



NATIONAL REGULATORY AGENCY FOR ELECTRONIC
COMMUNICATIONS AND INFORMATION TECHNOLOGY

REPORT **2013** on ANRCETI Activity in



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Dear Readers,



The ANRCETI team is presenting the Report on its activity performed in 2013. For ten years now the regulator has developed and published its annual reports and statistical yearbooks on the evolution of electronic communications markets. ANRCETI team are doing this job because they are interested in a good communication with the electronic communications market participants, in raising their awareness of its activities, aimed at improving the business climate, fostering competition and promoting the end users interests.

The year 2013 was marked by several important events for ANRCETI team, among which was the change in the Board composition, the modification of the institution's organizational structure, the creation of new departments and services, the promotion of young professionals to the leading positions of the new subdivisions. These changes were made in order to adjust ANRCETI activities to the current requirements of the electronic communications market, to strengthen its capacity to enforce regulatory decisions, enhance the efficiency and quality of market regulation.

Although it is early to speak about the final results of the mentioned changes, however, the first positive effects have become perceptible. ANRCETI team became more disciplined and quick in its actions. The team succeeded in completing two major projects in 2013: the implementation of telephone number portability and the performance of a new cycle of the nine relevant markets analysis, which also included the preventive measures taken to regulate those markets. ANRCETI also approved other important decisions that are reflected in this report.

ANRCETI Agenda for 2013 included several important tasks and activities. ANRCETI team was involved in the operational analysis of the situation on all market segments, in the monitoring and control of compliance with normative acts by providers, general authorization of entrepreneurs who intend to operate on this market, reviewing dossiers and issuance of licenses for the use of limited resources, settlement of disputes between providers, examination of petitions and complaints from users and provision of assistance to new market entrants. In this Report readers will find details about these and other ANRCETI activities.

As regards the statistical yearbook of electronic communications market developments in 2013, we would like to inform the readers that, like in the previous year, it will be published on the ANRCETI website in April 2014. This document contains extensive information about the status and trends of the electronic communications market segments, ANRCETI comments and forecasts about the evolution of this market in 2014.

I am convinced that both documents will be useful for all those who are following the state of regulation and the developments in the electronic communications sector. They will help stakeholders to make a clearer impression both about the concerns and plans for the future of this institution and about the real state of things in the electronic communications market in the Republic of Moldova.

Grigore VARANIȚA
ANRCETI Director

A handwritten signature in blue ink, which appears to be 'Grigore Varanița', written in a stylized, cursive manner.

BASIC ACTIVITIES PERFORMED IN 2013



1 MAIN ACHIEVEMENTS OF 2013

2013 was marked by several very important decisions taken by ANRCETI for the electronic communications market and significant steps taken for the fulfillment of its main objectives: enhancing competition and investments in infrastructure, creation of necessary conditions for the development of new technologies and broadband access services, protection of users.

During this year, ANRCETI conducted the second cycle of analysis of the nine electronic communications markets defined in 2009 as relevant for ex-ante regulation. As a result, ANRCETI revised the definitions of some markets, designated the providers with significant market power (hereinafter – SMP) and revised the regulatory measures imposed during the first cycle of analysis (2010-2011). In most cases, ANRCETI maintained the previously imposed ex-ante obligations, in some cases modified them, adding new ones to those already existing, in other cases imposed obligations on newly designated SMP providers. All these measures aimed at creating a level playing field for the development of electronic communications markets.

Number portability was another important project completed by ANRCETI in 2013, which helped increase competition on the telephone market and maximize the benefits of users. The porting service in mobile networks became available on July 1, 2013 and in fixed networks on July 31, 2013, the starting dates from which mobile and fixed telephone users can keep their telephone number unchanged when switching providers. The fact that 29 thousand numbers were ported in half a year shows that the number portability service is operating in Moldova and telephone users understand the benefits of this

service.

In 2013 ANRCETI started important actions regarding the use of spectrum in Moldova: establishing the procedure for the selection of license applicants for the use radio spectrum in the provision of electronic communications mobile terrestrial broadband networks and services, extending the validity of the rights to use radio spectrum from 900 and 1800 MHz bands, held by JSC “Orange Moldova” and issuance of a provisional 20-month license to this provider, in order to synchronize the expiry dates of licenses held by JSC “Orange Moldova” and by JSC “Moldcell”. ANRCETI also announced three auctions for spectrum licenses 1900-1980/2110-2170 MHz, 2500-2690 MHz and 3600-3800 MHz bands, but their result was declared void for the reason that these resources were not solicited.

The objective of offering maximum benefits for end users and enhance their ability to take full advantage of the competitive electronic communications market required that ANRCETI adopt the Regulations on Public Electronic Communication Service Provision, which ensures a higher degree of user protection in their relations with service providers. As well, in one of its decisions, ANRCETI defined the quality parameters for the public television service, which offer the users the possibility to evaluate the providers both before subscribing to services and during the service provision, under the concluded contracts.

Another important task fulfilled by ANRCETI in 2013 was the improvement of the mechanism of extrajudicial settlement of disputes between providers of electronic communications and between providers and end-users, in order to simplify and streamline the procedure. As a result, ANRCETI approved a new version of the Regulation on Dispute Resolution

Procedure in Electronic Communications, the enforcement of which will help maintain the balance between the high level of end-users protection and a favorable business environment for the providers operating in this sector.

2 MARKET ANALYSIS AND EX-ANTE REGULATION

In terms of economic regulation of electronic communications markets, ANRCETI's activity, like before, was aimed at creating the playing field for the development of a sustainable competition, enhancing investments in the sector development and ensuring the protection of end users rights.

In order to accomplish these aims, ANRCETI fulfilled the following activities:

- Performed the second cycle of market analysis for the relevant markets as provided by *ANRCETI Administrative Board Decision no. 85 of 28.04.2009* on Defining the List of Relevant Electronic Communications Networks/Services Markets
- Monitored the fulfillment of the special ex-ante obligations imposed on SMP providers.

In 2010 – 2011, ANRCETI performed the first cycle of market analysis for the purpose of their ex-ante regulation. As a result, the regulator designated SMP providers on all the nine relevant markets (one retail and eight wholesale market(s)) identified as susceptible to ex-ante regulation and subsequently imposed a number of special ex-ante obligations, as required by Law on Electronic Communications, no. 241-XVI of 15.11.2007 (hereinafter – *Law 241/2007*).

2.1 Relevant Market Analysis

In 2013, ANRCETI conducted the second cycle of analysis of the nine relevant markets susceptible to ex-ante regulation. This time the market analysis involved the review of the existing relevant markets definitions of defining new markets, the analysis of the competitive situation on those markets, in order to designate eventual SMP providers and the review of the regulatory measures (which means, as appropriate, maintenance, withdrawal or modification of previously imposed obligations or imposition of new obligations on SMP providers).

In the second cycle market analysis ANRCETI identified all the nine markets as susceptible to ante

regulation, designated the SMP providers, maintained and/or modified the ex-ante obligations previously imposed and/or imposed new ones.

2.2 Identification of the markets, designation of SMP providers and review of previously imposed obligations

2.2.1 Market for access of end users, legal and natural persons, to the public telephone network at fixed locations

As a result of the analysis of the market for access of end users, legal and natural persons, to the public telephone network at fixed locations (Market 1), ANRCETI concluded that the definition of this market does not differ from the previous one (established in the first cycle of market analysis) in terms of its boundaries.

The geographic boundaries of the market were determined as covering the national territory, whereas the three-criterion test demonstrated that this market continues to be susceptible to ex-ante regulation.

The detailed analysis of Market 1, which applied a number of criteria that ANRCETI considered appropriate for this market, showed that JSC "Moldtelecom" still has SMP on this market.

Accordingly, ANRCETI designated JSC "Moldtelecom" as an SMP providers on Market 1 and decided to maintain the special ex-ante obligations imposed on this provider in the first cycle of market analysis, by *ANRCETI Administrative Board Decision no.12 of 25.05.2012*.

2.2.2 Market for call origination at fixed locations of the public telephone networks and Market for traffic transit in public telephone networks

The analysis of the market for call origination at fixed locations of the public telephone networks (Market 2) and the market for traffic transit in public telephone networks (Market 9) showed that the definition of the product market does not differ from the one set up in the first cycle of market analysis.

The geographic boundaries of these markets were determined as covering the national territory, whereas the three-criterion test demonstrated that these mar-

kets continue to be susceptible to ex-ante regulation.

The detailed analysis of Markets 2 and 9, which applied a number of criteria that ANRCETI considered appropriate for these markets, showed that JSC "Moldtelecom" still has SMP on this markets.

As a result, ANRCETI designated JSC "Moldtelecom" as an SMP providers on Markets 2 and 9 and decided to maintain the special ex-ante obligations imposed on this provider, within the first cycle of analysis of the two markets, by *ANRCETI Administrative Board Decisions no. 27 and no. 28 of 01.11.2011*.

2.2.3 Market for voice call termination in individual fixed telephone networks and Market for voice call termination in individual mobile telephone networks

The conclusions arising from the analysis of the markets for voice call termination in individual fixed telephone networks (Market 3) and for voice call termination in individual mobile telephone networks (Market 7) show that the definition of the product market does not differ from the one set up in the first cycle of market analysis.

The geographic boundaries of these markets were determined within the national territory, whereas the three-criterion test demonstrated that these markets continue to be susceptible to ex-ante regulation.

The detailed analysis of Markets 3 and 7, with the application of a number of criteria that ANRCETI considered appropriate for these markets, showed that:

1. All the providers operating on the market for voice call termination in individual fixed networks have SMP, however, the power of influence of JSC "Moldtelecom" on the downstream markets is substantially bigger than of the other providers;
2. All the providers operating on the market for voice call termination in individual mobile networks have SMP; however, the power of influence of providers on downstream markets is different.

As a result of market analysis, ANRCETI designated all the fixed telephony providers as having SMP on Market 3 (30 providers), on Market 7 - all mobile providers (3 providers). As well, ANRCETI decided to maintain the special ex-ante

obligations imposed on fixed and mobile providers within the first cycle of market analysis, by *ANRCETI Administrative Board Decisions no. 60-79 of 23.12.2010* and impose special ex-ante obligations to newly designated SMP providers on Market 3.

2.2.4 Market for wholesale access to network infrastructure at a fixed location and Market for wholesale broadband access

As a result of the analysis of the market for wholesale access to network infrastructure at a fixed location (Market 4) ANRCETI revised the definition of this market by including services of access to the fiber local loop into the product market. The new definition of this market is the following: „The market of wholesale access to the network infrastructure at a fixed location includes services of total access to the copper loop and sub-loop, shared access to the local copper loop, total access to the fiber loop“.

As a result of the analysis of the market for wholesale broadband access (Market 5) ANRCETI decided to extend the boundaries of this market by including fiber broadband access services. The new definition of this market is the following: „The market for wholesale broadband access includes broadband access services based on ADSL and fiber technologies“.

The geographic boundaries of markets 4 and 5 were determined as covering the national territory, whereas the three-criterion test proved that these markets are still susceptible to ex-ante regulation.

The detailed analysis of Markets 4 and 5, with the application of a number of criteria considered by ANRCETI appropriate for these markets, showed that JSC "Moldtelecom" continues to have SMP on both markets.

Therefore, ANRCETI designated JSC "Moldtelecom" as an SMP provider on Markets 4 and 5, ascertained the need to maintain the special ex-ante obligations previously imposed, though with a few of modifications, and impose new ones.

These obligations refer, mainly, to the definitions of Markets 4 and 5 that were extended and included both copper and fiber infrastructure. Therewith, as a result of the Market 4 analysis, ANRCETI decided to

impose on JSC "Moldtelecom" new special ex-ante obligations on access to duct infrastructure and telephone poles, these for the purpose of remedying the competition problems detected on this market.

2.2.5 Markets for wholesale provision of terminal leased line segments and trunk leased line segments, regardless of the technology used for making leased or reserved capacity available

The analysis of the market for wholesale provision of terminal leased line segments, regardless of the technology used for making leased or reserved capacity available (Market 6) and the market for trunk leased line segments, regardless of the technology used for making leased or reserved capacity available (Market 8) showed that ANRCETI's conclusion on the definition of the product market does not differ from the one established during the first cycle of analysis.

The geographic boundaries of markets 6 and 8 were determined as covering the national territory, whereas the three-criterion test proved that these markets are still susceptible to ex-ante regulation.

The detailed analysis of Markets 6 and 8, with the application of a number of criteria considered by ANRCETI appropriate for these markets, showed that JSC "Moldtelecom" continues to have SMP on both markets.

As a result of market analysis, ANRCETI designated JSC "Moldtelecom" as an SMP provider on Markets 6 and 8 and maintained the special ex-ante obligations imposed on this provider during the first cycle of market analysis, by *Administrative Board Decisions no. 35 and no. 36 of 20.12.2011*.

2.3 Monitoring the compliance of SMP providers with the regulatory acts

In 2013, the monitoring activity performed by ANRCETI as regards the economic regulation of electronic communications markets, focused on verifying the actions taken by SMP providers as to their compliance with the regulatory documents issued by ANRCETI.

In this sense, ANRCETI monitored the process of amending and/or drafting of interconnection/ac-

cess reference offers, as well as standard interconnection agreements, by SMP providers, pursuant to the relevant ANRCETI Administrative Board Decisions. ANRCETI experts reviewed the reference offers of SMP providers, who are required to ensure the transparency of these deals, in order to verify the compliance of these providers with the relevant ANRCETI Administrative Board Decisions. Following the inspections, ANRCETI found that some providers failed to make the due modifications to their reference offers and required that they comply with the requirements of the Board Decisions.

As well, ANRCETI verified the process of adjustment of the direct and/or indirect interconnection agreements of the providers involved in number porting with the Regulations on number portability, approved by *ANRCETI Administrative Board Decision no.34 of 01.12.2011*, and with the provisions of *ANRCETI Administrative Board Decision no. 8 of 26.02.2013* on approving the Technical and Commercial Conditions for the implementation of number portability in the Republic of Moldova. ANRCETI found that a number of providers failed to comply with all the provisions of the mentioned decisions and required that they remove the detected irregularities, in timeframes under the law.

3 REGULATION OF SPECTRUM USE

In 2013, ANRCETI continued to develop regulatory acts on spectrum use, focusing on the creation of the necessary conditions for the roll out and development of public broadband electronic communications networks and services. This work was aimed at the implementation of the objectives set in the Program for Broadband Access Development for 2010 – 2013, approved by Government Decree no. 1077 of 17.11.2010, and in the Program for Spectrum Management for 2013 - 2020, approved by Government Decree no. 116 of 11.02.2013.

3.1 Approval of documents for the auction of licenses for the use of spectrum in the provision of electronic communications networks and services

Throughout 2013, ANRCETI developed and approved the auction documents for the issuance of licenses for the use of spectrum in the provision of

broadband electronic communications networks and services, as follows:

3.1.1 Use of 2500-2690 MHz and 3600-3800 MHz spectrum

For this purpose, two Terms of Reference(s) were developed: (i) for the auction of the license for the use 3600-3800 MHz spectrum and (ii) for the auction of the license for the use of 2500-2520/2620-2640 MHz sub-bands from 2500-2690 MHz spectrum, documents approved by *ANRCETI Administrative Board Decisions no. 12 of 28.03.2013* and, accordingly, *no. 18 of 11.04.2013*.

These documents prescribe the requirements for application to participation in the auction and the bid, the eligibility criteria and the method of evaluation of the candidates' qualification data, the technical conditions for the use of the spectrum resources above.

During this timeframe, ANRCETI issued the Procedure for Organizing and Conducting Auction, by applying the competitive selection procedure, for issuing licenses for the use of radio spectrum for the provision of public electronic communications networks and services, documents approved by *ANRCETI Administrative Board Decision no. 11 of 28.03.2013*

3.1.2 Use of 1900-1980/2110-2170 MHz spectrum

For the use of these spectrum resources, ANRCETI issued the Terms of Reference for auctioning the licenses for 1900-1920 MHz and 2010-2025 MHz from 1900-1980/2110-2170 MHz bands, for the provision of 3G public electronic communications cell mobile networks and services mobile (hereinafter - 3G license) and the standard Special Conditions for the use of these spectrum resources, documents approved by *ANRCETI Administrative Board Decisions no.50 and no. 51 of 12.09.2013*.

These documents were developed by ANRCETI in accordance with the legislation in force and seek to ensure the implementation of the Program for Radio Frequency Spectrum Management for 2013-2020. The Program provides for auctioning a license for the use of 1900-1980/2110-2170 MHz, 1900-1920 MHz spectrum, which was not applied for in 2009, according to Government Decree no. 660 of 02.06.2008, and a license for the use of 2010-2025

MHz spectrum for the provision 3G public electronic communications cell mobile services. At that time, ANRCETI granted directly three of the four 3G licenses to mobile telephone service providers JSC „Orange Moldova”, JSC “Moldcell” and JSC „Mold-telecom”, the fourth license being unclaimed.

The aforementioned Terms of Reference prescribe the requirements for participation in the auction, the bid, the eligibility criteria, the technical conditions for the use of frequencies in the auctioned frequencies, the rights and obligations of the 3G license holder.

According to standard Special Conditions for this license, approved by ANRCETI, a 3G license holder shall have the right to install, operate, manage and make available, for a an authorized third party, a 3G public electronic communications cell mobile terrestrial network, for the provision of 3G public electronic communications cell mobile terrestrial services, based on the standards of the IMT-2000 terrestrial radio access technology W-CDMA (UMTS) / CDMA 2000 with radio interface.

3.2 Auction of licenses for the use of spectrum for the provision of electronic communications networks and services

In the year under report, ANRCETI announced three spectrum license auctions. In the first auction, December 10 - February 18, 2013, ANRCETI put up the license for the use of 3750-3800 MHz sub-bands for the provision of public broadband electronic communications networks and services. This license was not claimed and that the auction was declared void.

In the second auction, April 15 – June 07 2013, ANRCETI put up five licenses: one license for the use of 2500-2520/2620-2640 MHz (2x20 MHz bandwidth) from 2500-2690 MHz band and four licenses for the use of sub-bands 3600-3650 MHz; 3650-3700 MHz; 3700- 3750 MHz and 3750-3800 MHz (50 MHz bandwidth each) from 3600-3800 MHz band, for the provision of public broadband electronic communications networks and services. Given the lack of applications, it was declared null.

The third auction, September 16 – November 01, 2013, ANRCETI put up two licenses: one – for the use of spectrum from 1900-1980/2110-2170 MHz, 1900-1920 MHz bands (34,6 MHz bandwidth) and another one – for the use of spectrum from 2010-

2025 MHz band (15 MHz bandwidth) for the provision of 3G public cell mobile electronic communications networks and services. Since the licenses were not claimed, the auction was declared null.

3.3 Issuance of a provisional license for the use of spectrum from 900 and 1800 MHz bands to JSC "Orange Moldova" for the provision of mobile GSM services

ANRCETI issued the license to JSC "Orange Moldova", upon request, given the expiry of the license for GSM cell mobile telephone service provision, issued to this provider in 1998. ANRCETI issued the provisional license, pursuant to the provisions of the Program for Spectrum Management for 2013 – 2020, for a 20-month timeframe, in order to synchronize the expiry terms of the licenses held by JSC "Orange Moldova" and JSC „Moldcell" (November 5, 2014).

The synchronization aimed to ensure equal competition conditions for the providers on this market, to consolidate the 900 MHz spectrum and to create the necessary conditions for the implementation of the technological neutrality principle.

Before the issuance of this license, ANRCETI approved, by *Administrative Board Decision no. 09 of 26.02.2013*, the Special License Conditions for the use of 900 MHz and 1800 MHz spectrum, issued to JSC „Orange Moldova" for the timeframe March 07, 2013 – November 05, 2014, for the provision of GSM public cell mobile electronic communications networks and services.

In accordance with the Program for Spectrum Management for 2013 – 2020, ANRCETI developed, based on the technological neutrality principle, new license conditions for the use of spectrum from 800, 900 and 1800 MHz bands for cell mobile networks. The draft of this document will be approved after it is subject to public consultations, in January-February 2014. In March 2014, ANRCETI is planning to auction licenses for the use of 800, 900 and 1800 MHz spectrum, given the expiry of the licenses held by JSC "Orange Moldova" and JSC "Moldcell".

4 OTHER REGULATIONS AND DECISIONS

4.1 Amending the Regulations on Dispute Resolution Procedure in Electronic

Communications

Law no. 241/2007 empowered ANRCETI to solve two types of disputes: (i) between providers of electronic communications networks and/or services and (ii) between providers of electronic communications services and end users. To achieve this task, ANRCETI Administrative Board, by its *Decision no. 54 of 24.09.2013*, approved a new version of the *Regulation on Dispute Resolution Procedure in Electronic Communications*, which became effective on December 13, 2013, when published in the Official Gazette of the Republic of Moldova.

ANRCETI reviewed the previous Regulations for the purpose of simplifying the extrajudicial dispute resolution procedure by ANRCETI and adjusting it to the most recent amendments to the legislation in force.

In developing the new Regulations, ANRCETI took into account the procedural problems identified in the timeframe 2008 – 2013, in dispute settlement between providers and between providers and end users, the need to improve the mechanism for extrajudicial settlement of such disputes, seeking to apply simple, flexible and fast procedure. ANRCETI considers that improving this mechanism will contribute to keeping the balance between a high level of end-users protection and an appropriate degree of competition between providers operating in the electronic communications sector.

The revised Regulations envisage the following tasks to be fulfilled:

- corroboration of rules, concepts and legal institutions specific for the preliminary dispute resolution proceedings;
- simplification of the action methods of the parties, by consistency and predictability of procedures;
- ensuring the stability of dispute resolution procedures and indirectly the predictability of the public administration act.

The Regulations in its new version allows of applying a system, by which the dispute resolution requests that are obviously unfounded or inadmissible, may be refused. This possibility is available in many alternative dispute resolution procedures and

was selected given that it reserves the right to protect against abusive requests (complaints).

In the case of end users, the revised procedure provides for a simple and transparent process conducted in written form and providing support and advice to applicants, except mediation by ANRCETI of disputes between providers of electronic communications services and end users.

The Regulations was revised, having regard to the amendment to Art. 31 (26) (5) and (6) of the Law no. 105-XV of 13.03.2003 on Consumer Protection, as amended by Art. II (18) third paragraph of the Law of Amending Certain Legislative Acts, no. 140 of 28.07.2011.

The Regulations aim to create a procedure capable to strengthen the providers'/end-users' confidence that the problems they face in relation to the acquisition/contracting of electronic communications goods and services can be quickly and effectively resolved.

4.2 Approval of the Methodology for setting tariffs for fixed telephone services provided to end users by JSC „Moldtelecom“

The document was developed on basis of Art. 9 (1) d) of Law no. 241/2007, which provides that ANRCETI shall approve, after preliminary consultation with the competition authority, the methodology of pricing the fixed telephone services, provided to end-users by service providers with SMP on the relevant market.

As a result of the first cycle of market analysis, ANRCETI identified, by *Administrative Board Decision no. 11 of 26.05.2011*, the market for access of end users, physical and legal persons, to the public telephone network at a fixed location (Market 1) as susceptible to ex-ante regulation and designated JSC "Moldtelecom" as an SMP provider on this market. Later, by *Administrative Board Decision no.12 of 25.05.2012*, ANRCETI imposed on JSC "Moldtelecom" a number of special ex-ante obligations, among which was the obligation of cost orientation of tariffs for services of end users access at fixed locations and call services.

The repeated analysis of Market 1, conducted in 2013, proved that JSC "Moldtelecom" still has

SMP on this market. Therefore, ANRCETI, by *Administrative Board Decision no. 59 din 24.10.2013*, designated JSC "Moldtelecom" as an SMP provider on Market 1 and decided to maintain the special ex-ante obligations imposed on this provider during the first cycle of market analysis, by *Administrative Board Decision no.12 of 25.05.2012*.

According to this decision, JSC "Moldtelecom" shall not apply excessive pricing in relation to the costs of providing fixed telephony services to prevent any use of the SMP to the detriment of end users on the one hand and, on the other hand, shall not admit of predatory pricing in relation to competitors in the provision of fixed telephony services.

The Methodology for setting the tariffs for fixed telephone services provided by JSC „Moldtelecom“ was approved by the *Administrative Board Decision no. 21 of 16.05.2013*. It was subject to consultations with the market players and subsequently approved in a public meeting of ANRCETI Administrative Board.

According to this regulatory act, JSC "Moldtelecom" shall set the tariffs for fixed telephone services provided to end users, individuals and businesses, based on the mentioned methodology, while ANRCETI shall verify the compliance of the tariffs with the methodology and the specific ex-ante obligations imposed on JSC "Moldtelecom" as an SMP provider on the market for end users access to the public telephone network at a fixed location.

5 NUMBER PORTABILITY IMPLEMENTATION

In 2013, ANRCETI completed the implementation of the actions provided by the Program for number portability implementation in the Republic of Moldova for 2011-2013, approved by Order of the Ministry of Information Technology and Communications no.52 of 30.06.2011. The following were the main actions related to this issue:

- Completion of the process of approval of regulatory acts pertaining to the number portability implementation,
- Launch of the number porting service in mobile and fixed telephone networks,

- Monitoring the operation of the number porting service.

5.1 Regulation of number portability

In 2013, ANRCETI Administrative Board approved the last two regulatory acts on number portability implementation: the Technical and Commercial Conditions for number portability implementation (*Administrative Board Decision no. 8 of 26.02.2013*) and sample General Agreement for organization, operation administration and maintenance of the centralized database for number portability implementation in the Republic of Moldova (*Administrative Board Decision no. 16 din 09.04.2013*)

The draft Technical and Commercial Conditions for number portability implementation was developed, in the timeframe November 2012 – February 2013, by the centralized database (CDB) Administrator jointly with the working group involved, which consisted of representatives of fixed and mobile providers, as well as those of ANRCETI.

The Technical and Commercial Conditions provide for a number of binding requirements to be pursued by both the CDB Administrator and the providers, in order to implement the number porting process and the routing of calls to the ported numbers. These Conditions represent a detailed document, mainly containing the following elements:

- Technical specifications for number portability implementation, including for the routing of calls to the ported numbers;
- Sample application form for number porting and the procedure for its transmission, processing validation and revocation;
- Detailed description of the number porting administration procedure;
- Providers' specific obligations in order to ensure number portability implementation;
- Methods and procedure of settlements between providers, to the CDB Administrator;
- Quality parameters of the number portability service;
- The Regulations for organization, operation, administration and maintenance of the CDB;
- Methods of informing end users when calling ported numbers.

The General sample Agreement on organization, operation, administration and maintenance of the

CDB for number portability implementation in Moldova establishes the rights and obligations of the CDB Administrator and the providers involved in the porting process. Based on this Agreement, fixed and mobile providers signed agreements with the CDB Administrator on number porting service provision.

5.2 Launch of number portability service in fixed and mobile networks

Pursuant to the Plan of Actions for number portability implementation in the Republic of Moldova, approved by *ANRCETI Administrative Board Decision no. 41 of 11.10.2012*, the commercial number porting service in mobile networks was launched on July 1, in fixed telephone networks on July 31, 2013.

Prior to the launch of number portability, mobile and fixed providers conducted an extensive public information campaign about the availability of this service and launched many attractive offers for users, who wish to have their numbers ported to the networks they operate. With these offers, the providers sought to induce the subscribers to have their numbers ported to the networks they operate and also maintain their subscribers.

For the same purpose, the telephone users can benefit from an Internet page www.portare.md, developed by the CDB Administrator. The new electronic page offers all the necessary information for the process of numbers porting from one to another provider's network. Also, by accessing this page, the users can find out what networks telephone numbers belong to.

With the view of informing the public about the launch of number portability, on June 25 2013, the leadership of ANRCETI and the Ministry of Information Technology and Communication held a press conference, attended by journalists and by representatives of the CDB Administrator and providers involved in the number porting process. During the conference, end users were informed on the benefits of number portability, the steps one needs to make in order to have his number ported to another network, whereas the representatives of providers demonstrated to the journalists, as a test, the result of several number portings and placed calls to those numbers.

During the press conference, the attendees came to know the distinctive tones used by providers, who apply different tariffs depending on the destination network, alert the callers to ported numbers, free of charge, about the fact that the given call will be terminated in a network other than the one of call origination.

With the launch of number portability, Moldova joined the over 70 countries of the world, where this service had already been implemented. Since the number portability service has been functioning in the most developed countries for more than 10 years, ANRCETI was able to take up the best practices in the implementation of this project.

5.3 Operation of the number porting service

After the launch of number portability, ANRCETI continuously monitored the operation of this service, in order to contribute, based on the gained experience, to the improvement of its quality parameters. ANRCETI's goal is to make number porting an accessible tool, to be used as easily and error-free as possible by both users and electronic communications service providers.

The CDB Administrator - Î.C.S. „NP Base” LLC is responsible for the management of administrative process associated with number portability. According to the situation on 31.12.2013, the CDB recorded 32 electronic communications providers that used geographic and non-geographic numbers for services provided at fixed locations and 3 electronic communications providers that used geographic and non-geographic numbers for services provided at mobile locations.

In the timeframe July – December 2013, a total of 28 550 numbers were ported, of which 25 885 – are mobile numbers and 2 665 – fixed numbers.

The biggest number of mobile numbers – 5 907 – were ported in July, when number portability was launched in mobile networks. In other months this indicator varied between 3 290 and 5 503. In fixed network the monthly evolution of ported numbers increased from 227, in August, up to 760, in November 2013. Chart 1 displays data about the total volume of mobile and fixed number ported monthly, in

the second half of 2013.

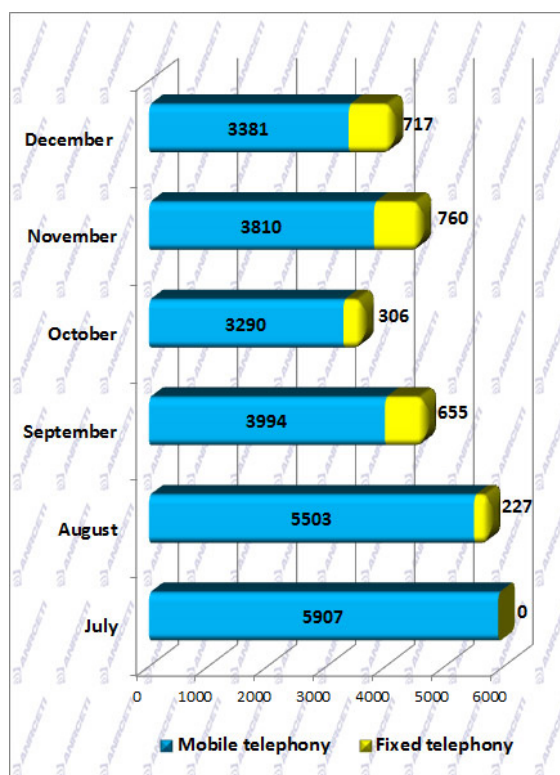


Chart 1 Number porting evolution in fixed and mobile networks, July – December 2013

As per 31.12.2013, the three mobile telephone service providers recorded the following number of portings: JSC „Moldcell” received 16 879 numbers, JSC „Orange Moldova” – 4 619 and JSC „Moldtelecom” (Unite) – 4 387. As for the fixed, in the timeframe August – December 2013, 31 providers received numbers in their own telephone networks. Most numbers were ported to the networks of the following providers: „Starnet” LLC – 1 322, JSC „Orange Moldova” – 1 091, JSC „Moldtelecom” – 110, „Sun Communications” LLC – 56, „Arax Impex” LLC – 44. The full data about the volume of ported numbers from providers-donors to providers-acceptors are displayed in the table below.

Table 1 Volume of ported numbers from providers-donors to providers-acceptors in July – December 2013

			Ported numbers						
	Provider - acceptor	Provider - donor	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Total
	Mobile telephony								
1	JSC „Moldcell”	JSC „Orange Moldova”	4 914	2 837	2 260	1 958	2 387	1 856	16 212
		JSC „Moldtelecom” („Unite”)	138	135	124	87	96	87	667
2	JSC „Orange Moldova”	JSC „Moldcell”	462	1 515	713	401	392	596	4 079
		JSC „Moldtelecom” („Unite”)	51	78	115	95	74	127	540
3	JSC „Moldtelecom” („Unite”)	JSC „Moldcell”	149	428	330	239	336	242	1 724
		JSC „Orange Moldova”	193	510	452	510	525	473	2 663
	Fixed telephony								
4	SC „Centrul de Telecomunicații Speciale”	JSC „Moldtelecom”					1		1
5	JSC „Moldtelecom”	SC „Calea Ferată din Moldova”					1		1
		JSC „Orange Moldova”				4		5	9
		„Starnet” LLC		2	5	3	3	8	21
		„Arax Impex” LLC		1				24	25
		„ITNET” LLC		1					1
		SC „Centrul de Telecomunicații Speciale”						27	27
		„Medianet Group” LLC						23	23
		„Sun Communications” LLC			1		1	1	3
6	JSC „Orange Moldova”	JSC „Moldtelecom”		5	1	9	2	245	262
		„Arax Impex” LLC					400		400
		„Medianet Group” LLC.					1		1
		„Cartel-Sistem” LLC		1					1
		„Ovatel TDM” LLC			412				412
		„ITNET” LLC		2	5				7
		„Starnet” LLC			6		2		8
7	„Starnet” LLC	JSC „Moldtelecom”		191	207	246	297	337	1 278
		JSC „Orange Moldova”		4		3	1		8
		„Arax Impex” LLC		2	5	4	5	5	21
		„ITNET” LLC					2	1	3
		”Sicres” LLC				1	1		2
		JSC „Riscom”						1	1
		„Cartel-Sistem” LLC						1	1
		„Sun Communications” LLC		3	2	1	2		8
8	„ALTNET-C.C.” LLC	JSC „Moldtelecom”		1			1		2
9	„Arax Impex” LLC	JSC „Moldtelecom”		5	1	9	24	1	40
		„Cartel-Sistem” LLC				2			2
		”Sicres” LLC					2		2
10	”Sicres” LLC	JSC „Moldtelecom”					1	6	7
		JSC „Orange Moldova”					2		2
		„Arax Impex” LLC					1		1
11	„Danis” LLC	JSC „Moldtelecom”			3	1			4
12	„Eurostock” LLC	JSC „Moldtelecom”				3		1	4
13	„Medianet Group” LLC	JSC „Moldtelecom”				3			3
14	„Stacom Sistem” LLC	„Arax Impex” LLC				4			4
15	„Metical” LLC	JSC „Moldtelecom”		1		3			4
16	„Sun Communications” LLC	JSC „Moldtelecom”		8	7	9	9	22	55
		JSC „Riscom”						1	1
17	„Voip Solutie” LLC	JSC „Moldtelecom”					1		1
		„Starnet” LLC						2	2
		JSC „Riscom”				1			1
18	„ITNET” LLC	„Medianet Group” LLC						1	1
19	JSC „Riscom”	JSC „Moldtelecom”						5	5

According to the regulations in force, the number porting service takes up to 5 working days from the date the application is submitted, except for cases when a longer term is requested, but cannot exceed 30 calendar days. Before the end of 2013, no exceeded time limits had been reported. In mobile networks, **24 152** numbers were ported within the fixed time limit of 5 working days, while **1 733** numbers – within 30 calendar days. In fixed networks: **1 238** numbers- up to 5 working days and **1 427** e numbers – up to 30 calendar days.

It should be noted that simultaneously with the number portability launch, the three mobile providers proposed a wide range of attractive offers for all the categories of pre-paid and subscription users, natural and legal persons. For the first time, these providers launched unlimited-call offers, starting 159 lei monthly, with all telephone networks in the country, mobile broadband, SMS and international calls at lower prices. One of the providers launched an even more generous offer – in addition to unlimited calls to all fixed and mobile networks - unlimited Internet traffic and additional 200 minutes included for international numbers.

Another fixed telephony provider, seeking to attract new customers, for the first time in Moldova, provided unlimited calls to all fixed networks during one year.

ANRCETI consider that the number portability implementation project has attained its goals. Number porting ensures, on the one hand, the end user's freedom to select the provider and, on the other hand, to stimulate competition between providers, thereby contributing to the reduction of tariffs for publicly available telephone services.

6 QUALITY PARAMETERS OF ELECTRONIC COMMUNICATIONS SERVICES

According to *Law no.241/2007*, ANRCETI must establish, in accordance with international recommendations, the quality of service parameters that need to be measured, as well as the content, form and manner in which the information on quality of service will be published, in order to ensure that end-users have access to comprehensive, comparable and easily accessible data. As well, ANRCETI is entitled to require that providers of public electronic communi-

cations publish updated information on the quality of services they provide.

In order to improve the quality of provided services and to ensure the end-users rights to access information about the quality of services, ANRCETI Administrative Board a approved *Decision no. 278 of 17.11.2009* on establishing the quality parameters for public electronic communications services, which defined the quality indicators that need to be measured by providers of public electronic communications network and/or services for a specified range of provided services. In the timeframe 2009 – 2013, ANRCETI established the quality parameters for seven types of public services: fixed telephony, Internet access, electronic communications provided via IP networks, via ISDN networks, leased lines, mobile telephony and television services. In 2013, *ANRCETI Administrative Board Decisions no. 66 of 29.11.2012* and *no.14 of 28.03.2013* on Internet access quality parameters (01.04.2013) and television service (01.07.2013) entered in force.

6.1 Establishing quality parameters for public television service

By *Administrative Board Decision no.14 of 28.03.2013*, which amends *Decision no.278 of 17.11.2009*, ANRCETI required that television service providers (cable, satellite, MMDS and IPTV) measure the quality parameters of this service, quarterly submit to ANRCETI and publish the results of these measurements on their electronic pages.

The mentioned decision establishes six administrative quality parameters for television service provision, as follows:

- the term required to connect to the electronic communications network for television service provision;
- frequency of complaints received from users;
- term of solving the complaints received from users,
- frequency of complaints on derangements;
- time for removing derangements;
- frequency complaint charging services
- frequency of complaints regarding unfair charges.

By its Decision, ANRCETI established the ways of measuring the mentioned parameters and recommended their limit values that the providers need to comply with. The measurement of parameters as-

sumes that providers will record all the events pertaining to the parameters and will prepare a statistical report at the end of the reporting period.

Following ANRCETI recommendations, 80% of the requests for television service provision are to be solved within a maximum of 14 days, 95% - in maximum 21 days, and the rate of requests solved within the timeframe agreed upon with the provider must be at least 98%. ANRCETI also recommends that providers solve 80% of the total number of complaints from users within 21 days, the rest – within the limit set by law (30 days).

To maintain the viability of the television service, ANRCETI recommended to television service providers that the term for removing service interruption and returning the service to its normal operation should not exceed 24 hours, in 80% of cases, and 48 hours in 95% of cases, whereas the rate of derangements removed within the timeframe agreed with the provider be 95%.

Providers are required to publish the information on the value of measured parameters according to a standard form approved by *ANRCETI Administrative Board Decision no.15 of 28.03.2013*, which amends *Administrative Board Decision no. 23 of 03.08.2010* approving the models of standard forms for the publication and presentation of the information regarding compliance with the service quality parameters in the provision of public electronic communications services. According to this decision providers must publish quarterly information before the 30th of the month following the reporting quarter, while the annual information – before the 30th of the month following the reporting year.

6.2 Monitoring compliance with regulatory acts on quality of service

Seeking to ensure a high quality of electronic communications services, in 2013, ANRCETI increased the activity of monitoring the providers' compliance with *Administrative Board Decision no. 278 of 17.11.2009*, establishing quality parameters for public electronic communications services.

This year, the emphasis was placed on checking how providers produce and publish quarterly information on quality of provided services on their websites. In the analysis of this information, ANRCETI identified a number of deviations from

the recommended values of parameters and required the providers concerned to take appropriate actions so as to eliminate such deviations in the future.

As a result of the actions taken by the regulator, in the second half of 2013 the volume of quarterly information on quality of service parameters, presented to ANRCETI and/or published by providers on their websites, increased significantly. Based on this information, in December 2013 ANRCETI placed on its official Web site - www.anrceti.md - a new electronic page - Quality of Public Electronic Communications Services, to help users find information about the quality of services.

By launching this page ANRCETI aims to ensure the transparency of service quality parameters, thus offering consumers access to comparable information on the quality of services as offered by different providers. Such information enables the consumer to evaluate his provider in terms of service quality level, which enhances the consumers' ability to better protect their rights and interests. On the other hand, accurate and objective information of consumers contributes to increased competition between providers, encouraging them to propose various offers in terms of quality and affordable in terms of price.

7 GENERAL AUTHORIZATION AND LICENSING

In September 2013, ANRCETI had been applying the general authorization regime in relation to the electronic communications activities, pursuant to *Law 241/2007*, for five years. The new procedure replaced the former licensing system in September 2008.

The general authorization regime means that a natural or legal person intending to provide public electronic communications networks and/or services has to submit a notification to ANRCETI, and start operation. ANRCETI, in 7 days maximum from the date of notification, issues a standard information declaration, confirming receipt of notification and registration of the new provider in the Public Register of Providers, as well as the conditions of the general authorization that establish the provider's rights and obligations. Unlike the former licensing system in telecommunications, the general authorization

procedure for the provision of electronic communications networks and services is free of charge, whereas the right to provide networks and services is granted for an unlimited term.

7.1 General authorization of activities in the field of electronic communications

During the reporting year, ANRCETI received **59** notifications from natural and legal persons informing of their intention to provide public electronic communications networks and services these being recorded in the Public Register of Providers. Of the **59** persons authorized in 2013, **39** – are new market entrants and **20** – persons that previously ran businesses under licenses per type of activity, issued before 2008, according to *Law on Telecommunications no.520-XIII of 07.07.1995*, in effect at that time.

On 31.12.2013, **512** persons authorized to provide public electronic communications networks and/or services were recorded in the Public Register of electronic communications providers, which is a 2,6% increase over the level registered at the end of 2012. **431** providers from the total number recorded

in the Public Register have the right to provide public electronic communications networks and **437** – public electronic communications services (majority having the right for both).

In 2013, **30** providers modified their original notifications due to the extension of their area of activity, by supplementing them with additional services and networks or areas of territory/population coverage with services. In the recent five years, such modifications were made to the notifications of **89** providers.

However, in 2013 **45** providers renounced of their rights under the general authorization, being subsequently deleted from the Public Register of Electronic Communications Providers. **133** providers have been deleted from the Register in the recent five years, upon request, for inactivity.

Chart 2 shows the indicators for application of the general authorization regime by ANRCETI, based on the notifications submitted in 2013 for the right to provide electronic communications networks/and or services.

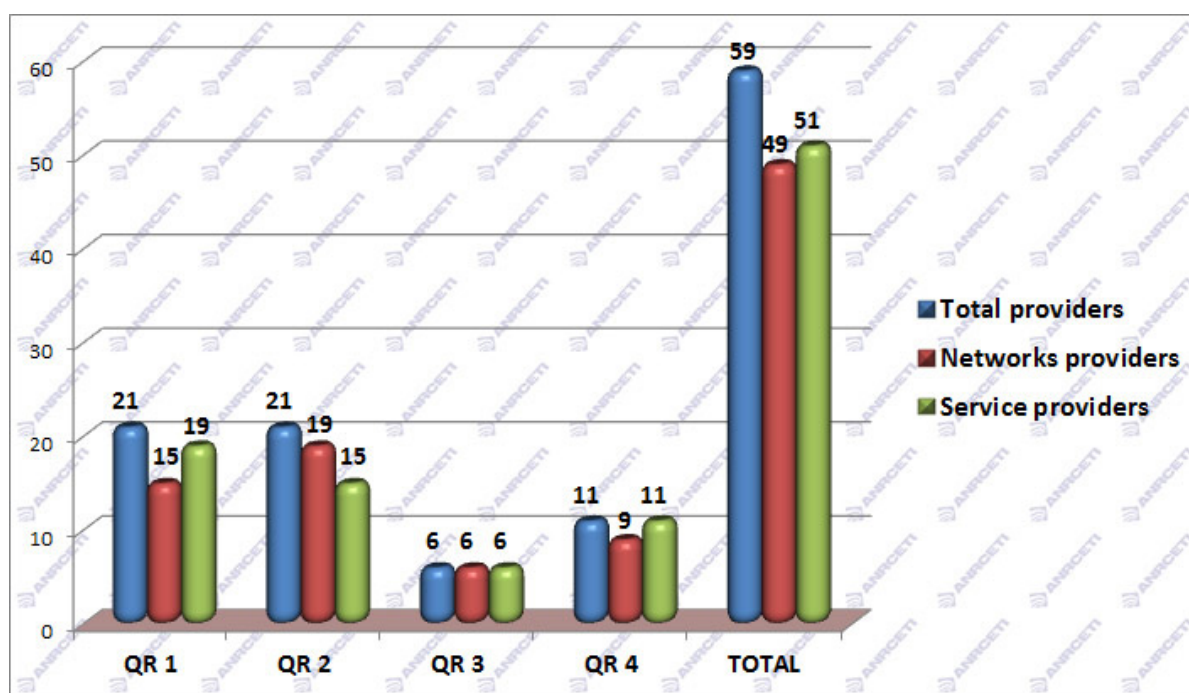


Chart 2 Providers of electronic communications networks and services, authorized in 2013

Chart 3 represents the statistical data on the development of the general authorization regime for the

provision of public electronic communications networks and/or services in the last six years.

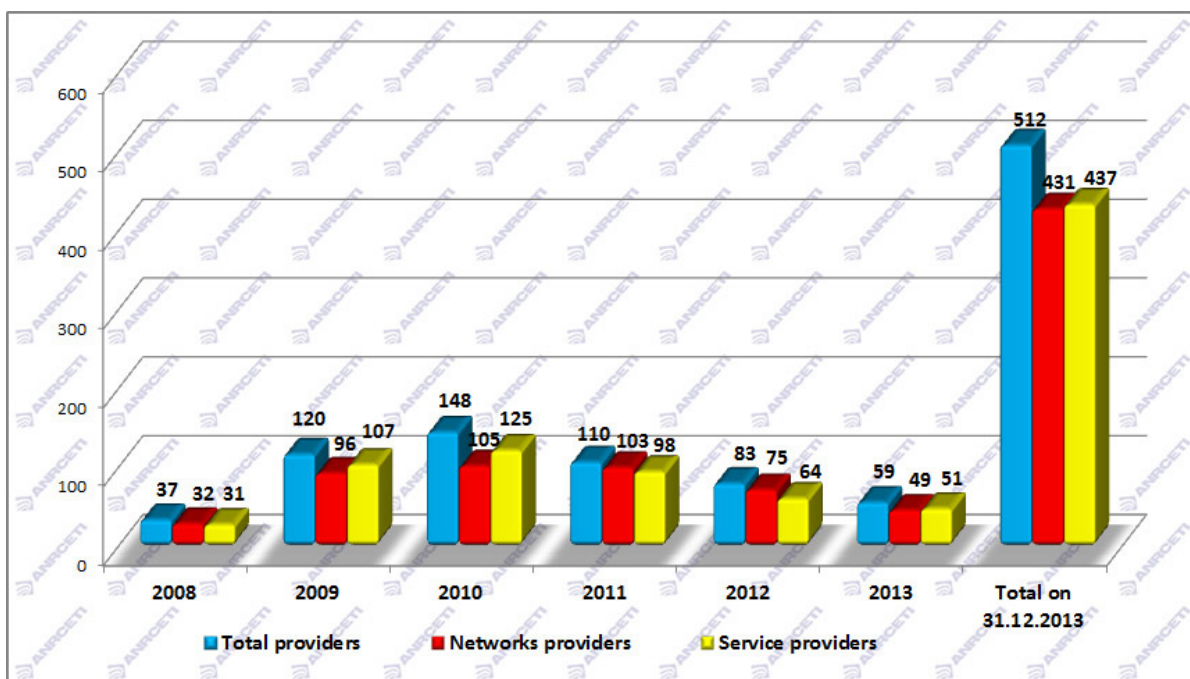


Chart 3 Evolution of general authorization regime implementation in 2008-2013

The indicators in Chart 3 show that in 2013 the number of notifications concerning the provision of electronic communications networks and/or service provision decreased compared to 2012, by 30%, mainly due to the trend of electronic communications market saturation.

Chart 4 shows the classification of notifications submitted to ANRCETI in the timeframe 2008 - 2013, depending on the type of networks that the applicants wish to provide.

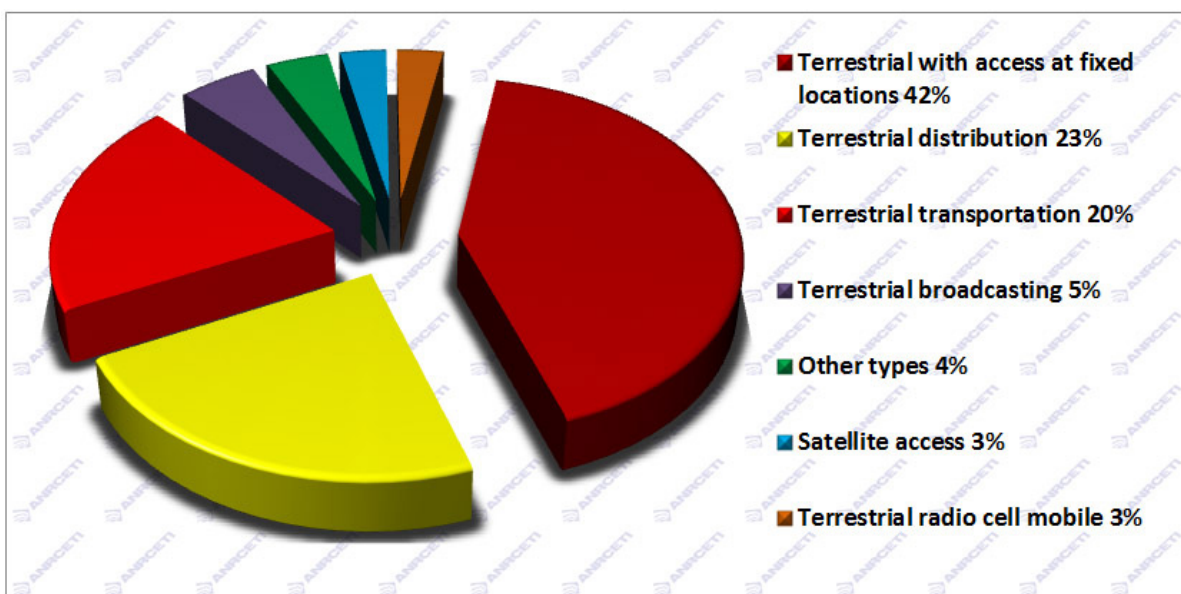
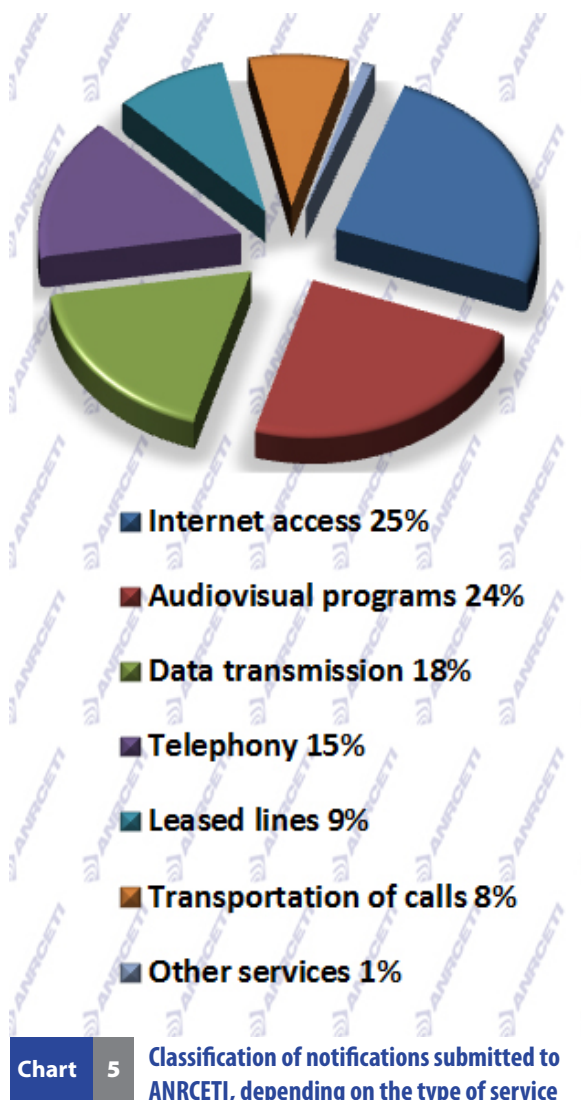


Chart 4 Classification of notifications, depending on type of networks

Chart 5 displays data on classification of notifications submitted to ANRCETI in the timeframe 2008-2013, depending on the type of services the applicants intended to provide.



The statistics in Chart 5 above shows an increase in the number of notifications concerning Internet access service provision – up to **25%**, audiovisual programs – up to **24%** and data transmission – up to **18%**.

In the timeframe 2008-2013, 283 providers – holders of licenses issued under *Law on Telecommunications no. 520-XIII of 07.07.1995*, in effect at that time, were authorized by means of the general authorization, to provide public electronic communications net-

works and/or services, as their licenses expired or were renounced.

Thus, at the end of 2013, from the total of **512** providers recorded in the Public Register of providers, **229 (44,7%)** were new market entrants, whereas **283 (55,3%)** – providers that previously operated on basis of licenses per type of activity and switched to the general authorization regime. At that point of time, 6 more providers continued operation on basis of valid licenses.

7.1.1 Authorization of activities in border area

In the timeframe under report, ANRCETI continued to authorize electronic communications activities in border area, in accordance with the provisions of the Regulations on conducting activities of installation, operation, management, maintenance and/or liquidation of electronic communications networks at the state border of the Republic of Moldova, approved by Government Decree no. 974 of 12.08.2008.

So, in 2013, the following providers were authorized to provide services of installation, operation, management and/or maintenance of networks in border area:

- JSC „Moldcell” - in several villages of Briceni and Ochita districts;
- JSC „Orange Moldova” - in several villages Nisporeni and Ungheni districts;
- „Etelecom International” LLC - in several villages of Basarabeasca, Cantemir districts and river Raut area.

As per 31.12.2013, 6 electronic communications providers – JSC „Moldtelecom”, „Starnet” LLC, „Norma Telecom” LLC, JSC „Moldcell”, JSC „Orange Moldova” and „Etelecom International” LLC - had the right to perform activities of installation, operation, management and/or maintenance of electronic communications networks at the state border of the Republic of Moldova.

Chart 5 represents the data on the authorization process in border area, in 2009 – 2013.

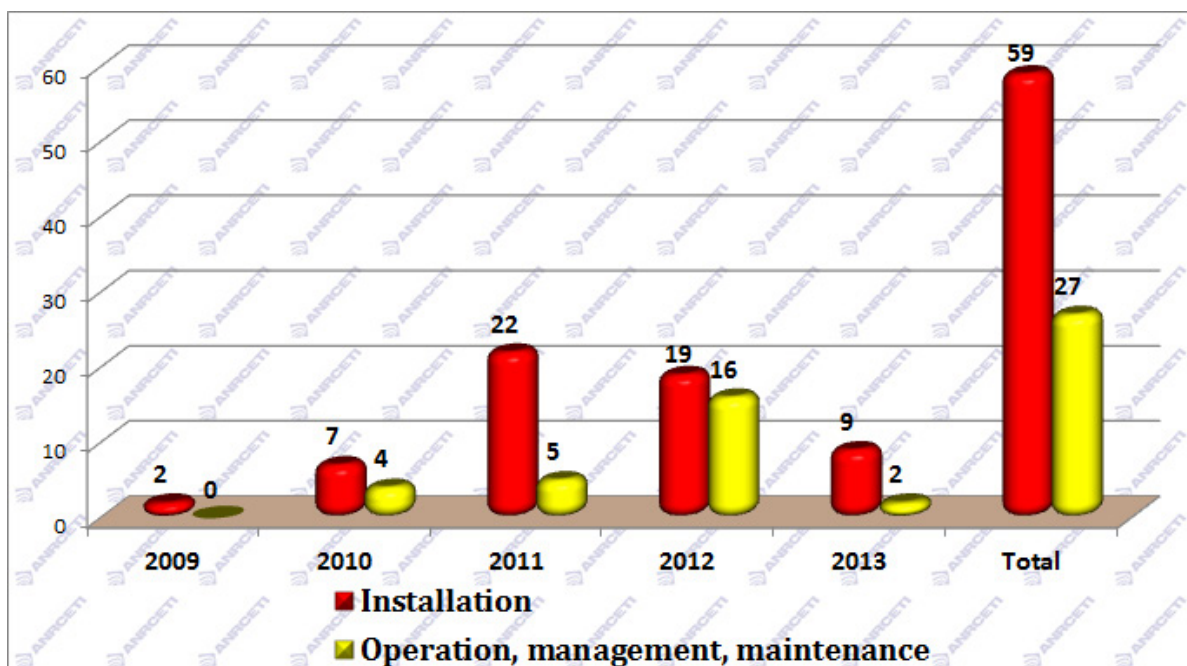


Chart 6 Evolution of authorization of activities in border area in 2009 -2013

7.2 Licensing information technology activities

Throughout 2013, pursuant to Law on regulating entrepreneurial activities through licensing no.451-XV of 30.07.2001, ANRCETI issued 26 licenses for services of creation, implementation

and ensuring the operation of information systems of state interest, including software.

Chart 7 represents the data on the process of license issuance for this type of activity, in 2010 – 2013.

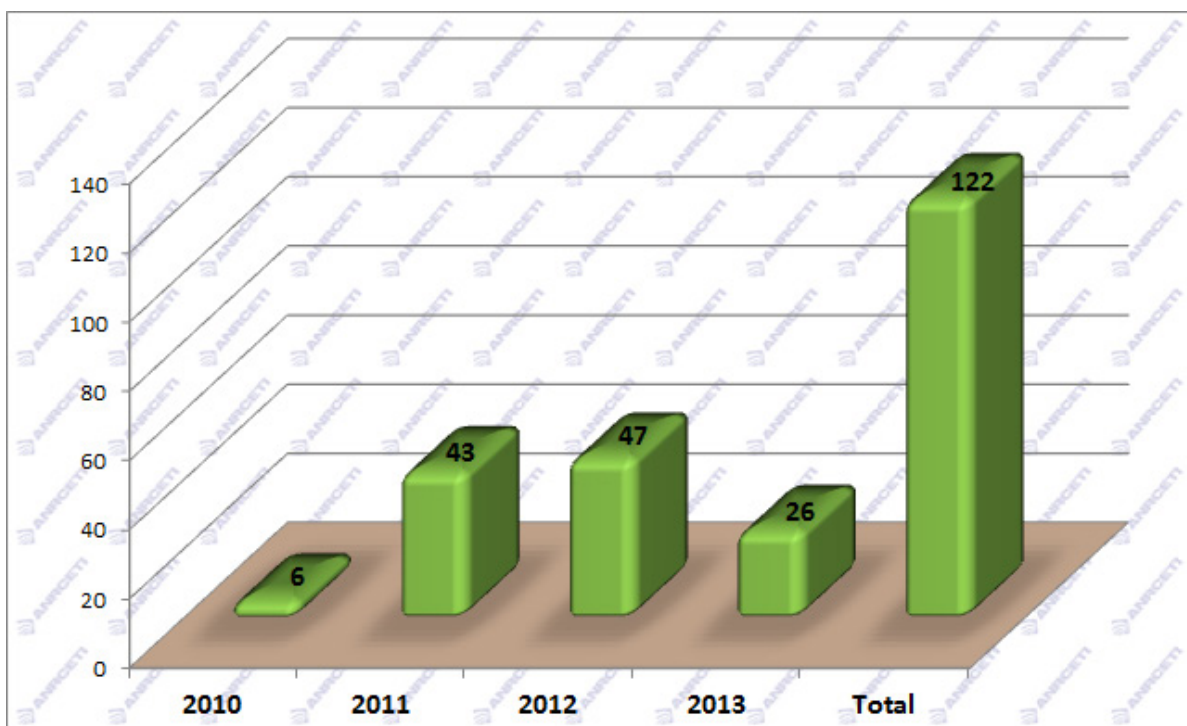


Chart 7 Evolution of license issuance for the provision of information technology services, 2010 – 2013

As per 31.12.2013, the number of license holders for this type of activity reached **122**.

In the reporting timeframe, the amount of payments transferred to the state budget as license issuance fees was **51, 35 thousand lei**.

7.3 Issuance of licenses for limited resources

7.3.1 Licenses for the use of numbering resources

In 2013, ANRCETI issued 109 licenses for the use of numbering resources in the provision of electronic communications networks and services. Based on these licenses, ANRCETI allocated over 643,7 thousand telephone numbers to providers. Of these, 610 thousand were numbers for mobile

telephone networks and services, 32,2 thousand – for fixed telephony and 1000 – numbers independent of location.

The 610 thousand of mobile numbers were allocated to JSC „Moldcell” – 300 thousand, JSC „Orange Moldova” – 200 thousand and JSC „Moldtelecom” – 110 thousand. ANRCETI also allocated 3 200 fixed numbers to JSC „Moldtelecom”, and 29 thousand – to alternative fixed network providers.

In 2013, the number of requests for numbering resources increased over the number recorded in 2012. The Table below displays more information on the numbering resources allocated in 2009 – 2013.

Tabele 2 Numbering resources allocated by ANRCETI in 2009-2013

	2009	2010	2011	2012	2013
Total allocations, including:	840 089	358 349	1 024 220	281 248	643 748
- Numbers for public electronic communications networks and services, provided at mobile locations	700 000	300 000	850 000	200 000	610 000
- Numbers for public electronic communications networks and services provided at fixed locations	130 749	57 007	131 500	62 600	32 200
- Numbers for „Freephone” service	7 500	300	200	--	90
- Numbers for „Premium Rate” service	1 764	1 002	25 500	620	410
- Short national numbers for services of general interest (taxi, medical services etc.)	41	31	13	28	9
- Numbers independent of location	--	--	17 000	18 000	1 000
- Routing numbers	--	--	--	--	39

7.3.2 Licenses for the use of spectrum

In 2013, ANRCETI issued **12** licenses for the use of spectrum for the provision of electronic communications networks and services. In this timeframe, ANRCETI updated 6 and accepted the concession of 3 such licenses.

Of the **18** licenses issued and updated by ANRCETI, **12** are for the use of radio frequencies and terrestrial radio-electrical broadcasting of audiovisual programs (FM radio stations) and 6 – for the use of radio channels for the provision of audiovisual programs (cable TV).

On August 16, 2013 ANRCETI withdraw the license

for the provision of GSM cell mobile telephone services, obtained by JV „Eventis Mobile” LLC in December 2006. The license was withdrawn as a result of the holder’s failure to remove the circumstances, leading to the suspension of this license, in the timeframe prescribed by law. The Court Ciocana (Chisinau mun.), by the Ruling of 09.09.2013, confirmed the legality and validity of ANRCETI actions, while the Court of Appeal Chisinau upheld that Ruling on 17.12.2013.

Chart 8 shows the evolution of license issuance for the use of spectrum for the provision of public electronic communications networks and services, in the recent five years.

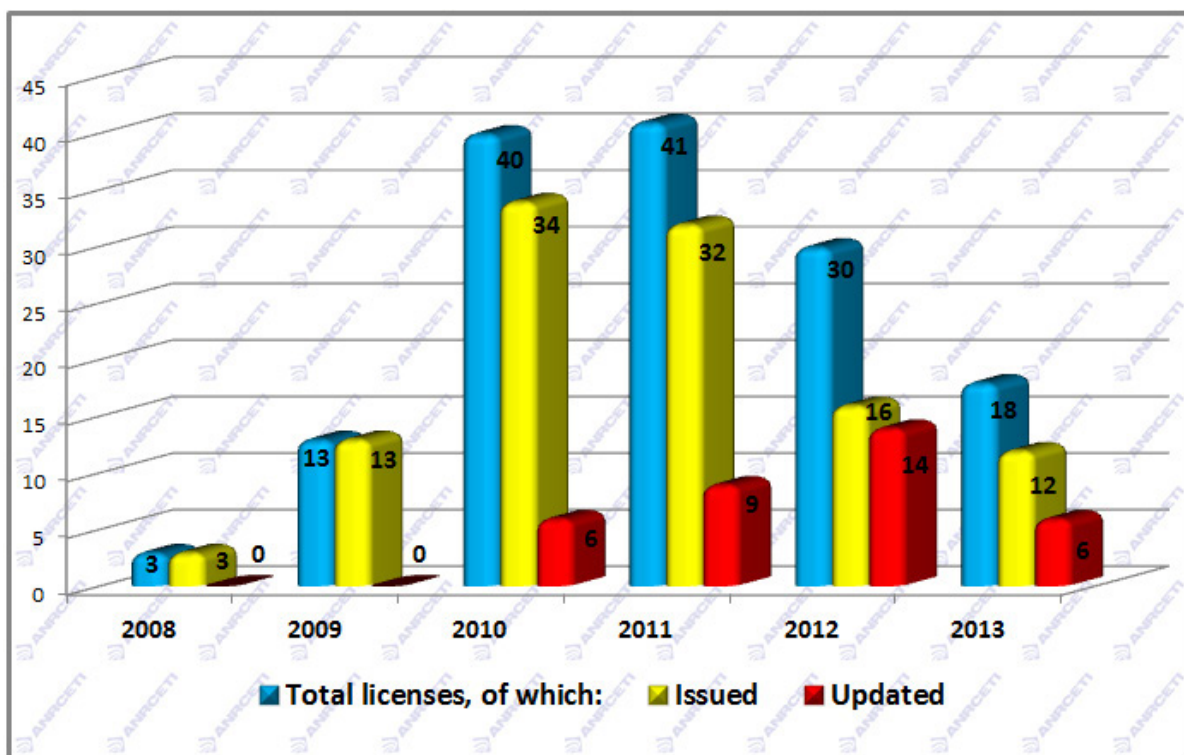


Chart 8 Number of licenses for the use of spectrum, issued by ANRCETI in 2008 – 2013

7.4 Issuance of technical permits for radio communications stations

In 2013, ANRCETI issued, upon request, 124 technical permits for radio communications stations, as follows:

- 81 – for mobile terrestrial radio communications

stations;

- 7 – for stationary radio communications stations;
- 36 – for amateur radio communications stations.

Chart 9 shows the data on the technical permits for radio communications stations issued by ANRCETI in 2010 – 2013.

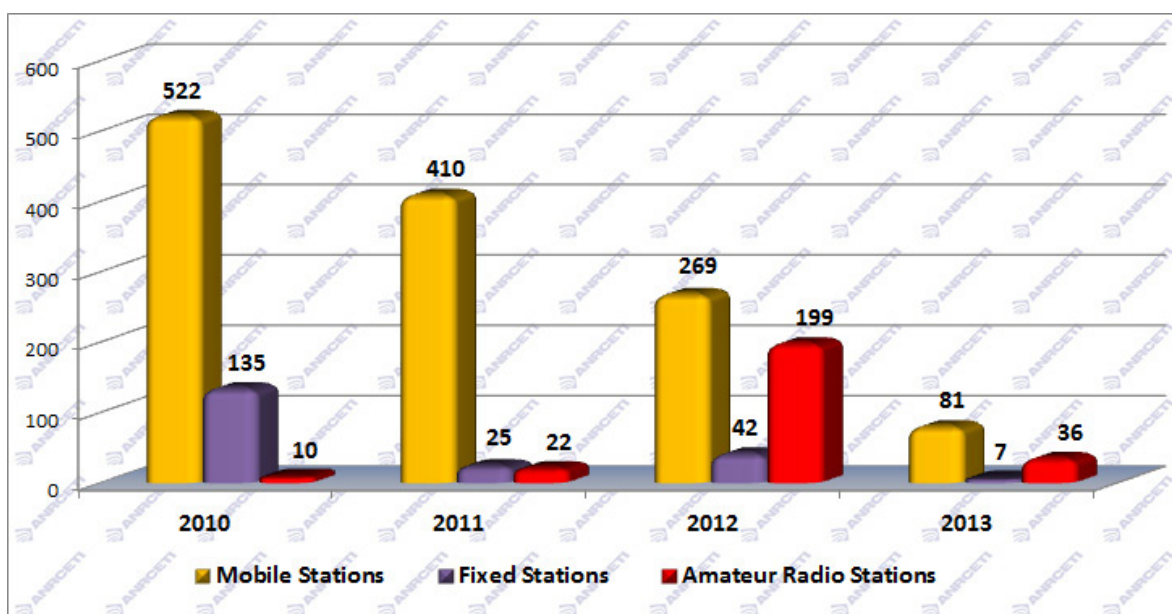


Chart 9 Number of technical permits for radio communications stations issued by ANRCETI in 2010 – 2013

The analysis of the data presented in Chart 9 shows a cyclicity in the process of issuance of different types of technical permits, which is caused by the validity of permits. If the validity of permits for terrestrial mobile radio communications stations is three years, they will expire in 2014, which means that the number of requests for such permits will increase. This trend applies, to a higher or lower extent, for other types of technical permits.

8 MONITORING AND CONTROL

The monitoring activity performed by ANRCETI consists in the regular and comprehensive analysis of the information (reports, petitions, appeals, materials submitted at the regulator's request, mass media, etc.) about the operation of the participants to the ICT market. This work is focused on estimating the correctness of application of relevant legislation provisions and assessing the conformity of the regulatory framework with the modern requirements. The objective of the monitoring is to prevent market participants from eventually committing violations of the legal requirements in force.

The control activity performed by ANRCETI represents a series of inspections (planned and unplanned) to verify the providers compliance with the provisions of the legislation in force. This activity is performed by ANRCETI by visiting the providers, or by inviting their representatives to the regulator's office. This work is performed pursuant to the Regulations on Control Procedure in electronic communications, approved by *ANRCETI Administrative Board Decision no. 9 of 18.08.2008*.

The inspections can be *planned* and *unplanned*. The planned ones are mainly focused on the evaluation of the degree of providers' compliance with the provisions of normative and legislative acts in force and conducted on basis of the monitoring activity or are aimed at verifying the veracity of the information presented in the notifications, submitted to ANRCETI by the persons intending to provide electronic communications networks and/or services. Unplanned inspections aim to collect the necessary materials for examining and solving, by competence, the issues raised in the complaints received by ANRCETI and in the notifications from state authorities.

8.1 Monitoring the application of normative and regulatory acts by providers

As regards this aspect, the activity performed by ANRCETI in 2013, included:

- regular and comprehensive analysis of the information included in **143** documents on different subjects, sent by natural and legal persons, including public institutions;
- monitoring over **350** providers in terms of reporting on revenues gained from electronic communications activity;
- updating the lists of active electronic communications providers (that effectively provide electronic communications networks and/or services), based on reports on revenues gained from electronic communications activity presented as appropriate;
- monitoring the process of regulatory/monitoring fees payment;
- monitoring the presentation of statistical reports to ANRCETI;
- monitoring the presentation of statistical data regarding the infrastructure associated to leased line services;
- monitoring the providers' compliance to the requirements of *ANRCETI Board Decision no. 278 of 17.11.2009* (hereinafter – *Decision 278/2009*) on quality of service parameters for the public electronic communications services provided;
- monitoring the enforcement of documents, issued by ANRCETI for the implementation of number portability in the Republic of Moldova.

Due to the monitoring actions, in particular after issuing 91 prescriptions:

- 68 cases of electronic communications contraventions were prevented;
- 100% reports on the revenue generated from electronic communications activities were presented and 98,9% regulatory/monitoring fees for 9 months of 2013 were paid;
- the providers' compliance with the provisions of the telephone number portability regulations was ascertained.

At the same time, the process of monitoring revealed the fact that not all providers complied with the provisions of *ANRCETI Administrative Board Decision 278/2009*. To the highest extent, the decision was not complied with by television service provid-

ers (65 providers), who were required to submit information on quality of services starting with July 1, 2013, when Decision 278/2009 came into force. The cause of these infringements, according to the providers, lies in the complexity of filling in the forms of quality of service parameters for television service and calculating the values of the parameters included in these forms. To eliminate these shortcomings, ANRCETI is planning to organize, in 2014, round tables discussions to instruct providers in this regard.

8.2 Control of compliance with the electronic communications legislation

In the timeframe under report, ANRCETI conducted **138** inspections of **113** authorized providers, **7** – license holders, **4** companies from other sectors that committed violations of the electronic communications legislation, and **14** natural persons, suspected of unauthorized connection to the network.

Of the **138** inspections, **101** – were planned and **37** – unplanned. The planned inspections were focused on the compliance with the normative and legislative

acts in force, while the unplanned ones – on examining the facts described in the notifications of state bodies and providers, in complaints addressed to ANRCETI by end users.

Some of the inspections (**95**) were conducted under the *Law on State Control over Entrepreneurial Activity no.131 of 08.06.2012* (hereinafter - *Law 131/2012*), which came into force on March 1, 2013 and which provides for a number of additional actions, such as criteria-based selection of providers to be included in the quarterly schedule of planned inspections, the approval and the publication of the schedule on ANRCETI Web page.

Additionally to the **138** inspections, ANRCETI specialists participated in **12** joint inspections, initiated and conducted by other duly authorized entities (Ministry of Information Technology and Communications, Ministry of Internal Affairs, State Tax Inspection and Consumer Protection Agency). Chart 10 shows data about the inspections conducted in 2013.

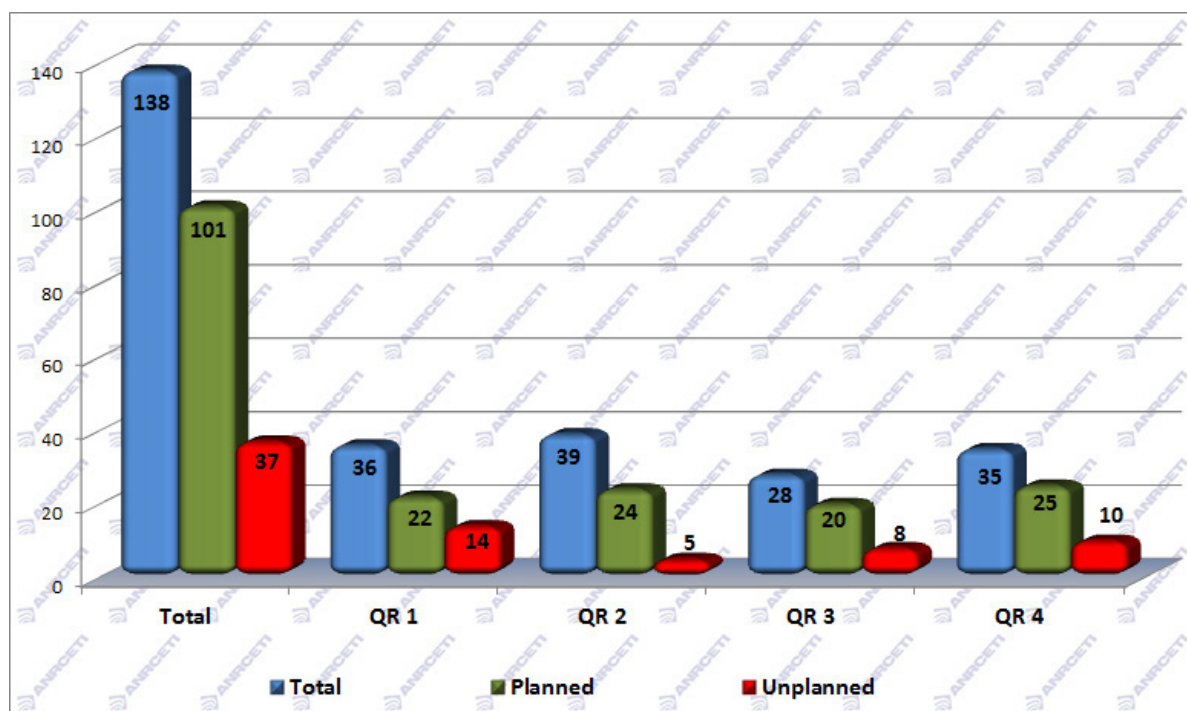


Chart 10 Evolution of inspections performed by ANRCETI in 2013

The data in Chart 10 show that the number of unplanned inspections did not exceed 50% of the number of planned ones, which fact corresponds to the provisions of section 12 of the Regulations on Control Procedure in Electronic Communications, approved

by ANRCETI Administrative Board Decision no. 09 of 18.08.2008.

The evolution of the number of inspections, performed by ANRCETI in 2011-2013, is shown in Chart 11.

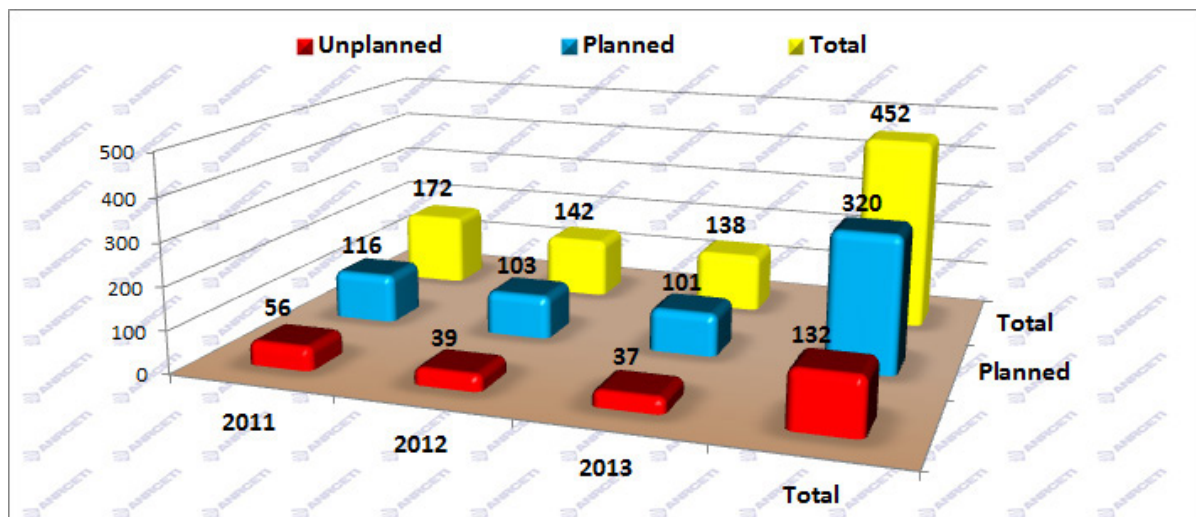


Chart 11 Evolution of inspections by ANRCETI in 2011- 2013

The data in Chart 11 show a decreasing tendency of the number of unplanned inspections, compared to 2011, by about 44%. This is mainly due to the monitoring actions by ANRCETI specialists in 2013, as well as due to the instructions of providers during verifications.

As a rule, all the inspections ended up with the issuance of an inspection record, or, if applicable – a contravention report.

Thus, the inspections in the given timeframe resulted in 138 inspection records and 23 contravention reports.

According to the inspection records prepared by ANRCETI, 45 providers (46%) committed no violations, 41 providers (30%) were not engaged in electronic communications activities, 29 providers (24%) had some deviations from the normative documents in force. In relations to the later, under art. 30 (1) of Law 241/2007 and art. 29 (1) of Law 131/2012, ANRCETI, issued prescriptions requiring elimination of violations, indicating specific terms for presentation of confirmations to ANRCETI. All the providers complied with the requirements within the set deadlines.

Chart 12 reflects the types of violations stated in the inspection records in 2013.

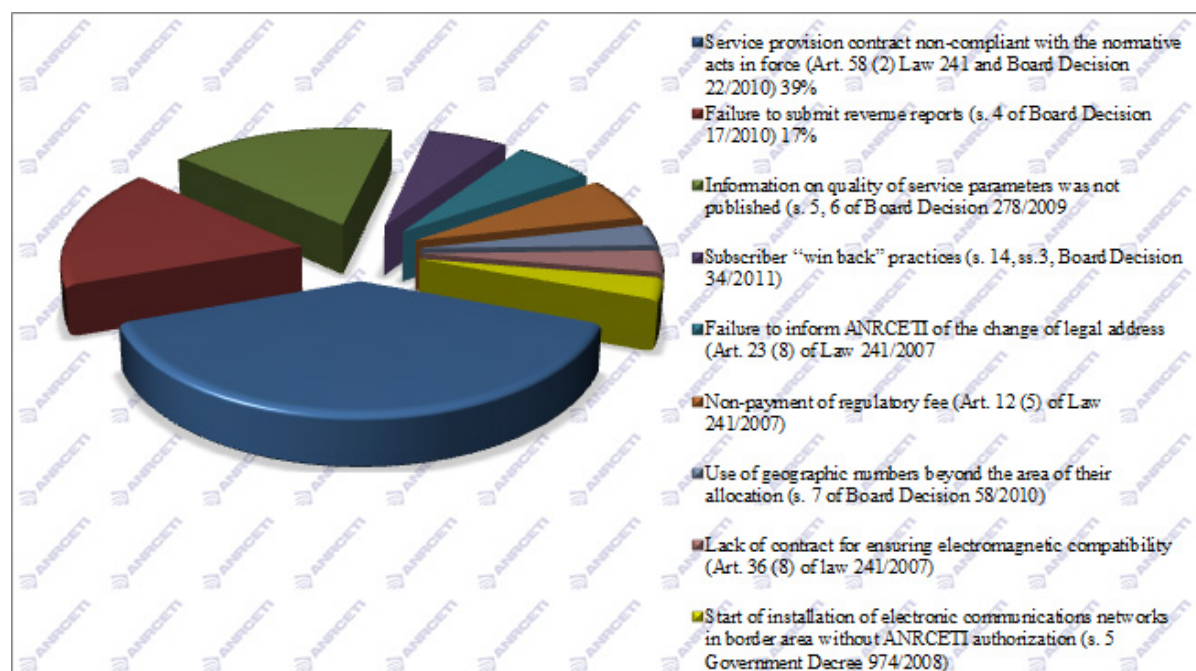


Chart 12 Types of violations stated in the inspection records made by ANRCETI in 2013

The information of Chart 12 denotes that over 77 % of the violations stated in the inspection records concern the protection of end users rights, of which the most frequent are non-conformity of service provision contract to the requirements of the normative acts in force – 39% and failure to publish the quality parameters of the provided services - 17%.

8.3 Contraventions

Contraventions in electronic communications means facts (actions or inactions) illegally committed on this market and which are subject to sanctions, as provided by Chapter XIV of the *Code on Contraventions no.218-XVI of 24.10.2008* (hereinafter – *Code 218/2008*).

In 2013, the inspections ascertaining serious violation resulted in 25 reports on contraventions. 23 of those were drawn up by ANRCETI specialists and 2 – by representatives of police inspections from the Ministry of Internal Affairs, documents sent to ANRCETI for examination by competence.

The reports can be classified as follows:

a) by the subject of the contravention:

- 14 reports concerning natural persons;
- 9 – concerning legal entities.

b) by type of activity of the contravener:

- 5 reports concerning providers of electronic communications networks and/or services (less by about 30% than in 2012).
- 18 – concerning other individuals.

The following served as basis for the reports:

- 5 notifications at ANRCETI's initiative;
- 3 notifications from S.C. „Metical” LLC;
- 9 notifications from JV „Sun Communications” LLC;
- 6 notifications from Police Inspections of the Ministry of Internal Affairs.

The total number of reports can be divided, depending of the misdeeds committed in contradiction with the articles of Chapter XIV of the *Code 218/2008*, as follows:

- Art. 252 (unauthorized connection or admitting of such connection to electronic communications networks) – 12 reports;

- Art. 246 (1) (unauthorized provision of electronic communications networks or services) – 3 reports;
- Art. 247 (1) (non-compliance with the general authorization conditions by the providers of electronic communications networks or services) – 1 report;
- Art. 248 (1) (use of spectrum without a license and technical permit – 1 report;
- Art. 255 (deliberate damage to electronic communications lines, installations, equipment) – 3 reports;
- cumulated contraventions, specified in Art.250 (6) (violation of protection rules of electronic communications line and facilities) and (7) (execution of construction work in the areas of protection of electronic communications lines, cables and installations, with no permit from owners of those) – 2 reports;
- cumulated contraventions, provided for in Art. 250 (6): (violation of protection rules for electronic communications lines and installations) and (7) (execution of construction work in the areas of protection of electronic communications lines, cables and installations, with no permit from owners of those) and Art. 255: (deliberate damage to electronic communications lines, installations, equipment) – 1 report.

Chart 13 shows the classifications of reports, depending on the contravention.

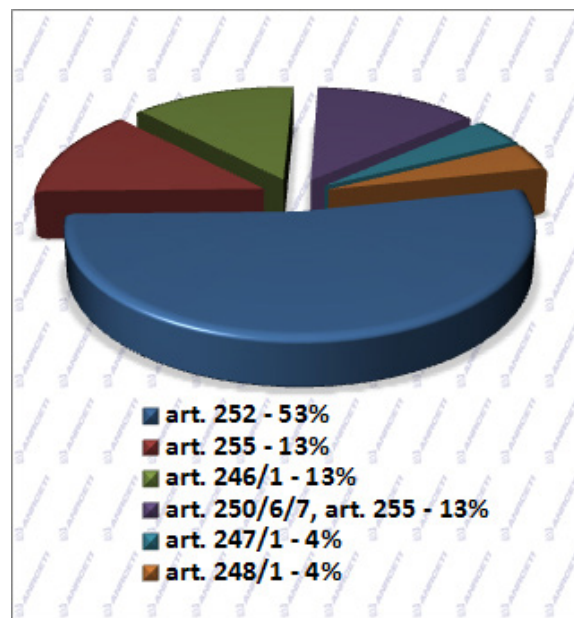


Chart 13 Structure of reports made by ANRCETI, depending on the contravention committed

The biggest number of reports on contraventions - 12 (53%) – concerned natural persons, who illegally connected to the electronic communications networks of the authorized providers. Six reports, (26%) were made with reference to construction companies that carried out construction works within the protection zones of electronic communications lines, cables and installations, with no authorization from the owners of such lines, while in some cases deliberately damaged those facilities.

Before the end of 2013, competent courts examined and issued definitive judgments on 20 reports of those sent by ANRCETI, as follows:

- **15** – with sanctions applied as fines;
- **3** - the guilt of the contravener was admitted, but due to the expiry of the prescription term for contravention liability, the sanction was not applied;
- **2** – the reports were dismissed for lack of contravention constituent elements.

As a result of the court examination of cases, according to court judgments, the contraveners were fined 1620 conventional units (32500 lei).

9 DISPUTE EXAMINATION

Pursuant to the provisions of *Law 241/2007*, one of ANRCETI's duties is solving disputes between providers of electronic communications networks and/or services, for the purpose of ensuring free competition and protecting the end users. Pursuant to Art. 14 (5) of this law, where the disputes between providers cannot be amiably solved by themselves, they are examined by ANRCETI, upon request of any of the parties. ANRCETI has the right to adopt a binding decision in order to solve the dispute.

In 2013, ANRCETI performed its activity of dispute resolution between providers pursuant to the Regulations on dispute resolution procedure in electronic communications, approved by *ANRCETI Administrative Board Decision no. 15 of 23.09.2008*. In 2014, ANRCETI will be guided in this activity by the new version of the Regulations, approved by *ANRCETI Administrative Board Decision no. 54 of 24.09.2013* and published in the official gazette of the Republic of Moldova no. 291-296, 13.12.2013.

9.1 Disputes between providers

In 2013, ANRCETI reviewed three requests for dispute resolution, as follows:

- LLC „Arax-Impex” against JSC „Moldtelecom”;
- LLC „Net-Connect Internet” against JSC „Moldtelecom”;
- LLC „Net-Connect Internet” against JSC „Moldcell”.

The subject of the complaint was failure of companies JSC „Moldtelecom”/ JSC „Moldcell” to comply with the provisions of *ANRCETI Administrative Board Decisions no. 60 and no. 78 of 23.12.2010 on special ex-ante obligations on the market for voice call termination in individual fixed/mobile telephony network* and their refusal to conclude additional interconnection agreements for provision of international call termination services in the fixed network of JSC „Moldtelecom” and mobile network of JSC „Moldcell”.

ANRCETI informed the parties that those complaints cannot be solved pursuant to the Regulations on Dispute Resolution Procedure in electronic communications, approved by *ANRCETI Administrative Board Decision no. 15 of 23.09.2008*, for the reason that the regulator amended the original obligations imposed on JSC „Moldtelecom”/ JSC „Moldcell” in December 2010 by the mentioned Decisions and ordered, provisionally, by *ANRCETI Administrative Board Decisions no. 43 and 59 of 16.11.2012*, that the „prices for international call termination, applicable until 31.12.2016, shall be established by the offering provider (JSC „Moldtelecom”/ JSC „Moldcell”) independently, according to market conditions.”

The requirements of the complainants to oblige JSC „Moldtelecom”/ JSC „Moldcell” to conclude interconnection agreements for international call termination in their fixed/mobile networks is a measure that can be imposed on these providers by means of special ex-ante obligations, which can be done by a regulatory acts based on the provisions of Art. 43 (1) g) in correlation with Art. 48 of *Law no. 241/2007* (which means conducting market analysis in advance, according to the rules and procedure as established in the Regulations in identification and analysis of relevant electronic communications markets and designation of SMP network and/or service providers, approved by *ANRCETI Administrative Board Decision no. 55 of 29.12. 2008* and eventually, revision of *ANRCETI Administrative Board Decisions*

no. 43 and 59 of 16.11.2012), but not by a decision of dispute resolution, which can be issued by ANRCETI pursuant to Art. 14 (5) of the mentioned Law.

10 PROTECTION OF END USERS RIGHTS

Being empowered by law to protect the end-users of electronic communications services, ANRCETI, during 13 years of activity, gained significant experience in terms of protecting legitimate rights and interests, knowing in detail the end users' vulnerability and the risks they are exposed to in their relations with electronic communications service providers. Having analyzed the current situation, ANRCETI ascertained that the end-user's vulnerability is largely caused by insufficient degree of transparency of information regarding the conditions of service provision and use, both at pre-contractual stage and during the actual civil relationship between the parties.

Besides examining the petitions in terms of the requirements of applicable normative acts in electronic communications, ANRCETI is also concerned with the improvement of the existing regulatory framework as regards consumer protection, including the development and approval of new regulations in this respect, according to the duties and powers set by law.

Thus, in 2013, ANRCETI attained the objective of improving the secondary normative acts concerning the protection of consumers by developing and approving the Regulation on public electronic communications provision, which will replace some outdated current regulatory requirements (the Regulations on GSM cell mobile telephone service and the Regulation on fixed telephone service provision). The new Regulations was published in the Official Gazette of the Republic of Moldova no.258-261/1695 of 15.11.2013 and will enter in force on February 15, 2014.

10.1 Regulations on public electronic communications service provision

When developing this document, ANRCETI took into consideration the situation on the electronic communications market, as well as the recent amendments to a number of legislative acts related to consumer/end user protection. The Regulations is based on the clauses of the legislation in force, meets the modern requirements and offers solutions for set-

ting key challenges, identified by ANRCETI as regards protection of end users in electronic communications.

The new normative act sets the general principles of regulating the relations between providers of public electronic communications services and end users, aimed at enhanced protection of the latter, by requiring that providers ensure the transparency of tariffs and conditions of provision and use of public electronic communications services.

The Regulations comprises the key subjects concerning the relations in electronic communications, such as:

- a) contracting services;
- b) providers' rights and obligations;
- c) end users' rights and obligations;
- d) itemized bills;
- e) manner of complaint examination and initiation of dispute settlement procedure.

As regards contracting services, the Regulations establishes that the minimal term for contracts concluded in written form with end users is 24 months, except the contracts concluded with entrepreneurs or legal persons. As well, the Regulations provides that the services provided by means of pre-paid cards or other payment options that allow of anonymous access to those services can be contracted without priorly concluding a written agreement.

An important role in the Regulations refer to the compartments, in which the rights and obligations of end users and providers are developed and systematized, which is absolutely necessary for when the parties conclude the contracts for public electronic communications service provision. In these compartments the customary practices were formalized, within the scope of primary legislation, which will make the parties more responsible.

Thus, in addition to granting the right to provide services and set the pricing, as well as the conditions of service provision, the provider is also obliged to make publicly available free detailed, clear and updated information on applicable prices and tariffs, other conditions of service provision and use, in order to enable end users to choose services, prices, quality according to their interests.

The Regulations reiterates the obligation of the provider to undertake the necessary measures to

ensure the integrity of the public electronic communications network and non-stop service provision, except for force majeure cases, as declared in accordance with the legislation in force. In addition, the document sets the maximum terms for remedying the faults that led to interruption or degradation of service provision, but also the obligation of the supplier to perform recalculation of the subscription or to compensate, at least the equivalent of the calculated sum, for terminal locations and /or where appropriate, for the telephone numbers, for which the service were interrupted or degraded during the period of repair, where the provider exceeded the maximum term allowed for that.

The Regulations also makes it incumbent on the provider to inform the end user, in writing, about the modifications of the contracts, tariffs and conditions of service provision and use under the contract, at least one month before such modifications enter in force, including about the end user's right to terminate his contract without being penalized, if he does not accept the new conditions. This is not applicable to cases when the new conditions are more favorable for the end user.

It is notable that, according to the Regulation, in the event of early termination of the written contract by the end user, (before the initial minimum term), the provider may not claim compensation higher than the actual value of the damage caused to the provider in connection with such termination.

At the same time, the Regulation sets out the end user's rights and obligations arising from the applicable legislation in force, the procedure of providing the itemized bill, required by the end user in order to verify the conformity of the bill in relation to the actually provided services. The document also establishes the procedure of complaints examination

and initiation of dispute settlement proceedings between the end user and the provider.

The provisions of the Regulations are binding for the providers, end users, as well as for other persons involved in the process of provision and/or use of public electronic communications services.

10.2 Examination of complaints and petitions

Like in the previous years, in 2013 the examination of complaints and petitions was a constant activity performed by ANRCETI. The regulator promptly responded to any petition and took appropriate steps to solve the problems objectively, impartially and comprehensively, within its competence, including by conducting unplanned verifications of the providers concerned, where appropriate.

In the year under report, ANRCETI reviewed and replied to 594 complaints and petitions from natural and legal persons, applying for assistance. The number of complaints and petitions received by ANRCETI increased over 2012, by 3,6%.

ANRCETI replied to 242 requests for access to information, 169 requests for technical, legal and economic expertise, 172 complaints and 11 petitions conveyed during hearings and via ANRCETI's "green" telephone line - 080080080. In most cases, ANRCETI specialists provided explanations and recommendations on how to resolve the problems described by the authors, offered useful information and advice for a better understanding of the services and offers available on the electronic communications market.

The evolution of the number of petitions received by ANRCETI from end users and providers in the timeframe 2009 – 2013 is shown in Chart 16.

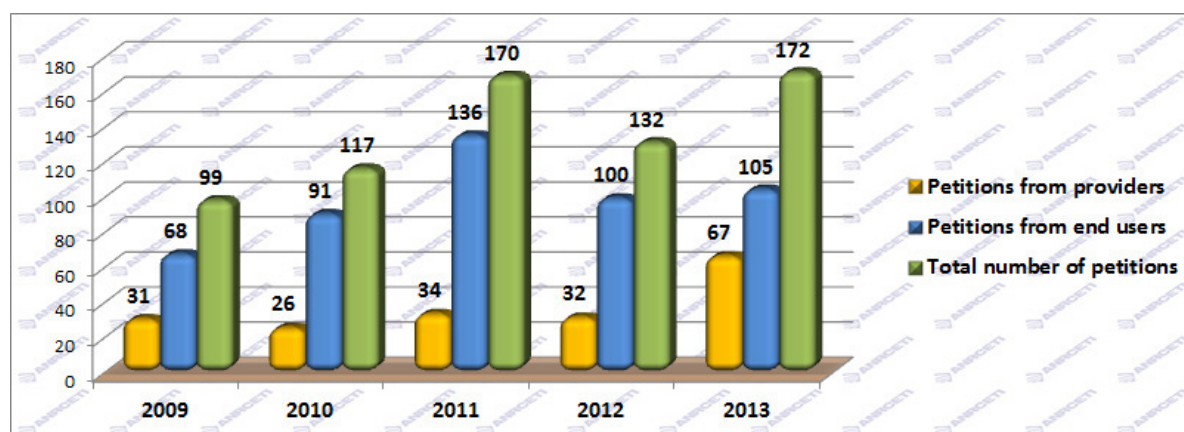


Chart 14 Number of petitions from end users and providers, 2009 – 2013

Out of the 172 petitions registered in 2013, 122 – were directly addressed to ANRCETI, while 50 – through other state institutions. 105 petitions came from end users of electronic communications services and 67 – from the providers of these services. The biggest number of the total came from mobile telephone users (28), pay TV (24), interconnection and access to infrastructure services (23), number porting (21), fixed telephony (19).

The analysis of the aspects dealt with in petitions show that in most cases, the signees claimed violation by providers of legal provisions, contractual clauses and interconnection agreements (66 petitions), accuracy of bill data (34 petitions), unsatisfactory quality of service (25 petitions), abusive actions admitted by some providers in the number portability implementation (21 petitions), de termination of service provision and restriction of access to the network (19 petitions).

Like before, in 2013 the highest number of petitions came from the customers served by the biggest providers on the electronic communications market – JSC "Moldtelecom" (70 petitions), JSC "Moldcell" (26 petitions), JSC "Orange Moldova" (14 petitions), LLC "Sun Communications" (10 petitions).

As a result of the investigations carried out by ANRCETI it was found that out of the 172 petitions 33 – are justified, while the facts described in 76 petitions did not prove to be founded, being classified as unjustified. The signees of 40 petitions received due explanations, 4 petitions were referred to other entities according to competence, 8 – are under examination, while 11 petitions were rejected for being non-complainant with the legislation in force.

Most of the petitions considered as justified were solved in favor of end users requesting ANRCETI's involvement, whereas in the other cases the regulator proposed to the complainant alternative solutions for overcoming the situations. This approach facilitated the problem-solving process.

The table below provides more detailed information about the complaints and petitions, examined by ANRCETI in 2013.

Table 3

Characteristics of complaints and petitions examined by ANRCETI in 2012 - 2013

	2012	2013
Total number:	573	594
■ Requests for access to information, including electronically submitted	206	242
■ Requests for technical, legal and economic expertise	183	169
■ Petitions via "green line"	47	8
■ Petitions conveyed during hearings	5	3
■ Petitions	132	172
a. Depending on area of interest		
• Mobile telephony service	34	28
• Cable TV services	15	24
• Internet services	25	16
• Fixed telephony services	9	19
• Radio broadcasting	-	1
• Interconnection, access to infrastructure	18	23
• Number portability	-	21
• Content services	3	21
• Numbering resources	8	-
• General	20	39
b. Aspects complained about		
• Concern regarding electromagnetic influence from basic exchanges on health	6	1
• Accuracy of billing data	26	34
• Tariff increase	5	6
• Quality of services provided, malfunctions	29	25
• Abusive clauses in contracts concluded with end users	1	-
• Violation of contract clauses, interconnection agreements, normative acts	48	64
• Illegal disconnection from the networks/ restrictions for network access/termination of services	11	19
• Unfair competition	4	-
• Numbering resources assignment	2	-
• Abusive actions admitted by providers in the process of number portability implementation	-	23
c. Petitions according to network/service provider		
• JSC "Moldtelecom"	64	70
• JSC "Moldcell"	14	26
• JSC "Orange Moldova"	7	14
• JV "Sun Communications" LLC	8	10
• "Starnet" LLC	9	4
• "Ilixa-Bis" LLC	-	2
• "Arax Impex" LLC	1	1
• "Concession" LLC	-	1
• SC "Radiocomunicații"	-	1
• "Virs" LLC	-	1

	2012	2013
• "A.M.T." LLC	-	1
• "Vertamar" LLC	-	1
• "ITNET" LLC	-	2
• "Nordlinks" LLC	1	1
• "Focus-Sat" LLC	1	-
• "Oldima" LLC	2	-
• "Tele-Crio" LLC	1	-
• "Extindere" LLC	1	-
• "Rosanin Plus" LLC	1	-
• "Iumas TV" LLC	1	-
• "Data Network Communications" LLC	1	-
• "Diana Net" LLC	1	-
• "Denavia TV" LLC	1	-
• "Cartel Sistem" LLC	1	-
• No specified provider (general)	16	37
• Content providers	1	-
d. Petitions from natural persons	100	103
e. Petitions from legal entities	32	69
f. Petitions from providers	32	67
g. Petitions from end users	100	105
h. Justified petitions	24	33
• Unjustified petitions	63	76
• Petitions referred to other entities by competence	5	4
• Explanations presented	24	40
• Rejected petitions	6	11
• Pending petitions	10	8

11 COMMUNICATION

ANRCETI communications activities were focused on reflecting the main actions carried out in 2013: (a) telephone number portability implementation; (b) auctions for selecting license holders for the use of spectrum; (c) public consultations and approval of regulatory acts with significant impact on the electronic communications market; (d) organization of workshops, conferences and press briefings.

These activities were aimed at informing the stakeholders about the initiatives, projects, decisions and

activities of public interest performed by the regulator, so that interested stakeholders benefit from necessary and useful information about ANRCETI regulations, news and the situation on the electronic communications market.

11.1 Consultation process and communication with the industry

In the year under report, ANRCETI enhanced its communication with the providers by ensuring the necessary conditions for their participation to the public consultation procedure for Administrative Board Decisions and approval of regulatory documents, organization of working meetings focused on current issues as regards regulation of electronic communications, keeping them informed by means of ANRCETI Web site. As an additional option, ANRCETI electronically sent all the informative materials published in 2013 on its Web site to those who requested them.

In this period, ANRCETI placed on its web site, for public consultations, 54 draft Decisions, of which 43 - were approved in public Board sessions. The Web site announced about all the consultations and Administrative Board public meetings, providing information such as summaries of documents, synthesis of their contents, justifications for their adoption, data on accompanying documents and summaries of recommendations from stakeholders as regards the documents under consultation.

As part of public consultations held in 2013, ANRCETI received 675 recommendations from stakeholders pertaining to the consulted documents. Of the total number, 402 were qualified by ANRCETI as justified and resulted in amendments to a number of draft Board Decisions.

The table below contains more information about the process on public consultation on draft ANRCETI Administrative Board Decisions in the recent four years.

Table 4 Process of public consultations of ANRCETI draft documents in 2010 – 2013

	2010	2011	2012	2013
1 Number of documents subject to public consultations	67	29	65	54
2 Number of documents announced on the Web site	67	29	65	54
3 Number of public hearings, debates and sessions	40	35	78	27
4 Number recommendations received	420	240	195	675
5 Number of recommendations included in the draft decisions	175	111	112	402
6 Number adopted decisions	60	23	59	43
7 Number of cases where ANRCETI decisions were contested for non-compliance with Law no. 239-XVI of 13.11.2008	-	-	-	-
8 Number of sanctions applied for non-compliance with Law no. 239-XVI of 13.11.2008	-	-	-	-

11.2 Communication with the public

In 2013, ANRCETI sought to communicate actively and permanently with the public, by using its traditional work instruments: official Web page and mass media.

As well, ANRCETI used the open data portal date.gov.md for the same purpose, providing five data sets for the portal. Those comprise updated information on the following subjects:

- Data about authorized/active providers of electronic communications services from territorial-administrative units of R. Moldova;
- Evolution of electronic communications markets;
- List of technical permits issued by ANRCETI for radio amateurs;
- List of SMP providers on relevant markets;
- Development of broadband services at fixed locations in territorial-administrative units of R. Moldova.

In the same timeframe, ANRCETI conducted an ample campaign of raising the awareness of the public about the advantages of telephone number portability, a service launched on July 1, 2013 – in mobile networks and on July 31, 2013 – in fixed networks. During this campaign, at the main television and radio stations, ANRCETI representatives in charge provided communications, explanations and answers to multiple questions from the public as regards number portability. The same subjects were discussed in the press conference on June 25, 2013, dedicated to the number porting in the R. Moldova. The conference was attended by decision-makers from ANRCETI and the Ministry of Information Technology and Communications, the event being largely reflected by the at the main television and radio stations from Chisinau, by the main press agencies and publications across the country.

During this campaign, ANRCETI widely used its Web site. It hosted over 20 press releases on number portability, as well as five advertising banners on this subject.

11.3 Accessing ANRCETI official Web site

Statistical data regarding access to ANRCETI official Web site show that in 2013, it was monthly accessed by 11 thousand visitors. The number of one-time

visitors was 67,4 thousand (in 2012 - 80,8 thousand), while the total number total of visitors was over 131,8 thousand (in 2012 – 155,3 thousand).

According to these data, out of the total number of visitors, almost half – 65,4 thousand (49,6%) – returned once or several times to the site during the year, more than half - 66,5 thousand (50,4%) – were new visitors. The majority of visitors – 99,4 thousand (75,4%) – are from R. Moldova, the rest – from 148 countries. Most visitors from abroad visiting ANRCETI Web page are from Romania (15,7 thousand), Russia (2,9 thousand), Ukraine (2,1 thousand) and great Britain (over one thousand).

The statistics also recorded, during 2013, a monthly average of 32,2 thousand browsings of ANRCETI's Web page, the most often viewed compartments being: News – 84,7 thousand (22% of the total), Test your Internet speed – 22 thousand (5,7%), Market evolution – 11,1 thousand (2,9%), laws of the Republic of Moldova – 10,2 thousand (2,6%), Engine for numbering resources search – 9,1 thousand (2,5%), administrative Board Decisions – 9,2 thousand (2,4%) etc.

11.4 Communication with mass-media

In the communication with press institutions, ANRCETI focused on keeping the press representatives informed as regards its activities of public interest, on regulatory projects and documents with significant impact on the electronic communications market, within press events, and by broadcasting the news and press releases. For this purpose, during the year, 128 informative materials were written and sent to the press, a big part of those being taken over and disseminated. Those materials were also made publicly available on ANRCETI Web page.

In 2013 ANRCETI held three press conferences and one briefing. During the first conference, (February 11, 2013), ANRCETI decision-makers presented the results of the regulator's activity in 2012 and the priorities for 2013, at the second conference (April 15, 2013) – the tendencies attested in the evolution of electronic communications market in 2012. The third one (June 25, 2013) was dedicated to the launch of number portability in R. Moldova, while the briefing of August 16, 2013 ANRCETI informed the press about the reasons that determined the regulator to withdraw the license of JV „Eventis mobile” LLC for

the provision of GSM cell mobile telephone services. These events were largely covered by electronic and print media.

In the same period, ANRCETI responded to invitations to participate in radio and TV programs and to all requests from mass media representatives for interviews and / or public information. In most cases, ANRCETI decision-makers provided explanations and comments on current subjects pertaining to the regulation of electronic communications market, such as telephone number portability implementation, development of electronic communications markets, withdrawal of the license held by JV "Event-is Mobile" LLC etc.

Based on the press releases disseminated by ANRCETI, the printed media published 38 articles on topics related to the regulator's activity and the development of the electronic communications market, while the electronic media distributed about 80 materials on similar subjects. Most materials published in mass - media were generated from ANRCETI sources (press releases, news, answers to requests for information, interviews), all those bearing a neutral character.

12 INTERNATIONAL RELATIONS

2013 was marked by was marked by deepening the relations of ANRCETI with specialized international, European and regional bodies, as well as similar regulatory authorities from other countries. ANRCETI focused on enhancing the collaboration with the European Commission (EC), the Body of European Regulators of Electronic Communications (BEREC), the company PricewaterhouseCoopers Slovakia in the process of coordinating activities within the EC technical assistance project "Network of Electronic Communications Regulators from Eastern Partnership countries. NARECIT performed this work while chairing this group in 2013.

As well, ANRCETI developed cooperation relations with the regulatory authorities from Lithuania (RRT) and Romania (ANCOM), having previously signed bilateral cooperation agreements and launched negotiations with the regulators from Bulgaria and Macedonia with the view of

signing similar agreements in 2014.

12.1 Partnerships and projects

In 2013, ANRCETI attained the objective of enhancing the cooperation with the regulators from other European countries, by participation in two projects: EC technical assistance project "Network of Electronic Communications Regulators from Eastern Partnership countries" and the Cooperation Development project „Enhancing the protection of free market competition in Moldova through education development and good governance“, financed by the Ministry of Foreign Affairs of Estonia, jointly with the Estonian Competition Authority and Tallinn Law School of the University of Technology.

These projects became effective tools for exchange of information and experience between ANRCETI specialists and their colleagues from EU countries. Thus, within the Cooperation Development project funded by the Ministry of Foreign Affairs of Estonia, a group of ANRCETI representatives visited the Competition Council of Estonia, an entity regulating public utilities, including electronic communications sector.

The EC technical assistance project included a wider range of activities, conducted in accordance with the Memorandum of Understanding on the establishment of the Network of Electronic Communications Regulators from Eastern Partnership countries (hereinafter EaP Regulators Network), signed in Chisinau 2012. Other details about ANRCETI's participation in this project are below.

12.1.1 Activities within Eastern Partnership

In 2013, the EaP Regulators Network assembled in two Plenary meetings: in March - in Kiev, Ukraine, and in October - in Yerevan, Armenia. At the first Plenary, ANRCETI Director was elected Chairman of the network for one year, while at the second plenary he presented a report about the activity of the network in 2013. The second Plenary meeting elected the Director of the Ukrainian regulator as chairman, by rotation principle.

While chairing the EaP Regulators Network, NARECIT developed, jointly with project partners (Communications Regulatory Authority of Lithuania, Vice-chairman, the European Commission and the

company PricewaterhouseCoopers Slovakia (PwC), executing the project), the Work Plan for 2013, which was subsequently approved in the first plenary of the Group. The plan was developed based on the general training program, both papers focusing on the topics of common interest for the regulators from EaP countries, previously identified by the PwC team during some meetings with the representatives of the project beneficiaries.

The Work Plan for 2013 comprised three main components:

- Building up the institutional capacities of the regulators, by organizing workshops on identified topics of interest;
- Conducting periodical benchmarking studies based on questionnaires filled in by project participants;
- Enhancing regional cooperation, by summoning plenary meetings of the network and benchmarking sessions.

The topics of the workshops, conducted pursuant to the training program, were focused on the following subjects:

- Market analysis (Tbilisi, Georgia, April 22-27, 2013);
- Cost calculation methodologies (Vilnius, Lithuania, May 20-22, 2013);
- Tariffs for call termination in fixed and mobile networks (Baku, Azerbaijan, September 3-5, 2013);
- Universal Service (Chisinau, Moldova, November 20-22, 2013);
- Quality of services and end user protection (Kiev, Ukraine, January 22-23, 2014,).

These workshops aimed at familiarizing the regulators from EaP countries with the experience of EU regulators, by presenting different methodologies and approaches to specific cases they solved, by providing consultations on specific topics that need to be solved fast. Every workshop was attended by two ANRCETI representatives, involved in activities related to the workshop topic.

In 2013, ANRCETI also hosted one of the planned workshops. The objective of the workshop was to study the practices of universal service implementation and the obligations of providers designated to provide universal service. The information provided by EU regulators (Austria, Czech Republic, Roma-

nia and Slovakia) and by PaE regulators during this workshop, the dialogue and exchange of experience turned to be very useful for all the participants, including ANRCETI, which is planning to develop and approve a set of regulatory acts as regards implementation of universal service, after the Government approves the National Program for universal service implementation.

It should be mentioned that one of the main advantages of the workshops conducted in 2013 lies in the fact that every subject discussed therein was supplemented by an ample presentation (made by PwC experts) of the EU regulatory framework as regards the given subject, an element contributing to the creation of a better clarified view on the Acquis provisions for ICT sector. The fact that the agenda of every workshop comprised presentations of the current situation in every EaP country as regards the topic discussed is also a useful element, as it given the possibility to participants to view the whole situation and compare the state of things in the PaE countries by means of comparative analysis, made by PwC experts. Another advantage of this type of workshops is the fact that they are attended by representatives/experts of EU regulators, who provide presentations, experience, examples and conclusions as regards best EU practices. The use of these tools contributes to the attainment of the main objective of the EaP Regulators Networks: to develop cooperation between PaE regulators, as well as between those and EU regulators.

The working Plan for 2014 will comprise the following workshop topics:

- Broadband services
- Separate accounting
- National and international roaming
- Spectrum assignment
- Digital switchover

The decision on place and date of workshops are to be taken in early 2014.

12.1.2 Bilateral agreements

As said above, ANRCETI developed and strengthened the cooperation with the national regulators from Lithuania (RRT) and Romania (ANCOM), on basis of the previously signed cooperation agreements. As chair and vice-chair of the EaP Regulators Networks ANRCETI and RRT worked jointly and mu-

tually offered the necessary support in the preparations for plenary meetings and workshops. The joint activities were targeted at ensuring the smooth activity of the project.

Within this project, ANRCETI also benefitted from the ANCOM's support. The Romanian representatives took the most active part in both workshops and Plenary meetings of the PaE Regulators Network. As part of the cooperation between the two authorities, at ANCOM's invitation, ANRCETI specialists attended the events organized in Bucharest by the Romanian regulator:

- CEE Regional Working Group Meeting: "Sharing Experience in Spectrum Auctioning", (May 9);
- XI annual Meeting of FRATEL: "Quality of Service: regulator's role and objectives" (October 15-16);
- International conference: „Communications infrastructure – a topical issue in Europe" (November 6).

12.2 Participation in European and regional forums

In 2013, ANRCETI representatives participated in a number of forums, workshops and meetings, organized by regional, European and international ICT bodies, which fact strengthened the regulator's institutional capacities and made it more prominent at international level.

The most important events, organized by the ITU, attended by ANRCETI were the Global symposium of ICT Regulators (GSR13) (Warsaw, Poland, July 2013) and ITU Telecom World 2013 (Bangkok, Thailand, November 2013). The first event was dedicated to the principles of 4G regulation while the second one was entitled „Embracing change in a digital world". The events highlighted current issues related to the impact of new market players and new technologies on the ICT sector, the change of consumers' behavior, the need of new approaches in the ICT regulation and standardization process.

In 2013, ANRCETI also attended the following events:

- Workshop: "Mobile Innovation Policy" (Erevan, Armenia, April 22-23)
- ITU Regional Seminar: "Radio Frequency Spectrum Management, Radio Monitoring as an Effective Tool for Radio Frequency Spectrum Management" (Kiev, Ukraine, July 10-12);

- ITU Regional Seminar for CIS countries: "Quality of Service Provided by Telecommunications/ICT Companies and Consumer Protection" (Tashkent, Uzbekistan, May 22-24);
- ITU Regional workshop for CIS countries: "Harmonization of Telecommunication/ICT Indicators with International standards" (Nakhichevan, Azerbaijan, April 24-26);
- Regional Conference: "Regulatory Activity in Electronic Communications sector" (Budva, Montenegro, September 30 - October 1);
- Senior official meeting of the South Mediterranean dialogue on electronic communications and information society (Athens, Greece, 18-19 November);
- Workshop: "Information Technologies Regulation" (Istanbul, Turkey, November 4-7)

Participants to the aforementioned events discussed current issues of major importance for the regulation of ICT sector. ANRCETI attendees qualified these events as useful and timely for studying and taking over the best regulatory practices of the sector applied in more developed countries.

In 2013, ANRCETI specialists attended on-line e-learning Courses, dedicated to: "Broadband and Next Generation Networks", "4G Mobile and future Internet", organized by ITU and moderated by world-famous university professors. They were familiarized with the regulations related to broadband networks and services, NGN network architecture, protocols, technologies and standards used within such networks, service quality, international practice in this area, advantages of 4G compared to current technologies, methods to overcome the difficulties in the implementation of 4G technology etc. This training helped raise the professional level of ANRCETI specialists and their ability to face the challenges of electronic communications market.

13 HUMAN RESOURCES

In terms of human resources policy, in 2013, ANRCETI focused on the efficient organization and management of this potential, creating and maintaining a favorable working climate for the formation of sustainable and efficient staff and providing the motivation so that the employees achieve good performance.

13.1 Human resource management

The human resource management includes all the activities of ANRCETI, aimed at ensuring the development, motivation and retaining the employees, in order to achieve maximum efficiency in attaining the regulator's objectives and meet the needs of employees.

In order to adjust ANRCETI activities to current conditions and requirements of the electronic communications market, to strengthen its capacity of monitoring the enforcement of the regulatory acts, Administrative Board issued a decision that changed the organizational structure of the institution. The Technical Regulation and Standardization Department and the Economic Regulation and Analysis Department were reorganized into Regulation Development Department and Regulation Executive Department, the Authorization and Control Department, by revision of responsibilities, into the Monitoring and Control Department, while the Legal Service was reorganized into the Legal Department.

ANRCETI Administrative Board believes that the centralization of technical and economic rulemaking powers in one Department - Regulation Development Department – will ensure the consistent development and adoption of regulations, on the basis of unified motivations and concepts, with consistent planning of their implementation, seeking to eliminate duplication of certain provisions in their content and their different interpretation. Accordingly, the concentration of the executive powers of ANRCETI's technical and economic regulation enforcement in the new Regulation Executive Department will create favorable conditions the efficient implementation of those regulations.

The reorganization of ANRCETI structure was performed within the limit of expenditures, as provided by its annual budget and the human resources available at the moment. Following the changes in the structure, several new services were created, these being headed by young, promising and managerial-skilled professionals. As well, ANRCETI employed four specialists in this domain.

Following these changes, on 31.12.2013 the average age of an ANRCETI specialist was **39**. The biggest number of staff - **24** people – are aged between **30 - 39** which makes **41,4%** of the total number of

employees. Second in top age segments, **24,2%**, are employees, aged **40 – 49**, followed by the segment **20 -29**, - **13,8%**. The number of employees aged **50 – 59** and **60 – 69** constitute **10,3%** each, of the total. Chart 14 represents the categories of ANRCETI staff by age category.

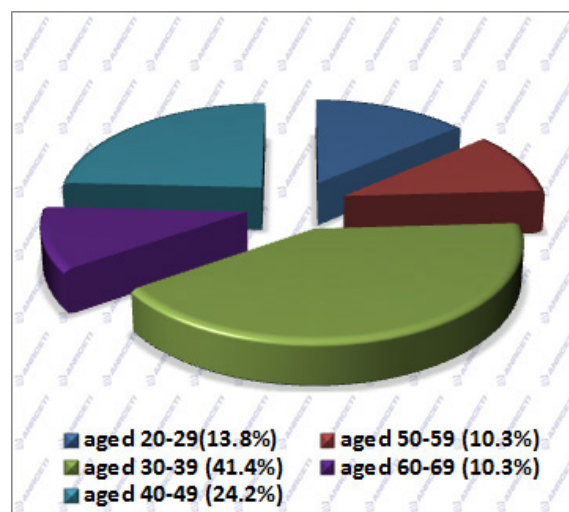


Chart 15 Structure of ANRCETI staff by age category

The structure of the staff by the level of professional qualification shows that ANRCETI has significant potential for development. Thus, according to the situation on 31.12.2013, out of the 58 ANRCETI employees 53 - have university degree (91%), including 21 - postgraduate degree, and 9 - two higher degrees. The largest share in the structure of ANRCETI staff belongs to the employees with technical degree (26), followed by those with legal and the humanitarian degree (14 each) and economic degree (11). The data by type of degrees of ANRCETI staff are reflected in Chart 15.

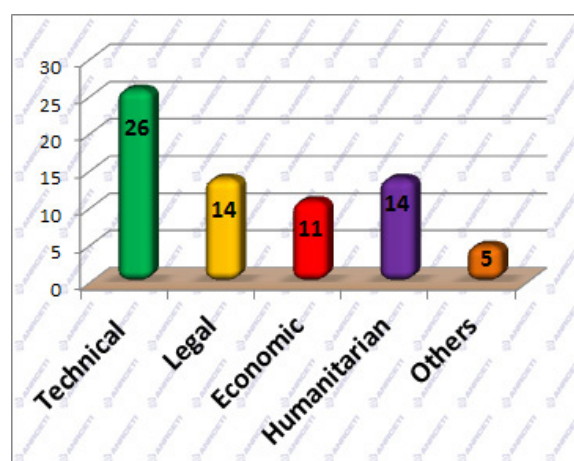


Chart 16 Structure of ANRCETI staff, divided by types of academic degree

In 2013 ANRCETI continued to apply the motivational incentive to have its employees obtain higher performance. Thus, in August 2013, on the occasion of the ANRCETI 13th anniversary, for professional success, creative mind, perseverance and professionalism one employee was awarded the honorary title of *"Master in Communications"*, two employees were awarded with *Honorific Diplomas* of the Ministry of Information Technologies and Communications and Trade Union Federation in Communications.

13.2 Professional training of ANRCETI staff

In 2013, ANRCETI activity as regards training its employees and enhancing increasing their professional level was focused on renewing their knowledge and skills in accordance with their directions of activity. The emphasis in this work has been placed on the participation of ANRCETI specialists in seminars and training courses abroad.

An important role in this process was played by the ongoing technical assistance project supported by the European Commission "Network of Electronic Communications Regulators from EaP Countries" and the project for Cooperation Development supported by the Ministry of Foreign Affairs of Estonia, which ended in 2013. Both projects offered ANRCETI specialists the opportunity to study the best regulatory practices applied in the EU countries and to exchange information and experience with the regulators in these countries. More detailed information about the participation of ANRCETI specialists in the activities of these two projects is presented in *Chapter 12.1 Partnerships and projects* of this Report.

ANRCETI specialists also took part in a number of training courses, workshops and conferences, organized by the International Telecommunications Union, Regional Commonwealth in the field of Communications (RCC), regulators of Romania, Turkey, Ukraine, Azerbaijan and other countries. More detailed information about these events is available in *Chapter 12.2 Participation in European and international forums* of this Report.

14 CONCLUSIONS. PRIORITIES OF 2014

The facts described in this Report show that 2013 was productive for ANRCETI both at national and

international levels, considering the results of the activity undertaken in order to consolidate its cooperation relations with European and regional sector bodies, as well as with electronic communications regulators in other countries.

The analysis of the fulfillment of the Plan of Activity and the Program of Regulatory Document Development for 2013 by ANRCETI shows that the regulator generally accomplished the main tasks established for 2013.

During the meeting of 20 January 2014, summoned to review the reports on activity for 2013 presented by ANRCETI subdivisions, the Administrative Board assessed the activity of ANRCETI team as satisfactory. At the same time, the Board considered that ANRCETI has a greater potential, which being fully explored, will allow increasing the quality and the effectiveness of regulation activity on the electronic market in 2014.

At the meeting it was mentioned that the most important activities of ANRCETI in 2013 were: (i) launch of telephone number portability in mobile and fixed networks, (ii) conducting cycle two analysis of relevant electronic communications markets, designation of SMP providers and revision of ex-ante obligations previously imposed on SMP providers imposed above these suppliers, (iii) development and approval of regulatory documents for the organization of license auctions for the use of spectrum in the provision of broadband electronic services communications, (iv) approval of new regulations that provide for a higher level of consumer protection.

The Administrative Board consider that, in 2014, the team must continue the activity launched in 2013 by enhancing the monitoring of number portability service, the compliance with special obligations imposed on SMP providers, the providers' observance of users' legitimate rights and interests.

The Administrative Board set as priority for ANRCETI 2014 two projects of utmost importance for the electronic communications market: the auction of licenses for the use 800, 900 and 1800 MHz spectrum in order to provide electronic communications mobile terrestrial broadband networks and the drafting, approval and implementation of the necessary regulatory framework for universal service, after the Government approves the National Program for Uni-

versal Service Implementation,

The 2014 agenda also includes starting the third cycle of analysis of the market for call termination in fixed networks and mobile networks, call origination in the fixed public telephone network at fixed locations and traffic transit in public telephone networks, in order to revise the definitions of these markets and the designation of SMP providers. Also, ANRCETI will analyze the retail mobile market in order to establish whether it is susceptible to ex-ante regulation. If the analysis proves this supposition, ANRCETI will proceed to the amendment of the list of relevant markets, approved in 2009, by adding the mobile retail market. This action aims to prevent the providers from using their SMP to the detriment of competition.

Another priority of ANRCETI for 2014 is monitoring the SMP providers' compliance with the special ex-ante obligations imposed by the regulator, the manner of application of the new Regulations on Public

Electronic Communications Service Provision and the observance of quality parameters of the services provided, as recommended by the regulator.

In order to improve the existing regulatory framework and bring it in line with technological developments and the needs of the electronic communications market, ANRCETI will make amendments to the Regulations on Control Procedure in Electronic Communications, The Instructions on Separate Accounting Implementation by JSC "Moldtelecom" within Internal Accounting System and the Procedure for Management Signaling Point Codes.

For keeping the users well-informed, ANRCETI will continue to inform the public about the progress and benefits of the number portability service and will launch an information campaign about the rights and obligations of end users in their relations with the providers of electronic communications networks and services.