1 The project **PHARE RO 2005/017-553.05.01** “Support to the National Regulatory Authority for Communications (ANRC) for the implementation of a Central Database System for Number Portability”: this supply project belongs to the PHARE 2005, *Facilities for special actions* component. The project, initiated in August 2007, has a 6-month implementation period.

The overall objective of this project is to create a Central Database, which would enable the implementation of number portability in Romania, as well as to provide a programme of technical training for the ANRCTI personnel, with a view to developing and successfully implementing the number portability procedure. The implementation of number portability is one of the strongest commitments that our country undertook in accordance with the provisions of Chapter 19 on the Negotiations for Romania’s accession to the European Union.

16.2.1.2 The project **PHARE RO 2005/017-553.05.01.01.04** “Improving the Institutional Capability of the National Regulatory Authority for Communications (ANRC) in the area of *ex ante* regulation”: alongside the project **PHARE 2005/017-553.05.01**, this supply project is part of the *Facilities for special actions* component, and is to be implemented within 12 months.

The project aims to provide the Romanian regulator with technical support and “*on-the-job*” training in defining and analysing the relevant markets in the electronic communications market, in establishing the proper regulatory measures and in the national and European consultations on the analysed relevant markets, which must be carried out, according to Romania’s obligations as a Member State of the European Union, in accordance with the European regulatory framework for electronic communications networks and services.

The specific objective of this project is to maximise the end-users’ benefits by promoting sustainable competition in the electronic communications sector.

The project has the following structure:

- Task 1 – Defining the relevant markets
- Task 2 – Market surveys and identification of relevant markets
- Task 3 – Imposition of remedies/*ex ante* regulatory measures
- Task 4 – National consultations and notifications with other relevant regulatory authorities.

By means of this project, starting 2007, ANRCTI benefited 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.

16.2.1.3 Preparation of the contracting documents for the project **PHARE 2006/018-147.03.18** “Enhancing the Institutional Capability of the National Regulatory Authority for Communications (ANRC) in the area of Economic Regulation”: the overall objective is to maximise end-users’ benefits by promoting sustainable competition in the provision of telephony and broadband Internet access services on the incumbent’s fixed access network.

The purpose of this project is to enhance the institutional capability of ANRCTI 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.

The project is structured by the following activities:

Activity 1. Develop a cost model for Romtelecom's access network

Activity 2. Review the costs incurred by Romtelecom in view of ensuring the accuracy and reliability of information

Activity 3. Develop an optimised model that will ground the final costs of the services provided over Romtelecom's access network

Activity 4. Develop cash-flow financial models to assess the incentives for investment and innovation

Activity 5. Training for the ANRCTI personnel

This project shall be implemented within approximately 13 months and shall enable ANRCTI to provide for the maximisation of 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's) access network.

17. Financial data

EXECUTION ACCOUNT OF THE BUDGET OF PUBLIC INSTITUTIONS – EXPENDITURES as of 31.12.2007

Indicators	Indicator code	Bugetary debts		Budgetary engagements	Legal engagements	Payments completed	Legal engagements to be paid	Effective expenditure
		Initial	Quarterly/final					
A	B	1	2	3	4	5	6= 4-5	7
TOTAL EXPENSES (01+70+79)		260,201,814	260,201,814	140,947,625	140,947,625	135,768,805	5,178,820	157,649,989
CURRENT EXPENSES (10+20+30+40+50+51+55+57+59)	01	191,841,601	191,841,601	125,004,771	125,004,771	120,504,898	4,499,873	120,282,717
TITLE I PERSONNEL EXPENSES (code 10.01+10.02+10.03)	10	59,073,868	59,073,868	48,438,390	48,438,390	44,830,009	3,608,381	44,382,973
Cash wages expenses (code 10.01.01 to 10.01.30)	10.01	44,098,868	44,098,868	36,492,173	36,492,173	33,848,907	2,643,266	33,635,384
Basic wages	10.01.01	26,329,680	26,329,680	22,192,995	22,192,995	20,664,566	1,528,429	20,698,930
Productivity bonus	10.01.02	120,000	120,000	28,349	28,349	26,337	2,012	26,914
Seniority increment	10.01.04	2,840,000	2,840,000	2,450,910	2,450,910	2,223,247	227,663	2,253,283
Other increases	10.01.06	5,788,288	5,788,288	5,119,839	5,119,839	4,643,151	476,688	4,777,014
Extra-hours	10.01.07	250,000	250,000	104,967	104,967	99,556	5,411	96,433
Prize funds	10.01.08	3,713,000	3,713,000	2,024,496	2,024,496	2,024,496	0	1,601,653
Holiday pay	10.01.09	1,035,000	1,035,000	823,188	823,188	812,941	10,247	807,957
Travelling expenses	10.01.13	505,000	505,000	252,433	252,433	251,705	728	255,806
Other cash wages rights	10.01.30	3,517,900	3,517,900	3,494,996	3,494,996	3,102,908	392,088	3,117,394
Wage expenses in kind (code 10.02.01 to 10.02.30)	10.02	1,515,000	1,515,000	1,131,923	1,131,923	1,131,923	0	1,075,117
Lunch tickets	10.02.01	1,424,900	1,424,900	1,068,723	1,068,723	1,068,723	0	1,020,787
Other wage rights in kind	10.02.30	90,100	90,100	63,200	63,200	63,200	0	54,330

RON



Financial data

A	B	1	2	3	4	5	6= 4-5	7
Contributions (code 10.03.01 to 10.03.06)	10.03	13,460,000	13,460,000	10,814,294	10,814,294	9,849,179	965,115	9,672,472
Contributions to state social insurance	10.03.01	8,772,300	8,772,300	7,166,675	7,166,675	6,509,218	657,457	6,477,311
Contributions to unempl. ins.	10.03.02	1,004,000	1,004,000	746,860	746,860	681,052	65,808	659,659
Contributions to social health insurance	10.03.03	2,808,000	2,808,000	2,244,341	2,244,341	2,046,193	198,148	2,001,609
Contributions to professional work accidents and diseases	10.03.04	311,000	311,000	205,437	205,437	189,156	16,281	181,725
Contributions for vacations and indemnities	10.03.06	457,700	457,700	367,875	367,875	346,724	21,151	269,649
Contributions to the Guarantee Fund for wage debts	10.03.07	107,000	107,000	83,106	83,106	76,836	6,270	82,519
TITLE II GOODS AND SERVICES (code 20.01 to 20.30)	20	72,517,733	71,846,733	24,614,088	24,614,088	23,722,596	891,492	24,157,508
Goods and services (code 20.01.01 to 20.01.30)	20.01	22,669,725	22,669,725	10,128,565	10,128,565	9,539,745	588,820	9,671,636
Office furniture	20.01.01	1,253,800	1,253,800	561,700	561,700	561,514	186	418,130
Cleaning materials	20.01.02	231,000	231,000	72,312	72,312	72,288	24	60,742
Heating, electricity and motive power/propelling force	20.01.03	2,046,095	2,046,095	1,176,463	1,176,463	1,074,639	101,824	1,087,909
Water, sewerage and waste	20.01.04	116,200	116,200	56,652	56,652	53,871	2,781	54,022
Fuel and lubricants	20.01.05	2,150,000	2,150,000	814,763	814,763	803,156	11,607	850,504
Spare parts	20.01.06	360,201	360,201	119,964	119,964	119,964	0	101,427
Transport	20.01.07	20,951	20,951	18,190	18,190	18,190	0	18,190
Post, telecommunications, radio, TV, internet	20.01.08	2,519,585	2,519,585	1,482,476	1,482,476	1,344,726	137,750	1,405,384
Materials and services with functional character	20.01.09	8,836,193	8,836,193	2,439,937	2,439,937	2,331,716	108,221	2,505,551



A	B	1	2	3	4	5	6= 4-5	7
Other goods and services for maintenance and operation services	20.01.30	5,135,700	5,135,700	3,386,108	3,386,108	3,159,681	226,427	3,169,777
Other goods and services for maintenance and operation services	20.02	1,360,420	1,360,420	314,946	314,946	310,865	4,081	288,402
Goods such as inventory objects (code 20.05.01 to 20.05.30)	20.05	1,622,500	1,622,500	529,164	529,164	529,164	0	0
Delegations, transfers (code 20.06.01+20.06.02)	20.06	4,106,180	4,106,180	2,228,603	2,228,603	2,191,294	37,309	2,236,332
Internal delegations, transfers	20.06.01	2,299,700	2,299,700	1,083,195	1,083,195	1,045,942	37,253	1,081,194
Delegations abroad	20.06.02	1,806,480	1,806,480	1,145,408	1,145,408	1,145,352	56	1,155,138
Books, publications and documentary materials	20.11	359,577	359,577	97,298	97,298	96,317	981	57,361
Consultancy and expertise	20.12	5,043,679	5,043,679	1,973,188	1,973,188	1,951,527	21,661	2,369,096
Professional training	20.13	1,424,289	1,424,289	634,809	634,809	503,322	131,487	537,365
Work protection	20.14	605,038	605,038	91,345	91,345	91,345	0	52,602
Legal and extralegal expenses derived from representing state interests, according to the legal provisions	20.25	50,000	50,000	0	0	0	0	0
Other expenses (code 20.30.01 to 20.30.30)	20.30	35,276,325	34,605,325	8,616,170	8,616,170	8,509,017	107,153	8,944,714
Advertisement and publicity	20.30.01	3,451,670	2,780,670	84,393	84,393	84,393	0	84,393
Protocol and representation	20.30.02	1,404,905	1,404,905	561,858	561,858	559,855	2,003	539,566
Non-life insurance bonus	20.30.03	740,000	740,000	390,344	390,344	310,552	79,792	310,108
Rents	20.30.04	1,100,000	1,100,000	854,452	854,452	834,764	19,688	840,533
Forced execution of budgetary debts	20.30.09	50,000	50,000	816	816	816	0	816
Other expenses with goods and services	20.30.30	28,529,750	28,529,750	6,724,307	6,724,307	6,718,637	5,670	7,169,298
Other expenses	20.30.30.02	3,029,750	3,029,750	623,347	623,347	617,677	5,670	1,068,338
Universal Service expenses	20.30.30.03	25,500,000	25,500,000	6,100,960	6,100,960	6,100,960		6,100,960

Financial data

A	B	1	2	3	4	5	6= 4-5	7
TITLE III INTERESTS (code 30.01+30.02+30.03)	30	3,100,000	3,100,000	1,910,127	1,910,127	1,910,127	0	1,689,670
Interests of the external public debt (code 30.02.01 to 30.02.05)	30.02	2,500,000	2,500,000	1,497,247	1,497,247	1,497,247	0	1,518,574
Interests of the direct external public debt	30.02.01						0	
Interests of the external debts contracted by the credit principals	30.02.02	2,500,000	2,500,000	1,497,247.00	1,497,247.00	1,497,247.00	0	1,518,574.00
Interests of guaranteed and/ or direct sub-lent external credits	30.02.03							
Interests of the local external public debt	30.02.05							
Other interests (code 30.03.01 to 30.03.05)	30.03	600,000	600,000	412,880	412,880	412,880	0	171,096
Interests of treasury fund lends	30.03.01							
Interest due to state treasury	30.03.02							
Interests of state treasury temporary lends	30.03.03							
Interests to deposits and availabilities kept within the state treasury account	30.03.04							
Interests to leasing operations	30.03.05	600,000	600,000	412,880	412,880	412,880	0	171,096
TITLE VI TRANSFERS BETWEEN THE PUBLIC ADMINISTRATION UNITS (code 51.01+51.02)	51	57,000,000	57,000,000	49,818,329	49,818,329	49,818,329	0	49,818,329



A	B	1	2	3	4	5	6= 4-5	7
Current transfers (code 51.01.01 to 51.01.26)	51.01	57,000,000	57,000,000	49,818,329	49,818,329	49,818,329	0	49,818,329
Transfers representing the share of the tariffs for the spectrum use	51.01.22	57,000,000	57,000,000	49,818,329	49,818,329	49,818,329	0	49,818,329
VIII. SOCIAL ASSISTENCE	57	0	631,000	144,586	144,586	144,586	0	154,986
Social support	57.02	0	631,000	144,586	144,586	144,586	0	154,986
Cash social support	57.02.01		595,500	138,486	138,486	138,486	0	138,486
Nursery tickets	57.02.03	0	4500	0	0	0	0	0
Gift tickets granted for social expenses	57.02.04		31,000	6,100	6,100	6,100	0	16,500
TITLE IX OTHER EXPENSES (code 59.01 to 59.24)	59	150,000	190,000	79,251	79,251	79,251	0	79,251
Civil repairs	59.17	150,000	190,000	79,251	79,251	79,251	0	79,251
CAPITAL EXPENSES (code 71+72)	70	66,060,213	66,060,213	14,227,900	14,227,900	13,548,953	678,947	36,703,904
TITLE X NON-FINANCIAL ASSETS (code 71.01+71.02)	71	66,060,213	66,060,213	14,227,900	14,227,900	13,548,953	678,947	36,703,904
Fixed assets (including capital repairs) (code 71.01.01 to 71.01.30)	71.01	66,060,213	66,060,213	14,227,900	14,227,900	13,548,953	678,947	36,703,904
Constructions	71.01.01	15,167,533	15,167,533	1,321,746	1,321,746	1,245,703	76,043	1,751,279
Cars, equipments and transport means	71.01.02	36,278,099	36,278,099	6,889,806	6,889,806	6,405,098	484,708	21,595,119
Furniture, birotics and other corporal assets	71.01.03	1,424,312	1,424,312	183,970	183,970	107,542	76,428	969,391
Other fixed assets	71.01.30	13,190,269	13,190,269	5,832,378	5,832,378	5,790,610	41,768	123,88,115
FINANCIAL OPERATIONS (code 80+81)	79	2,300,000	2,300,000	1,714,954	1,714,954	1,714,954	0	663,368
TITLE XIII - CREDIT REIMBURSEMENT (code 81.01+81.02)	81	2,300,000	2,300,000	1,714,954	1,714,954	1,714,954	0	663,368

Financial data

A	B	1	2	3	4	5	6= 4-5	7
Reimbursement of external credits (code 81.01.01 to 81.01.06)	81.01	2,300,000	2,300,000	1,714,954	1,714,954	1,714,954	0	663,368
Reimbursement of external credits contracted by the credit principals	81.01.01	2,300,000	2,300,000	1,714,954	1,714,954	1,714,954	0	663,368
Reimbursement of internal credits from the guarantee fund	81.01.02							
Reimbursement of credits for the local external public debt	81.01.05							
Exchange rate differences for the external public debt	81.01.06							
Reimbursement of internal credits (code 81.02.01 to 81.02.05)	81.02							
Reimbursement of guaranteed internal credits	81.02.01							
Exchange rate differences for the internal public debt	81.02.02							
Reimbursement of credits for the local internal public debt	81.02.05							

EXECUTION ACCOUNT OF THE BUDGET OF PUBLIC INSTITUTIONS – INCOMES as of 31.12.2007

RON									
indicators	Cod	Initial budgetary provisions	quarterly/ definitive provisions	Rights acknowledged			Payments received	Liquidation through other means than payments received	Payments to be received
				Total, of which:	previous years	current year			
A	B	1	2	3 = 4+5	4	5	6	7	8 = 3-6-7
TOTAL		169,069,962	169,069,962	221,422,030	9,918,162	211,503,868	205,837,376	1,943	15,582,711
Other taxes on goods and services	12.10	3,998,148	3,998,148	3,266,425	3,266,425	0	465,204	0	2,801,221
Incomes from the share of turnover achieved in the electronic communications sector	12.10.08	3,998,148	3,998,148	3,266,425	3,266,425	0	465,204	0	2,801,221
Incomes from service provision and other activities	33.10	164,571,814	164,571,814	203,498,014	5,156,498	198,341,516	193,122,261	1,943	10,373,810
Incomes from service provision	33.10.08	164,571,814	164,571,814	203,498,014	5,156,498	198,341,516	193,122,261	1,943	10,373,810
Incomes from interests	31.10	0	0	11,550,769	1,495,239	10,055,530	10,751,046	0	799,723
Other incomes from interests	31.10.03	0	0	11,550,769	1,495,239	10,055,530	10,751,046	0	799,723
Various incomes	36.10	500,000	500,000	3,106,822	0	3,106,822	1,498,865	0	1,607,957
Other incomes	36.10.50	500,000	500,000	3,106,822	0	3,106,822	1,498,865	0	1,607,957

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Art.16 of the Regulation for the organisation and operation of the National Regulatory Authority for Communications and Information Technology, approved by Government Decision no.415/2007, published in the Romanian Official Journal, Part I, no.357 as of May 25, 2007, provides the following:

“Art.16. – (1) ANRCTI shall publish on its website, no later than the 30th of April each year, a detailed report regarding its activity during the previous year.”

ANRCTI issues printed versions in the Romanian and English languages.

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