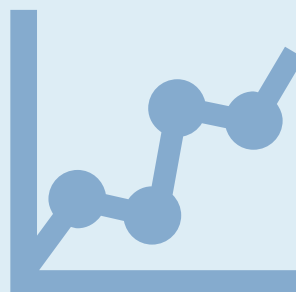




**National Regulatory Agency
for Electronic Communications
and Information Technology**



ANNUAL ACTIVITY REPORT | 2016



**ANRCETI Mission • Development of regulations
Monitoring compliance with regulatory acts
General authorization and licensing
Consumer protection • Information
and communication • International relations
Human resources • Priorities for 2017**



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Foreword	2	3.1 General authorization for the provision of electronic communications networks and services	13
ANRCETI Mission and Objectives for 2016	3	3.2 General authorization for postal service provision	14
1 Development of regulations	4	3.3 Licensing information technology activities	14
1.1 Electronic communications regulation	4	3.4 License issuance for the use of radio frequencies	14
1.1.1 Market analysis and ex-ante obligations imposed on providers with significant market power	4	3.5 License issuance for the use of numbering resources	15
1.1.2 Administration of limited resources	5	3.6 Issuance of technical permits for radio communications stations	16
1.1.3 Quality of services	5	4 Monitoring and control	17
1.1.4 Electronic communications to/from National Single Emergency Number 112	6	4.1 Monitoring and control of compliance with electronic communications legislation and regulations	17
1.2 Regulation of postal communications	6	4.2 Analysis of contraventions	18
1.2.1 General authorization procedure for provision of postal services	7	5 Consumer protection	19
1.2.2 Universal postal service	7	5.1 Providers observance of users' rights	19
1.2.3 Reporting procedure for statistical data on postal services	8	5.2 Use of number portability service	19
1.3 Regulation of access to properties and shared use of infrastructure	9	5.3 Requests and complaints	20
1.3.1 Standard contract of access on public or private property	9	6 Information and communications	24
1.3.2 Methodology of calculation of maximum tariffs for the right of access to public property and/or shared use of physical infrastructure	9	6.1 Transparency of decision-making process	24
2 Monitoring compliance with regulatory acts	10	6.2 Communication with the public	24
2.1 Fulfillment of special ex-ante obligations imposed on providers with significant market power	10	6.3 Communication with mass-media	25
2.2 Use of numbering resource	10	7 International relations	26
2.3 Measurement and publication of quality indicators for electronic communications services	11	7.1 Partnerships and projects	26
2.4 Data reporting by providers of electronic communications networks and/or services	12	7.2 Participation in European and international forums	27
3 General authorization and licensing	13	8 Human resources	28
		8.1 Management of human resources	28
		8.2 Professional training of ANRCETI staff	29
		9 Conclusions. Priorities for 2017	30





Dear Readers,

For ANRCETI, the year 2016 was full of challenges and great efforts made by its team to face the trials by means of a professional approach. The main challenge of the year was starting the implementation of the Law on access to properties and shared use of infrastructure associated with electronic communications public networks and the Law on postal communications, in force since April 2016, which gave the Agency powers to regulate these industries.

To exercise its new powers, ANRCETI launched two major activities simultaneously: the development and approval of the appropriate regulatory framework for the implementation of the mentioned laws and the information campaign on these laws, including the organization of seminars for local authorities to inform them about their liabilities under the Law on access to the properties. The desire to succeed and the efforts of colleagues helped us complete the development and approval of regulatory acts for the implementation of the mentioned laws, planned for 2016. As regards the information campaign for local authorities, ANRCETI decided to continue this work in 2017.

Other two important tasks ANRCETI fulfilled in 2016 concerned the drafting and approval

of a set of regulatory documents required for the launch of the national single emergency service 112 and the start of the fourth round of electronic communications market analysis. This activity will be continued in 2017, being one of the ANRCETI's major priorities for this year.

ANRCETI Agenda for 2017 includes a number of other priorities, among which is the enforcement of the regulatory acts approved in 2016 for the implementation of the Law on access to properties and shared use of infrastructure associated with electronic communications public networks and the Law on postal communications, monitoring the providers' compliance with their obligations as established by these and other regulatory acts, as well as honoring the tasks of Chairmanship of the Eastern Partnership Electronic Communications Regulators' Network, entrusted to ANRCETI since January 1, 2017.

I believe that the Report developed by ANRCETI will be useful for all those interested in the regulatory stage of the industries under ANRCETI's competence. It will help the stakeholders know more details about the activities and regulatory acts of the Agency, as well as about its future projects.

Grigore VARANIȚA,
ANRCETI Director



ANRCETI Mission and Objectives for 2016

Since April 2016, with the entry in force of Law on access to properties and shared use of infrastructure associated to public electronic communications networks no. 28 of 10.03.2016 (hereinafter - *Law no. 28/2016*) and Law on postal communications no. 36 of 17.03.2016 (hereinafter - *Law no. 36/2016*), ANRCETI has taken over, along with regulatory functions for the field of electronic communications and information technology, the duties to regulate two new sectors: access to properties and shared use of infrastructure and postal communications.

By *Law no. 28/2016* ANRCETI was empowered to ensure the compliance with the provisions of this Law by holders of property right and providers of public electronic communications networks and/or services, in terms of obtaining and exercising the right of access to properties and shared use of infrastructure associated to electronic communications networks, whereas by *Law no. 36/2016* – to regulate and supervise the postal service market.

Given its powers, ANRCETI has the mission to ensure the implementation of development strategies for those sectors, to promote efficient

competition on the electronic communications and postal service markets, protect the legal rights of the end users on both markets.

ANRCETI's key objectives for 2016 were the following: develop the necessary regulatory framework for the enforcement of Laws no. 28/2016 and no. 36/2016; issue regulatory documents required for the launch and operation of the single national emergency number 112; promote sustainable competition and encourage investment for electronic communications market development; monitor providers' compliance with the their obligations prescribed by relevant normative acts in force and prevent deviation from those requirements; promote measures to protect the rights of end-users of public electronic communications and postal services.

In order to achieve those objectives, ANRCETI included in its Program for regulatory documents development and Plan of activity for 2016 a number of steps and regulatory measures focused on the implementation of Laws no. 28/2016 and no. 36/2016, as well as enabling the proper functioning of the electronic communications industry. This report provides more details on the actions and measures taken by ANRCETI for this purpose.



1 Development of regulations

1.1 Electronic communications regulation

In 2016 ANRCETI continued its activity of electronic communications market regulation, focusing on three main objectives: create the proper conditions for sustainable competition, enhance investment in the development of electronic communications networks and protect end users' rights.

In order to achieve these objectives, ANRCETI started the fourth round of analysis of the relevant markets defined it as susceptible to ex ante regulation by Administrative Board Decision no. 85 of 28.04.2009 and continued to monitor the compliance of providers with significant market power with the previously imposed obligations.

1.1.1 Market analysis and ex-ante obligations imposed on providers with significant market power

Pursuant to Law on electronic communications no. 241 of 15.11.2007 (hereinafter - *Law no. 241/2007*), ANRCETI identifies relevant markets and analyses them for the purpose of finding whether those market are sufficiently competitive and whether to impose, maintain, modify or withdraw the special ex-ante obligations imposed on providers with significant market power on those markets.

In performing this task, ANRCETI is guided by the Regulations on identification and analysis of relevant electronic communications markets and designation of electronic communications networks and/or service providers with significant market power on those markets, approved by ANRCETI Administrative Board Decision no. 55 of 29.12.2008. the Regulations provides for the methodology if relevant market identifications, basic rules and criteria used by ANRCETI as basis for relevant market analysis and determines whether one or more providers of electronic communications networks and/or services have significant market power on a specified relevant market. The List of relevant electronic communications markets (one retail and eight wholesale) was defined by ANRCETI Administrative Board Decision no. 85 of 28.04.2009.

In the timeframe 2010 - 2015, ANRCETI performed three rounds of market analysis for their ex-ante regulation. In the analysis, ANRCETI designated

providers with significant market power on all nine markets identified as susceptible to ex-ante regulation and imposed a number of special ex-ante obligations.

Pursuant to art. 53 of *Law no. 241/2007*, ANRCETI performs market analysis at least every two years, for the purpose of finding whether those market are effectively competitive and has the right to impose, maintain, modify or withdraw the special ex-ante obligations on providers with significant market power on those markets.

Taking into account the mentioned provisions, in 2016, ANRCETI started the fourth round of relevant market analysis for their ex ante regulation. The following three markets were analyzed:

- Call origination at fixed locations of the public telephone network (Market 2);
- Voice call termination on individual mobile networks (Market 7);
- Traffic transit in the public fixed telephone networks (Market 9).

Market for call origination at fixed locations of the public telephone network

As a result of performing the analysis for the identification of the market for call origination at fixed locations of the public telephone network (Market 2), ANRCETI's conclusion as regards definition of this market in terms of its boundaries was the same as in the previous rounds. The geographical boundaries of this relevant market were defined as national territory.

Meanwhile, the three-criterion test showed that carrying calls over mobile networks or OTT (*over-the-top*) applications exerts direct competitive pressure on services of call origination at fixed locations of the public telephone network, so the conditions of the three-criteria test on this market were not met. Given these findings, ANRCETI concluded that this market is no longer susceptible to ex ante regulation and, therefore, did not designate providers with significant market power in this market.

As a consequence, ANRCETI Administrative Board by Decision no. 33 of 22.12.2016, decided to withdraw, starting 01.07.2017, the special ex-ante obligations previously imposed on JSC "Moldtelecom" in connection with its significant market power on this market. The same Decision provided for the exclusion, starting with 01.07.2017, of the market for call origination at



fixed locations of the public telephone network from the List of relevant markets, as previously defined by ANRCETI Administrative Board Decision no.85 of 28.04.2009.

Voice call termination on individual mobile networks

As a result of the analysis for the identification of the market for voice call termination on individual mobile networks (Market 7), ANRCETI's conclusion regarding market boundaries was similar to those of previous rounds. Also, the geographic boundaries of this market were defined as national territory, whereas the three-criteria test proved that this market is hereinafter susceptible to ex-ante regulation.

The detailed analysis, based on a number of criteria ANRCETI deemed appropriate for this market, showed that all suppliers have significant market power on the markets for voice call termination on individual mobile networks, while the power of providers' influence on those markets is different. Thus, all three mobile providers (JSC "Moldtelecom", JSC "Moldcell" and JSC "Orange Moldova") were designated by ANRCETI Administrative Board Decisions no.37, no.38 and no.39 of 12.29.2016, as providers with significant market power on the market for voice call termination on individual mobile networks.

By the same decision, ANRCETI Administrative Board decided to maintain the ex-ante obligations previously imposed on three providers with significant market power on Market 7 and impose new obligations in terms of reducing the maximum prices for national call termination services on their individual mobile networks and related services, by establishing the gradual price reduction in five phases half a year each, in the timeframe 01.01.2017 - 01.01.2019.

Traffic transit in the public fixed telephone networks

Following the analysis for the identification of the market for traffic transit in public fixed telephone networks (Market 9), ANRCETI's conclusion on the definition of Market 9 was the same as in previous rounds in terms of market boundaries. The geographic boundaries of this market were determined as national territory, and the three-criterion test showed that this market is hereinafter susceptible to ex-ante regulation.

The detailed analysis, based on a number of criteria ANRCETI deemed appropriate for this market, showed that JSC „Moldtelecom“ continues to have significant market power on market 9 and was designated, by ANRCETI Administrative Board Decisions no. 28 of 01.12.2016, as a provider with significant market power on this market.

1.1.2 Administration of limited resources

The main objective pursued by ANRCETI in this area lies in the efficient management of limited resources within its jurisdiction, so as to ensure the proper functioning and development of the electronic communications market and the implementation of new technologies for the benefit of end users.

In 2016 ANRCETI extended the number of frequency bands for non-specific radio applications, applications for data detection and collection, systems of traffic control, applications used by entities and individuals possessing SRD - Short range devices. The categories of spectrum that may be freely used by the holders of those devices were established by ANRCETI Administrative Board Decision no.05 of 17.03.2016.

By this act, ANRCETI amended the Administrative Board Decision no.126 of 02.06.2009 regarding the categories of radio frequencies, the use of which is not subject to the general authorization regime and is allowed without a license for the use the radio frequencies/channels or a technical permit. The amendments were aimed at making ANRCETI's regulatory acts consistent with the recent recommendations of the European Conference of Postal and Telecommunications Administrations (CEPT).

1.1.3 Quality of services

In 2016, ANRCETI Administrative Board approved Decision no.2 of 03.02.2016 providing for the new standard forms for the publication and presentation of data on electronic communications service quality parameters. This action followed the previous amendments operated to Administrative Board Decision no. 278 of 17.11.2009, establishing the quality parameters for public electronic communications services (hereinafter - Decision no.278/2009). The amendments reduced both the number of quality parameters that providers are required to measure and publish and the number of types of services covered by the obligation of measuring and publishing quality parameters.



In order to comply with the amendments to Decision no.278/2009, new standard forms were approved for publication and presentation of data on service quality parameters for four types of services: fixed telephony, Internet access, mobile telephony and television. The new forms have been implemented since the first quarter of 2016.

1.1.4 *Electronic communications to/from National Single Emergency Number 112*

For the purpose of implementing the Moldova – EU Association Agreement, ratified by Law no.112 of 02.07.2014, The Government approved by Decision no. 808 of 07.10.2014, the action Plan, providing for the alignment of the national legislation to the EU legislation, in particular to Directive 2002/22/CE of the European Parliament and Council of 07.03.2002 on universal service and users' rights relating to electronic communications networks and services, modified by Directive 2009/136/CE, to ensure observance of the interests and rights of users by introducing the single European emergency number 112.

In order to achieve this goal and increase the level of security and protection of the population, by ensuring its access to the National Single Emergency Number 112, ANRCETI developed and approved three regulatory documents as follows:

Technical, legal, organizational and economic conditions for electronic communications to/from the 112 service

This document was approved by ANRCETI Administrative Board Decision no.30 of 22.12.2016 and provides for the method of organizing the service to ensure efficient communication, by means of telephone calls, between users of public electronic communications dialing the single number for emergency calls 112 and the emergency service 112.

The technical conditions for the transmission of information on primary location

This document, approved by ANRCETI Administrative Board Decision no. 31 of 22.12.2016, regulates the transmission to the 112 service, the moment a call is placed, of data indicating the network elements relevant for identifying the location and do not need additional processing from the provider.

Sending the information on primary location is necessary for the identification of the caller's phone number and place (physical address of the caller or the location of the mobile terminal) where the call to 112 was originated. This regulation establishes the technical conditions for the provision (making available) of the information on caller's primary location by providers of public mobile networks, and for offering free access, in real time, to the data base of their subscribers the moment the call is connected to 112, in order to identify the caller

Procedures and technical limits to reduce abusive calls, false alarms and involuntary calls

This regulatory act was approved by ANRCETI Administrative Board Decision no. 32 of 22.12.2016 and aims to discourage abusive or involuntary calls to 112 service and false alarms sent specialized intervention services, through the establishment and implementation of a number of technical measures for such actions. Among these measures are warning voice messages or SMS, to be applied depending on the number of unsolicited, involuntary calls or false alarms.

1.2 Regulation of postal communications

With the publication of the Law on Postal Communications no. 36 of 17.03.2016 (hereinafter - Law no. 36/2016) in the Official Gazette of the Republic of Moldova on April 29, 2016, ANRCETI took over the duties of regulation and supervision of the postal service market. ANRCETI's new responsibilities include:

- implementation of policy documents in postal communications;
- implementation of the general authorization regime a postal service provision;
- supervision and control of compliance with the obligations under the law and general authorization conditions by the universal postal service provider;
- handling and resolving complaints from postal service users, as well as disputes between service providers;
- approval of tariffs for postal services within the scope of the universal postal service and the tariffs for the use the public postal network by postal service providers, pursuant to the pricing methodology approved by ANRCETI;
- issuance of regulations on the mechanism of financing and compensation of the net cost of universal postal service provision.

1.2.1 General authorization procedure for provision of postal services

According to the provisions of *Law no.36/2016*, ANRCETI has the mission to implement the general authorization regime for postal service activities, a legal regime offering entrepreneurs the right to provide postal services, on basis of ANRCETI notification.

Pursuant to the provisions of art. 34 of *Law no.36/2016*, any natural or legal person registered as entrepreneur, who intends to provide postal services, before starting business, is required to notify ANRCETI of the intention by filling out the standard form developed by ANRCETI. ANRCETI, within 15 days after sending the notification, issue the sender a certificate attesting the fact of notification and his inclusion in the public Register of postal service providers, as well as the rights and obligations of the postal service provider. Providers who intend to cease business are required to notify ANRCETI and inform users of this fact at least 30 days before the date of cessation.

Taking into account the mentioned legal provisions, ANRCETI developed and approved, by ANRCETI Administrative Board Decision No.18 of 08.05.2016, the form for the notification about postal service provision, the standard certificate regarding registration of public Register of postal service providers and the notification about cessation of postal service provision.

The general authorization regime for postal service provision was enforced, according to the provisions of *Law no. 36/2016*, on October 29, 2016. As of this date, entrepreneurs interested to provide postal services can enter this market by undergoing the notification procedure with ANRCETI. The documents related to the general authorization regime are prepared by ANRCETI free of charge, whereas the right of the entrepreneur to provide postal services is valid with no time limitation.

1.2.2 Universal postal service

In 2016, pursuant to *Law no. 36/2016*, ANRCETI developed three regulations addressed to the activity of SC „Posta Moldovei”, designated as the universal postal service provider, namely: the Methodology of production costs allocation for reserved and non-reserved services; Pricing Methodology for services within the scope of

universal postal services and the Mechanism of financing and compensation of the net cost of universal postal service provision.

Production costs allocation per reserved and non-reserved postal services

According to the provisions of art. 31 of *Law no. 36/2016*, SC “Posta Moldovei”, as a universal postal service provider, is liable to keep analytical records of financial accounting separately per reserved and non-reserved services, and for non-reserved services separately for the services within the scope of universal postal service and beyond this scope. The given legal clauses provide for production costs allocation for all reserved and non-reserved services, according to a methodology developed and approved by ANRCETI, after coordination with the Ministry of Finance.

Considering these provisions, ANRCETI developed and approved, by Board Decision no. 24 of 29.09.2016, the Methodology of production costs allocation per reserved and non-reserved postal services (hereinafter – Methodology). It provides for the method of production costs allocation per reserved and non-reserved services provided by SC “Posta Moldovei”, as a universal postal service provider, according to which the company has the obligation to allocate production costs, on the one hand, per reserved and non-reserved postal services and, on the other hand, per postal services within the universal postal service and beyond this scope.

The Methodology also provides for the obligation of SC “Posta Moldovei” to publish (at least on its website) and submit to ANRCETI annually before May 31 of the year following the financial reporting period, the following documents: Report on production costs allocation per provided services and Methodology used for production costs allocation, developed in compliance with the conditions and principles laid down in the methodology.

Pricing for services within the scope of universal postal service

Pursuant to art. 4 of *Law no. 36/2016*, ANRCETI approves, publicly and transparently, tariffs for services within the scope of universal postal services and tariffs for the use of the public postal network, in accordance with the Pricing Methodology, developed and approved by ANRCETI.





Considering these provisions, ANRCETI developed and approved, by Board Decision no. 25 of 29.09.2016, the Pricing Methodology for services within the scope of universal postal services (hereinafter – Methodology). It states the method of calculation and approval of tariffs for services within the scope of universal postal service, of tariffs for the use of the postal network of SC “Posta Moldovei” by other providers, as well as the method of tariff revision.

In accordance with the Methodology, the calculation of tariffs for services within the scope of universal postal services and tariffs for the use of the public postal network by other providers will be based on the information presented in the reports of SC “Posta Moldovei”, under the relevant regulations in force, as well as detailed information presented by this company, according to Annex no. 1 to the Methodology, taking into account domestic and international specific nature of services.

The Methodology also prescribes that every year before June 30, SC “Moldova’s Post Office” ANRCETI will present a report on the adjusted costs and revenues from service provision. Where appropriate, based on the report, ANRCETI may require that SC “Posta Moldovei” revise the tariffs for services within the scope of universal postal service and the tariffs for the use of the public postal network by other postal operators to provide postal services within the scope of universal postal service.

Net cost of postal services within the scope of universal postal service

Law no. 36/2016 provides that the universal postal service is financed by granting the universal postal service provider the exclusive right to provide reserved postal services, handling domestic and international correspondence items weighing less than 350 g. For the case where the implementation of the universal postal service obligations represents unfair financial burden, in order to ensure the continuity of universal postal service provision, the same law stipulates for the compensation of the incurred costs.

Having regard to the above-mentioned, pursuant to art. 4 of *Law no. 36/2016*, ANRCETI developed and submitted to the Government for approval the mechanism of financing and compensation of the net cost of universal postal

service provision, a normative act subsequently approved by Government Decision no. 1237 of 11.11.2016.

The mechanism provides for the method of calculation of potential financial costs resulting from the obligations to provide the universal postal service, and the procedure of the compensation. This regulation provides that annually before May 30, the universal postal service provider is required to submit to ANRCETI report on the net cost of the universal postal service provision. On basis of this report and to the extent deemed necessary to maintain the universal postal service, ANRCETI may adopt a decision to reserve for SC “Posta Moldovei” the exclusive right to provide post advertising under Law no. 36/2016.

1.2.3 Reporting procedure for statistical data on postal services

Pursuant to the provisions of Law no. 36/2016, ANRCETI may require that postal service providers periodically present certain categories of information for statistical reports on postal service provision. ANRCETI may also set deadlines and a specified level of detail for this information.

For the enforcement of legal provisions, ANRCETI also developed and proposed for public consultation the draft decision on reporting statistical data by postal service providers, which was later approved by Administrative Board Decision No.19 of 08.05.2016. By this decision, the Board approved the standard form of the statistical report and the Instruction on how this form needs to be filled in.

According to the Decision above, postal service providers, authorized under Law no. 36/2016, are required to submit to ANRCETI statistical data according to the standard form quarterly before the 10th of the month following the reporting period. According to the Instruction, the form must be filled in quarterly, on cumulative basis, and the information for the qtr. IV report will cover the annual situation.

The statistical data presented by providers will be used by ANRCETI to evaluate the postal market trends and to make annual statistical reports on market evolution.

1.3 Regulation of access to properties and shared use of infrastructure

By Law on access to properties and shared use of infrastructure associated to public electronic communications networks no. 28 of 10.03.2016 (hereinafter - Law no.28/2016), in force since April 15, 2016, ANRCETI was empowered to ensure the compliance of property right holders and electronic communications networks and/or service providers in terms of obtaining and exercising the right of access to properties and shared use of infrastructure associated to electronic communications networks. In order to fulfill this task, ANRCETI developed and implemented an annual Plan of Action for the implementation of Law no. 28/2016, a plan detailing the regulatory acts and measures scheduled by ANRCETI for 2016 for the enforcement of that Law.

In this regards, ANRCETI developed and approved, within the timeframe under the law, two acts necessary for the implementation of the law: the Standard Contract of access on public or private property for the construction (installation), maintenance, replacement, transfer or retooling electronic communications networks or infrastructure elements needed to support such networks and the Methodology for calculation of maximum fees for the right of access to public property and/or shared use of physical infrastructure.

1.3.1 Standard contract of access on public or private property

With the view of implementing art. 36 of *Law no. 28/2016*, ANRCETI developed and approved, by Administrative Board Decision no. 13 of 07.07.2016, the Standard Contract of access on public or private property for the construction (installation), maintenance, replacement, transfer or retooling electronic communications networks or infrastructure elements needed to support such networks (hereinafter Standard Contract) and published it on its official web page.

The Standard Contract provides for the conditions for the right of access to public or private property for the purposes mentioned above and seeks to support both providers and holders of public or private property right, being an additional legal guarantee during the negotiation stages of access contracts.

The Standard Contract is recommendatory and mainly includes provisions related to the rights and obligations of the contracting parties, contract duration, methods of operating amendments and termination arrangements, prices and payment methods etc.

1.3.2 Methodology of calculation of maximum tariffs for the right of access to public property and/or shared use of physical infrastructure

Art. 9 (2) of *Law no.28/2016* provides that the maximum tariffs for the right of access to public and/or private property and shared use of physical infrastructure are calculated based on the Methodology developed by ANRCETI, subject to public consultations and approved by the Government.

ANRCETI developed the draft Methodology of calculation of maximum tariffs for the right of access to public property and/or shared use of physical infrastructure, further approved by Government Decision no.1434 of 29.12.2016. The Methodology aims to facilitate the use of physical infrastructure under public ownership by electronic communications networks providers to install network elements by establishing single methodological principles for the calculation of tariffs by infrastructure managers.

The Methodology provides that the maximum tariffs for access to properties and shared use of physical infrastructure be a single payment, non-discriminatory, reasonable and established on basis of the following criteria:

- to cover direct and specific damages caused by the works;
- be proportionate to the damage of the property;
- to consider, where appropriate, the added value to the property by the installation of electronic communications networks or infrastructure elements required to support those networks.

The methodology determines the method of calculating the maximum tariffs for the right of access to properties and/or shared use of physical infrastructure, the structure and composition of those tariffs, specifying the direct costs included in the price and costs not included. The tariffs are calculated as a lump sum, payable by the provider of electronic communications networks after signing the contract for access to public or private property with the holder of the property management right.





2 Monitoring compliance with regulatory acts

As part of activity of monitoring the compliance with ANRCETI regulatory acts, its specialists verified the way electronic communications network and/or services providers meet the requirements of the regulator's decisions of economic and technical nature. These provisions address to ex-ante obligations imposed on providers with significant market power, compliance with the rules for the use of numbering resources, obligations of measuring and publishing service quality parameters, of reporting statistical data on the market situation and revenues generated from electronic communications activities, etc.

2.1 Fulfillment of special ex-ante obligations imposed on providers with significant market power

In order to promote effective competition on the electronic communications market, ANRCETI continued monitoring the relations between providers in terms of their fulfillment of interconnection and access agreements, in particular the requirement addressing to the regulation of tariffs and conditions of access to electronic communications infrastructure.

ANRCETI examined 85 agreements concluded by electronic communications providers, most of which are additional agreements for the use of telephone ducts and pillars

The increasing number of agreements on the use of physical infrastructure between providers speaks about a more intense process of network infrastructure sharing.

The 85 agreements were reviewed in the light of their consistency with the regulations in force, in particular the ANRCETI Board Decisions on imposing special ex-ante obligations on providers with significant market power. ANRCETI keeps records of such agreements and examines their compliance with the regulations, in order to avoid cases of abuse of power and discrimination against providers requesting access in their contractual relations. In 2016 ANRCETI did not find such cases.

As regards the fulfillment by JSC "Moldtelecom" of the obligation to keep separate accounts within the internal accounting system, imposed

by ANRCETI Administrative Board Decision no. 09 of 22.04.2011, the Agency specialists found that the provider met this requirement. JSC "Moldtelecom" submitted in due time (May 31, 2016), the Financial Report for 2015, which included separate financial sections (per services and per business units) and the Audit Report.

The obligation imposed by ANRCETI aims to create additional conditions to foster competition on the relevant markets, where JSC "Moldtelecom" was designated as a provider with significant market power by ensuring transparency of its activities on those markets, the discriminatory conditions of access and interconnection to competitors and to remove the practice of cross-subsidization of services offered by this supplier.

2.2 Use of numbering resource

In 2016, ANRCETI continued monitoring the compliance of providers with license conditions for the use of allocated numbering resources and the rules established in the procedure for use of numbering resources, approved by ANRCETI Administrative Board Decision no. 58 of 21.12.2010, as subsequently amended.

According to ANRCETI data, as per 31.12.2016, there were 40 registered providers holding numbering resources and four provider holding only routing numbers. 39 providers out of the 40 submitted to ANRCETI reports on the use of numbering resources. The analysis of the reports shows that 37 providers used the numbering resources according to the regulations and two providers did not activate the allocated numbering resources in due time. This is contrary to the legal provisions requiring that providers activate the allocated numbering resources within one year from the date of their allocation

According to ANRCETI analysis, out of a total of 6 160 000 mobile numbers allocated before 31.12.2016, in 2016, 5 368 329 numbers or 87,1% were used in 2016. Out of a total of 1 708 660 fixed telephone numbers, 1 172 700 numbers were used in 2016, which makes 68,6% of the total of these resources.

The Chart below represents the degree of numbering resources usage by providers of fixed and mobile telephony services in the recent three years.

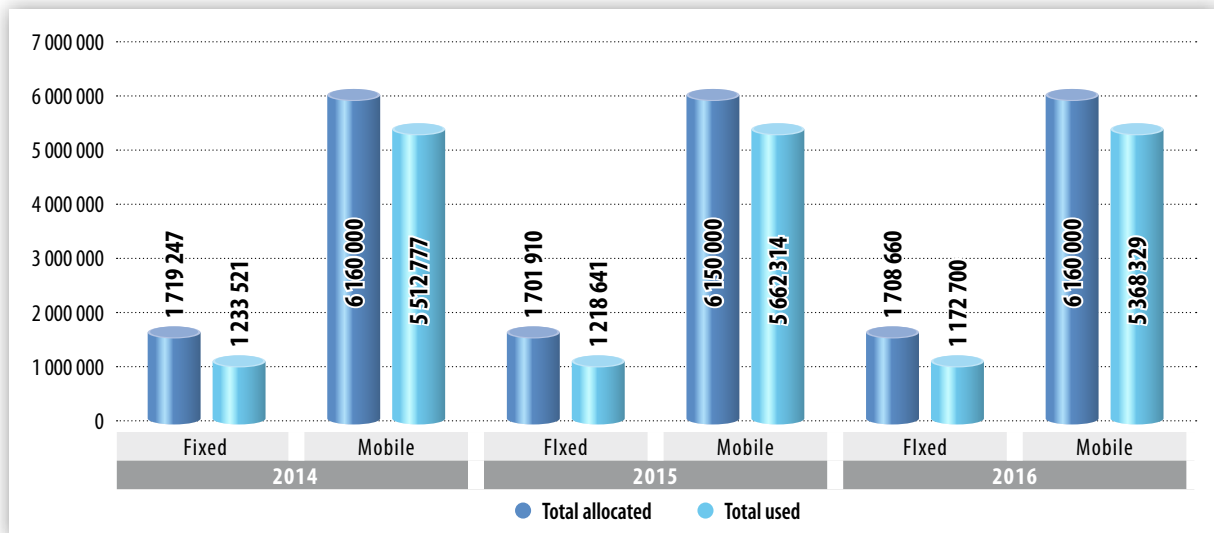


Chart 1 Usage of numbering resources by providers of fixed and mobile telephony services in 2014 – 2016

Source: ANRCETI

2.3 Measurement and publication of quality indicators for electronic communications services

In 2016, ANRCETI continued monitoring the compliance of providers with the obligations of measuring, presenting and publishing the quality of service parameters for the services they provide, obligations prescribed by Administrative Board Decision no. 278 of 17.11.2009, as subsequently amended by Decision no.68/2015.

According to this decision, as of the first quarter of 2016, those providers are liable to measure, present to ANRCETI and publish in their commercial offices and/or on Web pages the information on the measured quality parameters for four types of public electronic communications services: fixed telephony, Internet access, mobile telephony and television.

In the monitoring process, ANRCETI found a relative stabilization of the number of providers who complied, in 2016, with this obligation. Thus, the number of providers who measured the service quality parameters and submitted the information to ANRCETI in 2016 was on average 148, which makes 94% of the total number of providers placed under this obligation.

Meanwhile, during the reporting period, out of the total number of providers who presented to ANRCETI quarterly information on quality of service measurements, only 29 providers published the information on their Web pages. To ensure the access of users to the information submitted by providers, ANRCETI published those data on its website, in the Quality of Service section. (Chart 2).

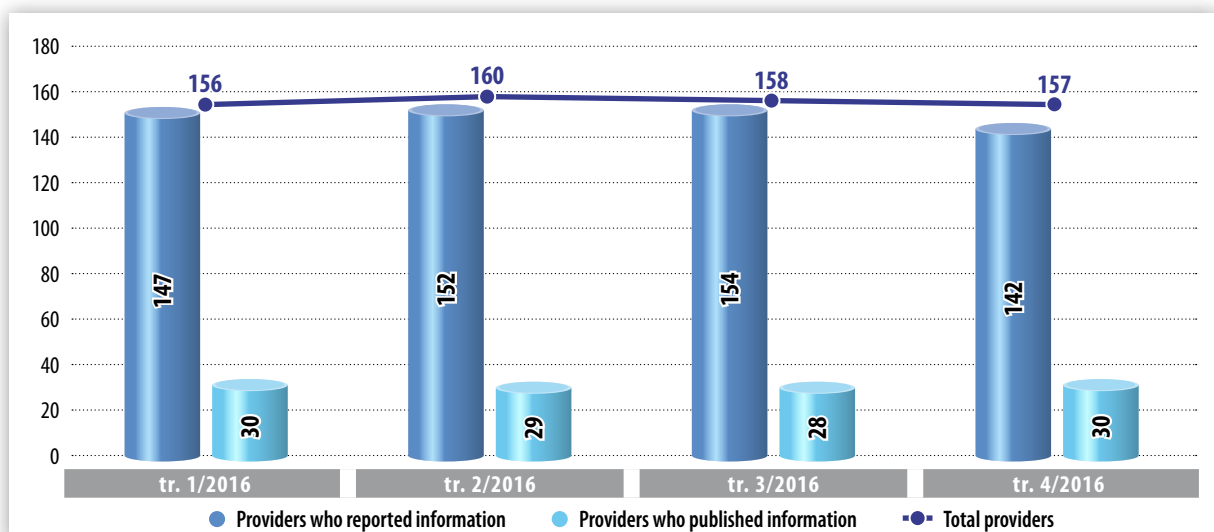


Chart 2 Presentation and publication by providers of the information on service quality parameters in 2016

Source: ANRCETI



2.4 Data reporting by providers of electronic communications networks and/or services

Starting with qtr. 1 2016, electronic communications networks and/or service providers are required to fill in and submit the statistical report forms and forms on revenues generated from electronic communications activity online, by means of the „Online Reporting” information system. The system was subject to testing in the timeframe May-December 2015, and proved to be advantageous for the beneficiaries. The use of the system simplified the procedure of data reporting, reduced both duration and costs previously incurred by providers.

According to ANRCETI Administrative Board Decision no. 33 of 17.11.2011, with subsequent amendments, providers are required to fill in and submit the quarterly statistical reports, under electronic signature, by means of the „On-line Reporting” informational system, possible to be

accessed via the „On-line Reporting” interface on the main page of ANRCETI web site or at <https://eservicii.anrceti.md>.

The aforementioned decision also provides that where providers lack technical possibilities to report online, they present the filled-in forms electronically to ANRCETI, by e-mail to: raport.statistic@anrceti.md, subsequently being required to confirm the documents by presenting the printed versions.

In 2016, ANRCETI processed a total of 495 reports, sent by electronic communications networks and/or service providers by means of the „On-line Reporting” information system. The number of providers who used the information system rose to 67. In 2015, when the system was functioning under the testing regime, it was used by 47 providers. Other information as regards data reporting and processing are represented in the Chart below.

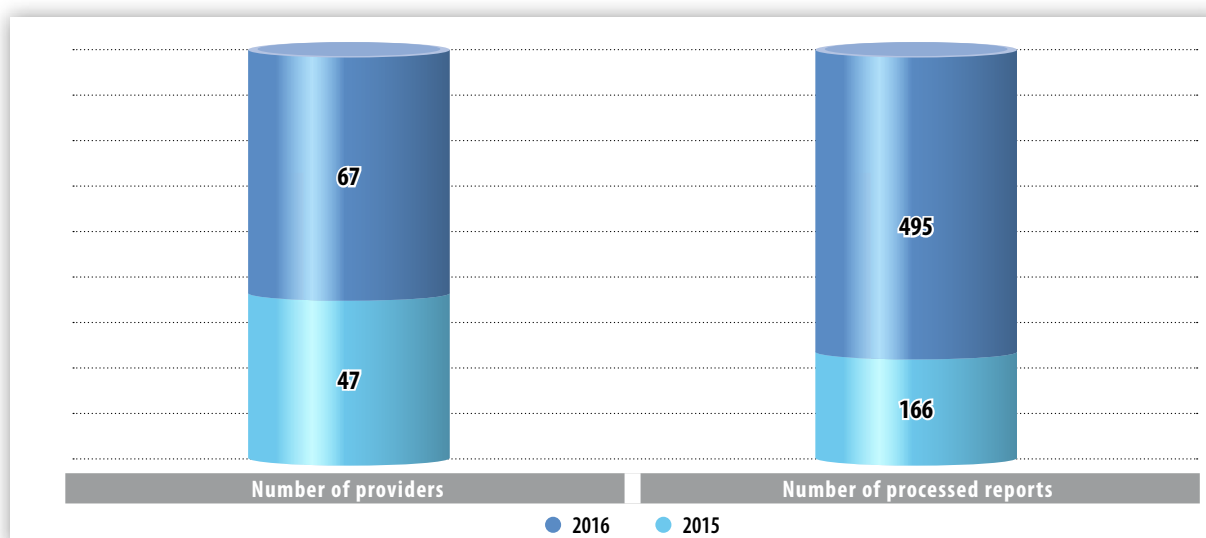


Chart 3 Data reporting by electronic communications networks and/or service providers via the „On-line Reporting” informational system in 2015 - 2016

Source: ANRCETI



3 General authorization and licensing

In 2016, ANRCETI continued the implementation of the general authorization regime for electronic communications activities, which, pursuant to Law on Electronic Communications no. 241 of 15.11.2007 (hereinafter - Law no. 241/2007), has been enforced since September 2008, and starting with October 29, 2016, pursuant to Law on postal communications no. 36 of 17.03.2016 (hereinafter - Law no. 36/2016) ANRCETI started to apply the regime in the field of postal communications. The general authorization regime is free of charge and offers entrepreneurs, on basis of notifications submitted to ANRCETI, the right to provide electronic communications networks and/or services, as well as postal services for unlimited time.

In 2016, ANRCETI issued, based on applications, licenses for types of activity pursuant to Law on Regulating Entrepreneurial activity through licensing no. 451-XV of 30.07.2001: for services of creation, implementation and ensuring functionality of automated information systems of state importance, including software, for the use of radio frequencies/channels and numbering resources in the provision of electronic communications networks and/or services.

3.1 General authorization for the provision of electronic communications networks and services

In 2016, ANRCETI authorized 26 applicants intending to provide electronic communications services. Based on their notifications they were included in the public Register of electronic communications network and service providers. Compared to 2015, the number of entrepreneurs entered in public Register grew 0,7% up to 551.

Out of the 26 entrants to the electronic communications market in 2016, 22 – opted for the provision of both networks and services, while four – only services. The three top priority activities were public terrestrial fixed access networks, Internet access services and audiovisual program retransmission.

Out of the 551 providers entered in the public Register of providers in the timeframe 2008 – 2016, 392 – have the right to provide electronic communications networks and services, 88 – only networks and 71- only services.

The Chart below shows data about the results of the general authorization for the provision of electronic communications networks and/or services in the recent three years.

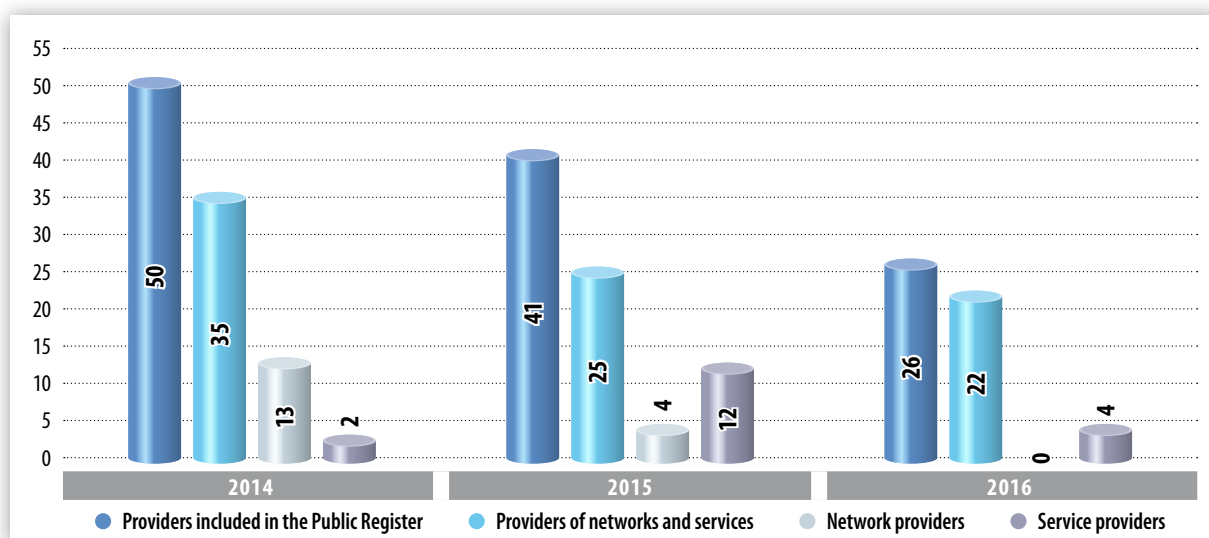


Chart 4 Development of the general authorization process for electronic communications activities in 2014 - 2016.

Source: ANRCETI

Notably, during 2016, 19 providers modified their original notifications given the extension of activity, change of identification data and adding other types of networks and/or services to their notifications. 18

providers, for different reasons, renounced the right to provide electronic communications networks and/or services and were later removed from the public Register of providers.

3.2 General authorization for postal service provision

Starting with October 29, 2016, when ANRCETI launched the implementation of the general authorization regime for the provision of postal services, pursuant to *Law no.36/2016*, through December 31, 2016, 28 entrepreneurs were entered in the public Register of postal service providers, based on submitted notifications. Most of them had been providing postal services before the new legal market entry regime was applied.

The List of providers authorized by ANRCETI includes SC "Posta Moldovei", designated by *Law no.36/2016* as universal postal service provider, enterprises representing four international companies: DHL (SPN LLC), Nova Posta (NEW POST INTERNATIONAL MLD LLC), TNT (JV CORST GRUP LLC), UPS (FCC UPS – MOLDOVA LLC), other active providers on the postal service market.

Out of the 28 providers registered in the Public Register of Providers of postal service, 17 chose to provide both services within the scope of the universal postal service and services outside this scope, and 11 - only services non included in the universal postal service.

3.3 Licensing information technology activities

In 2016, pursuant to *Law on Law on Regulating Entrepreneurial activity through licensing no. 451-XV of 30.07.2001*, ANRCETI issued 49 licenses for services of creation, implementation and ensuring the functioning of automated information systems of state importance, including software. Compared with 2015, the number of licenses issued in 2016 for this type of activity doubled: from 25 to 49 licenses.

ANRCETI has granted such licenses starting with November 2010. The validity term is five years and may be extended for the same period under the same conditions. The license fee, established by law, is 3,250 lei, which is fully transferred to the state budget

At the end of 2016, the total number of valid licenses issued by ANRCETI for this particular type of activity reached 164. The amount of fees transferred to state budget for licenses issued in 2016 was 151,1 lei.

The development of the licensing process for this type of activity in the recent five years is reflected in Chart below.

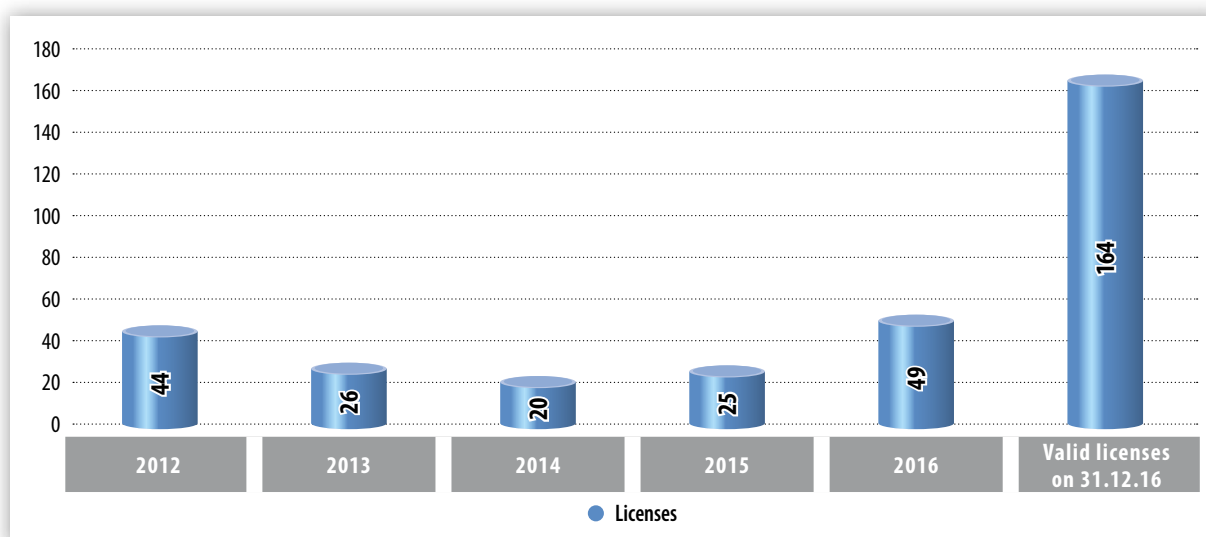


Chart 5 Evolution of the license issuance process for services of creation, implementation and ensuring the functioning of automated information systems of state importance, including software, 2012 - 2016.

Source: ANRCETI

3.4 License issuance for the use of radio frequencies

In 2016, based on requests submitted by authorized providers, ANRCETI issued seven licenses for the use of radio channels/frequencies for the provision of public electronic

communications networks and services and updated six previously issued licenses for extending the area of service provision. ANRCETI also accepted the transfer of seven licenses for the use of radio frequencies.

Compared to 2015, the number of licenses issued ANRCETI decreased by 64%. This significant decrease occurred, on the one hand, because of lower demand for new radio frequencies, and, on the other hand, due to a bigger number of licenses renewed by ANRCETI in 2015 (27). A factor leading to the diminishing of this indicator is the effects of the implementation of the Program for Transition from Analog to Digital Television.

Out of the seven licenses issued in 2016, four were awarded for audiovisual terrestrial radio

broadcasting (three for radio and one for television) and three licenses were awarded to SC "Radio communications" for the temporary use of TV channels 56 and 58 for testing terrestrial digital television networks and services (DVB-T/T2).

As per 31.12.2016, the number of valid licenses, issued to providers by ANRCETI for the use of radio frequencies/channels reached 180.

The development of this type of licensing is represented in the Chart below.

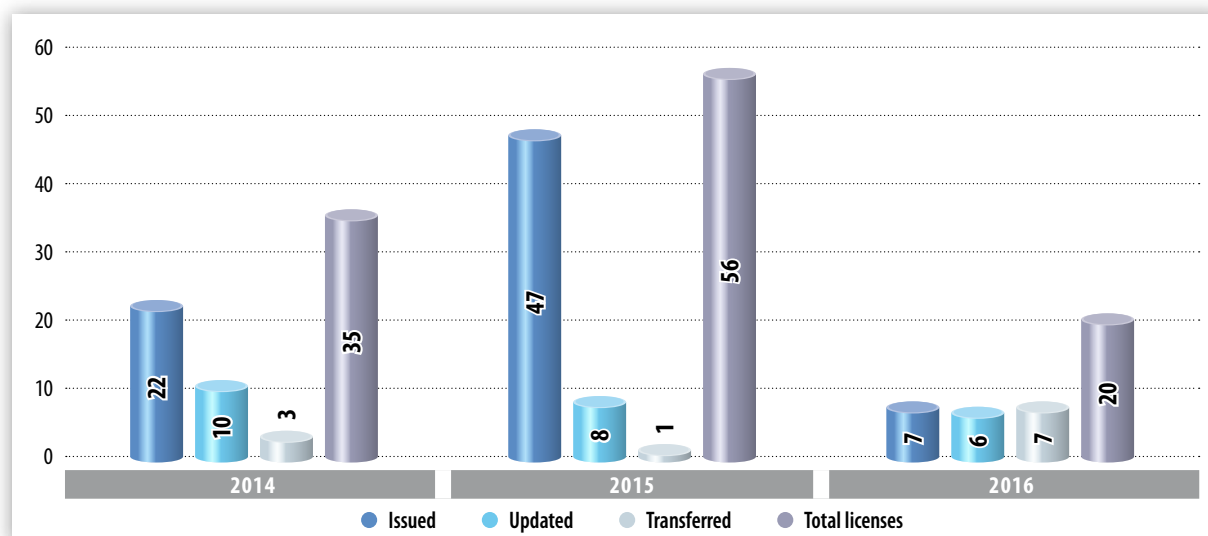


Chart 6 Number of licenses for the use of radio frequencies/channels issued, updated and transferred by ANRCETI in 2014 - 2016

Source: ANRCETI

3.5 License issuance for the use of numbering resources

In 2016, on providers' requests, ANRCETI issued 48 licenses for the use of numbering resources for the provision of public electronic communications networks and services.

Based on those licenses, providers received over 220,4 thousand numbers. From this number, 200 thousand (90,7% of the total) were mobile numbers, 19,2 thousand (8,7%) – fixed numbers and about 1,3 thousand (0,6%) numbers from other categories of numbering resources.

Compared to 2015, the quantity of numbering resources allocated by ANRCETI dropped by 49%, due to a decreased demand for new numbering resources.

Meanwhile, at the request of license holders, ANRCETI withdraw over 27 thousand numbers, of which over 18,8 thousand (69,7% of the total) are fixed numbers, 8 thousand (29,6%) numbers independent of location and 170 numbers (0,6%) from other categories of numbering resources.

According to ANRCETI data, before 31.12.2016, a total of 7 899 522 numbers were allocated to providers, with the share of mobile numbers of 78% (6 160 000 numbers), fixed numbers 21,6% (1 708 660 numbers). The share of the other types of numbering resources is insignificant - 0,4% (30 862 numbers).

The Chart below shows data on the volume of numbering resources ANRCETI allocated to providers in the recent five years.



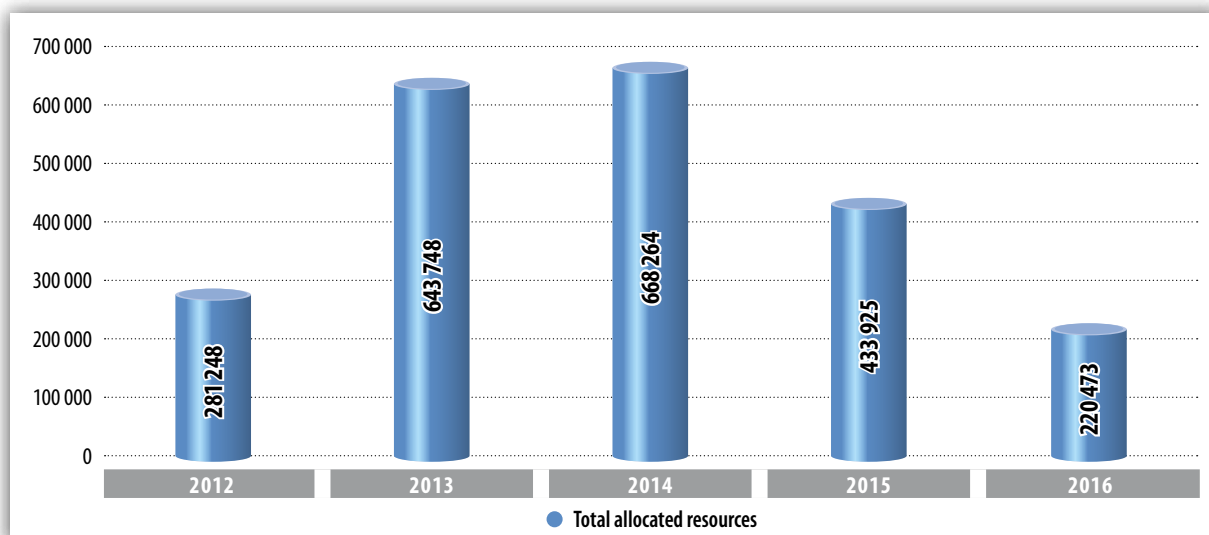


Chart 7 Volume of numbering resources ANRCETI allocated in 2012 - 2016

Source: ANRCETI

ANRCETI also allocated 1,2 thousand numbers independent of location, 40 Premium Rate numbers and 10 Free phone numbers, 23 short national numbers and three signaling point codes.

3.6 Issuance of technical permits for radio communications stations

In 2016, ANRCETI issued 92 technical permits for terrestrial radio communications stations: 36 – for mobile/portable radio communications stations, 39 – for radio amateur stations, 9 – stationary radio communications stations, four – for terrestrial mobile radio communications stations used outside of the Republic of Moldova and four – CEPT technical permits.

The CEPT technical permit is issued to any person who holding a radio amateur certificate issued in Moldova or any person residing in Moldova who has a certificate issued abroad, recognized by the European Conference of Postal and Telecommunications Administrations (CEPT), pursuant to a written request addressed to ANRCETI.

According to ANRCETI data, as per 31.12.2016, the total number of valid technical permits was 936, of which: 579 – for mobile/portable stations, 220 – for radio amateur stations, 107 – for stationary radio communications stations, 24 – for terrestrial mobile radio communications stations used outside of the Republic of Moldova, five - CEPT technical permits and one - CEPT Novice permit. (Chart 8).

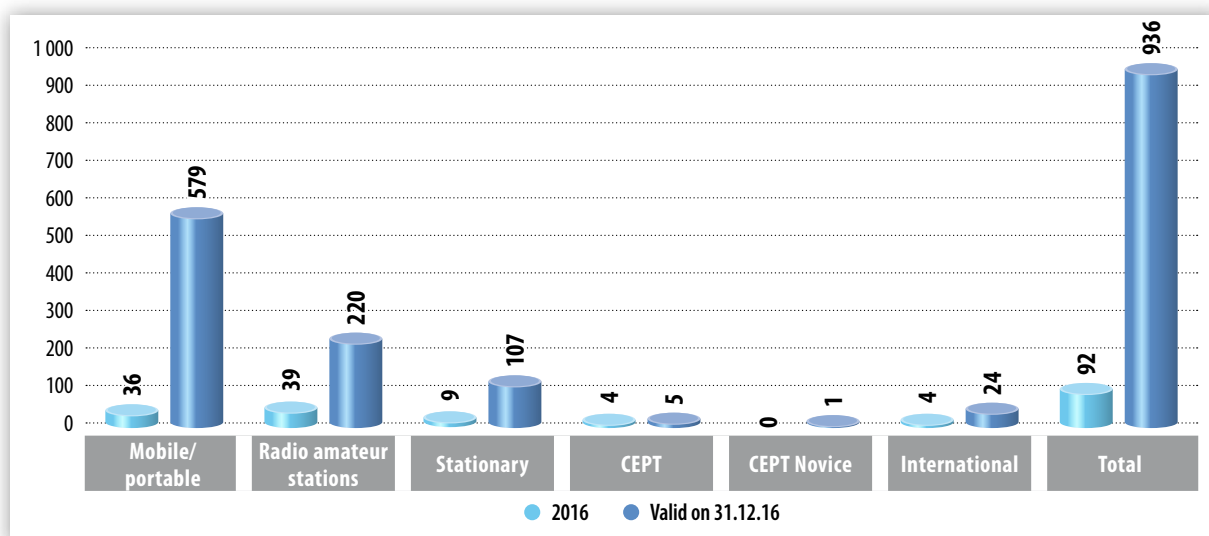


Chart 8 Technical permits issued by ANRCETI in 2016 and technical permits valid on 31.12.2016.

Source: ANRCETI

4 Monitoring and control

In 2016, ANRCETI continued, pursuant to powers vested by law, to monitor and supervise the compliance of electronic communications networks and/or service providers with the provisions of relevant laws and regulations in electronic communications. In this activity, ANRCETI aims to prevent cases of deviation from the requirements of normative acts in force, to inform the providers on proper application of relevant regulations and consistent fulfillment of obligations in terms of consumer protection.

Given the fact that in the second and third quarters of 2016, partially in the first quarter, by Law on Moratorium on State Control no. 18 of 03.04.2016 (hereinafter - Law No.18/2016) and corresponding Government decisions, a moratorium was declared on state control. During this period ANRCETI stopped its control activities, focusing on monitoring the activity of providers of electronic communications networks and/or service providers.

4.1 Monitoring and control of compliance with electronic communications legislation and regulations

During the reporting timeframe, the monitoring activity of ANRCETI included the analysis of the information comprised in 218 documents on different subjects received from individual, legal entities, public institutions, the supervision of the compliance process of providers with the regulatory requirements issued by ANRCETI Administrative Board, as well as informing the providers about their rights and obligations based on general authorization, the provisions of new normative and regulatory acts approved by the Board.

According to ANRCETI, as a result of monitoring actions, over 42 eventual cases of electronic communications contraventions were prevented.

After the moratorium on state control declared by Law No.18/2016 and the corresponding Government decisions was over, ANRCETI specialists performed 24 verifications, of which 21 – planned and three – unplanned.

All the verifications took place under the Law on State Control of Entrepreneurial Activity no.131 of 08.06.2012 (hereinafter – Law no.131/2012). They provide for a number of additional actions, such as selecting providers to be included in the planned quarterly verifications schedule based on the analysis of risk criteria, as established by Law no.131/2012, approval and publication of those schedules on ANRCETI official website and public portal <http://oldcontroale.gov.md/>.

The planned verifications carried out by ANRCETI were focused on checking the degree of providers' compliance with normative and regulatory acts framework for electronic communications, while the unplanned verifications – on investigating the facts described in the notifications to the state bodies, complaints filed by consumers.

Of the total number of verified providers, seven did not run business in electronic communications and did not intend to do so. Therefore, as ANRCETI specialists recommended, five providers requested waiver of the right to provide public electronic communications network and/or services.

ANRCETI found three economic entities running unauthorized electronic communications activities. After offering the necessary consultations on their activity through the relevant legislation, they complied by legalizing activities before the end of the verification procedures. In the other cases, no significant violations of relevant laws and regulations in electronic communications were detected.

The Chart below represents the development of the number of verifications by ANRCETI in 2012-2016.



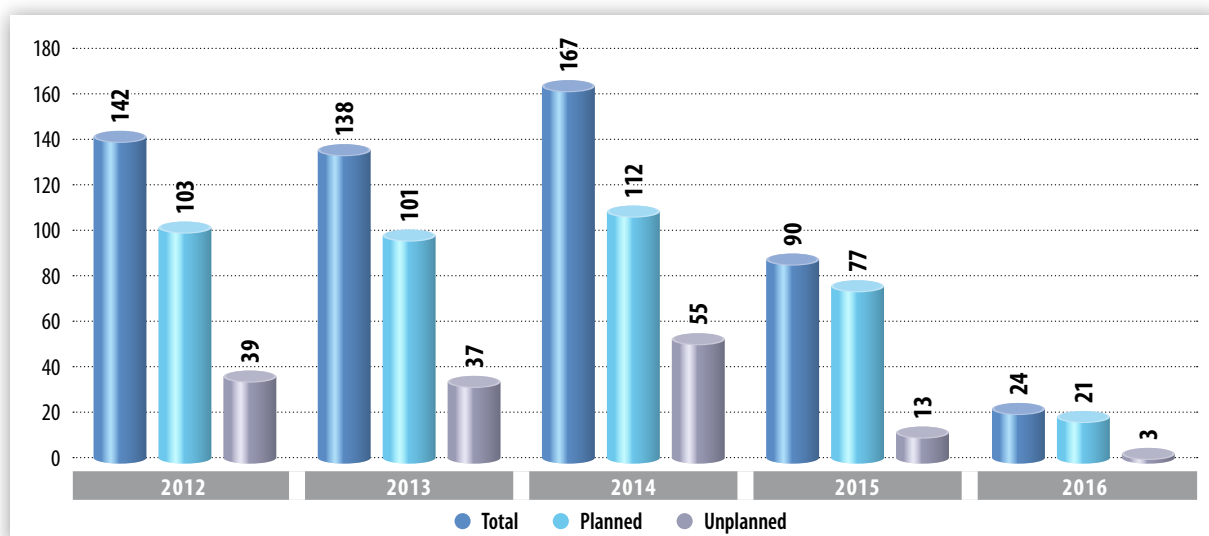


Chart 9 Number of verifications by ANRCETI in 2012 - 2016.

Source: ANRCETI

The number of verifications reduced by more than 73% in 2016, compared to 2015, given the moratorium on state control established by Law No.18/2016 and the corresponding Government decisions.

4.2 Analysis of contraventions

In 2016, ANRCETI, as the entity enabled to ascertain contraventions in electronic communications, found 50 contraventions, which were covered in 50 reports, prepared pursuant to the Contravention Code of the Republic of Moldova no.218-XVI of 24.10. 2008 (hereinafter – CC no.218/2008).

The contravention cases were initiated by ANRCETI in relation to 37 individuals and 13 legal entities - providers of electronic communications networks and/or services, based on the following:

- 36 Ten complaints from electronic communications network and service providers (LLC „Sun Communications”, LLC „Metical”, LLC „Elechservice-Grup”, etc.);
- Six ex-officio self-notifications;
- Four complaints from the Audiovisual Coordinating Council;
- Two complaints from the Ministry of Information Technology and Communication;
- Two complaints from internal affairs bodies.

The reports on contraventions prepared by ANRCETI refer to the following illegal acts, as provided and penalized according to the articles of Chapter XIV of CC no.218/2008:

- Unauthorized connection or admitting of unauthorized connection to electronic communications networks (art.252 of CC no.218/2008) – 32 reports;

- Non-compliance with general authorization conditions (art.247 (1) of CC no.218/2008) – five reports;
- Unauthorized provision of electronic communications networks and services (art. 246 (1) of CC no.218/2008) – three reports;
- Unauthorized use of radio frequencies/channels (art. 248 (1) of CC no.218/2008) – two reports;
- Unauthorized use of numbering resources (art. 248 (2) of CC no.218/2008) – two reports;
- Violation of protection rules for electronic communications lines and installations (art.250 (6) of CC no.218/2008) – two reports;
- Production of harmful interference (art.251 (1) of CC no.218/2008) – two reports;
- Non-compliance with the license conditions for the use of radio frequencies (art.249 (1) of CC no.218/2008) – one report;
- Non-compliance with the electronic communications regulations (art. 250 (1) of CC no.218/2008) – one report.

All the 50 reports prepared by ANRCETI were filed to Central Court of Chisinau municipality for examination. During 2016 ANRCETI representatives took part in 175 hearings in relation to the contravention reports and other cases, to defend the interests of ANRCETI, at Central Court of Chisinau and the Court of Appeal.

By the end of 2016, the central court pronounced rulings for 40 contraventions, with the following results : 26 – application of fines; 10 – admitted guilt, however, no fine applied due to expired term of liability prescription, and 4 – dismissed cases for lack of elements constituting a contravention.

The court rulings resulted in fines applied to offenders, equal to 39 800 lei (1990 conventional units).



In 2016, ANRCETI, as the authority empowered by law to protect the consumers of electronic communications services, focused on the information of consumers as regards their rights related to providers, on dealing with and solving complaints.

ANRCETI also continued to monitor the way providers comply with the provisions of the Regulations on Public Electronic Communications Service Provision, approved by ANRCETI Administrative Board Decision no. 48 of 24.09.2013 (hereinafter – Regulations no. 48/2013), a normative act establishing a set of rules intended to protect electronic communications users' rights.

5.1 Providers observance of users' rights

In 2016, ANRCETI monitored the activity of electronic communications networks and/or service providers in terms of ensuring the necessary level of user protection and consistent application of the provisions of Regulation no. 48/2013.

In the monitoring process, ANRCETI specialists offered providers due assistance in terms of understanding the relevant legal provisions, including the part aimed at protecting the rights of users. The consultations were focused on the need for providers to ensure the transparency of tariffs and the conditions for the provision and use of services, to comply with the obligation to inform end users and adjust the standard contracts to the requirements of the legislation in force, in particular the consumer protection legislation.

In 2016, ANRCETI continued monitoring cases mobile calls from international unknown numbers and misleading SMS, causing huge debt for users, and took a number of steps to counteract these attempts to deceive consumers. Thus, ANRCETI recommended mobile service providers (JSC "Orange Moldova", JSC "Moldcell" and JSC "Moldtelecom") to hold information campaigns for consumers regarding this phenomenon, to provide free telephone hotlines in order to inform the customers, to examine the possibility of blocking the access to suspicious international numbers, to disseminate warning messages on web pages, to work jointly towards mutual and fast exchange of information and

undertake other measures under the law, to discourage frauds and decrease the number of responses to misleading calls and SMS.

Besides the actions recommended by ANRCETI, providers took additional measures, such as blocking the dispatch centers for fraudulent messages and outgoing calls to dubious destinations, developing an alert mechanism for eventual cases of fraud against consumers. Due to the actions undertaken by ANRCETI and three mobile telephone service providers at the end of 2016, the number of fraudulent calls and SMS reduced significantly.

Meanwhile, ANRCETI also considered the complaints addressed by consumers to the regulator and interfered with appropriate actions under the law, whereas in certain circumstances provided consultations to address the non-compliance by providers, such as incorrect charging, delayed removal of technical malfunctions, unfounded suspension of services, non-observance of service quality parameters, tariff increase without informing users, etc.

5.2 Use of number portability service

The telephone number portability service, launched in 2013, provides for the users right to switch telephone service provider without having to change the phone number. This service not only allows users to keep their phone number, but also to benefit from the best deals on the market.

The number portability service in mobile networks was launched on July 1, 2013, in fixed networks – on July 31, 2013. ANRCETI data show that in 2016 over 36,9 thousand numbers were ported, of which over 33,5 thousand (91%) mobile and over 3,4 thousand (9%) fixed numbers. Over 3 thousand numbers were on average ported per month in 2016.

However, for the first time since the launch of the porting of numbers, the total volume of ported numbers decreased, compared to 2015, by 25% (-11 thousand). ANRCETI specialists explain this decline by the balance of offers (prices and options) proposed by providers on the market, in which case users have fewer reasons to migrate from one provider to another. A similar trend is observed in other countries where number portability has been implemented.



Out of the 33,5 thousand mobile numbers ported in 2016, the biggest number – about 19 thousand – were received by JSC "Moldcell". 8,8 thousand numbers were ported to JSC „Orange Moldova“, more than 5,6 thousand – to JSC "Moldtelecom" (Unite). Out of the 3,4 thousand ported fixed numbers, most migrated to the fixed networks of "Starnet Solutions" LLC (893 numbers), JSC „Orange Moldova“ (859), JSC „Moldcell“ (692) and JSC "Moldtelecom" (470 numbers).

Statistical data show that in three and a half years since the launch of numbers portability 151 thousand people used this service. In all these years the interest of users to the service has been increasing steadily. In six months of 2013, 28,4 thousand numbers were ported, in 2014 - more than 37,6 thousand, in 2015 – 44,8 thousand. Other data on the evolution number portability service in three and a half years are shown in the Chart below.

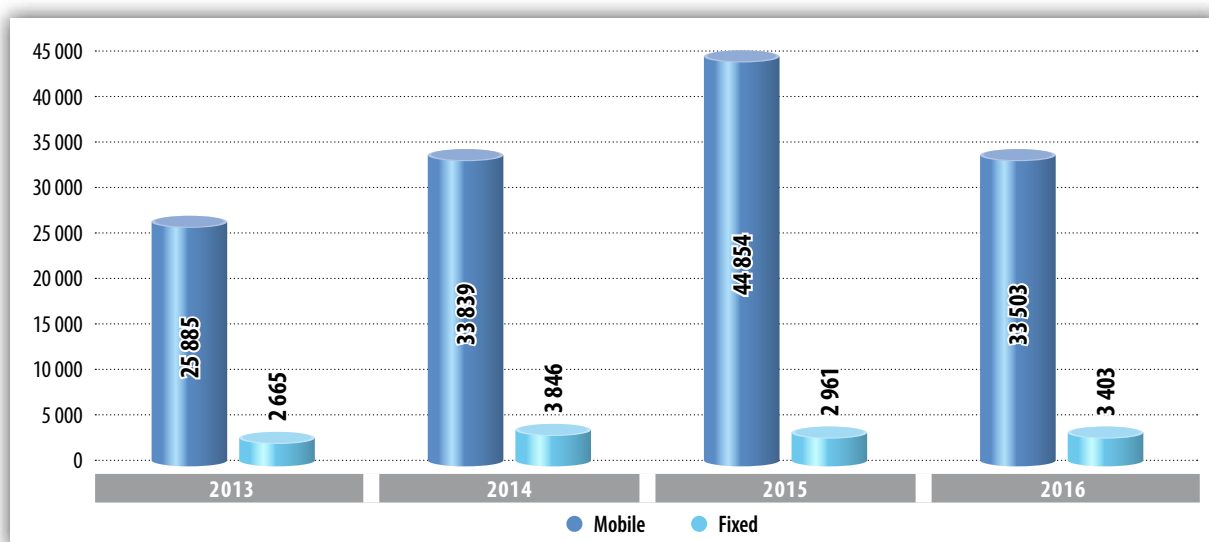


Chart 10 Development of the mobile and fixed number porting process in 2013 - 2016

Source: ANRCETI

The data in Chart show that mobile users are most interested the number portability service. In three and a half years, the number of such users exceeded 138 thousand, which makes 91% of total users of number portability service. The number of fixed telephony subscribers who used the service reached 12,8 thousand or 9% of the total beneficiaries of this service.

ANRCETI believes that numbers portability service has become an effective tool to ensure the users' right to free choice of providers and to enhance competition on the telephone market. Following the launch of this service, telephony providers offer more attractive and more favorable offers for users, are more responsive to their requirements and provide various bonuses, either to retain their own users in their networks or to attract new ones from other networks.

5.3 Requests and complaints

The number of requests and complaints received by ANRCETI in 2016 from individuals and businesses increased over 2015, by 12% and reached 891. This development emerged due to the increase of inquiries of technical, legal and economic nature addressed to ANRCETI by means of the free information hotline – 080080080.

Thus, the number of inquiries addressed to ANRCETI requesting consultations of technical, legal and economic nature increased by 54% to a total of 299, while the number of calls to the 080080080 telephone line increased by 23,7% up to 167. In the first case, citizens received detailed information for the areas of their interest, in the second case - explanations and recommendations from ANRCETI specialists on how to solve the issues raised by callers and



advice for better understanding of services and offers on the electronic communications market.

Meanwhile, the number of requests for access to information decreased by 6% and made 238 cases, and the number of complaints decreased by 12,3% and totaled 184. In most

cases, stakeholders asked for information on ANRCETI activity (61 requests) and on general authorization procedure for the provision of electronic communications and postal services (31 requests). Other data on the subject matter of requests for access to information are presented in the table below.

Table no.1 Nature of requests for access to information received by ANRCETI in 2015 – 2016

Reporting timeframe	2015	2016
Requests for access to information, including electronic	252	238
<i>Requests for access to information per area of interest¹</i>		
• telephony	21	7
• television	14	5
• audiovisual	-	2
• Internet access services	7	1
• radio broadcasting	-	1
• numbering resources	10	9
• general authorization	25	31
• interconnection, access to infrastructure	9	3
• radio frequencies	4	2
• equipment	7	3
• network security	-	1
• market analysis/tariffs	18	2
• implementation of technical regulations	-	5
• billing of services	-	6
• connection to the network	-	2
• abusive actions, committed by providers	-	21
• number portability	6	5
• general electronic communications issues	6	9
• postal service	-	3
• statistical data/filling out forms	28	26
• data about providers	22	10
• general data about ANRCETI	10	7
• information about ANRCETI activity	20	17
• information about ANRCETI administrative activity	25	44
• other subjects	20	16

Source: ANRCETI

¹ Part of the requests for access to information refers to multiple areas of interest



The statistics of the complaints, received by ANRCETI, shows that out of the 184 registered ones in 2016, 137 – were referred directly to the regulator and 47 – through other state institutions. 169 complaints came to ANRCETI

from end users and 15 – from providers of public electronic communications services. The Chart below represents the evolution of the number of complaints considered by ANRCETI in the recent five years.

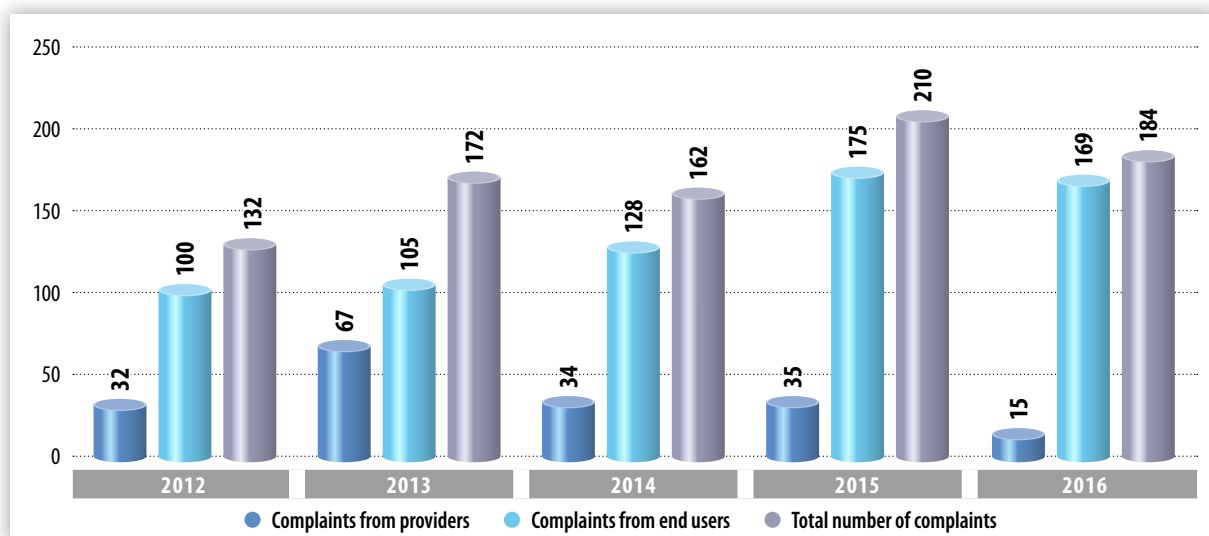


Chart 11 Complaints addressed to ANRCETI by providers and end users in 2012 – 2016.

Source: ANRCETI

The analysis of the issues claimed in complaints show that the most pressing subjects tackled by consumers refer to the charges and the debts for services included in the bills, (62 complaints), infringement of contractual clauses, interconnection agreements, normative acts (45 complaints) and quality of services (28 complaints).

The analysis attests considerable reduction, compared to 2015, in the number of complaints concerning the correctness of telephone service provisions and Internet access in breach of contractual terms, interconnection agreements and normative acts.

However, the statistical data show a relatively stable situation compared to 2015 as regards the complaints on increase of tariffs for electronic communications services (12 complaints),

abusive clauses in contracts signed with end users (6 complaints), abusive actions from providers in the number portability process (6 complaints), network security (3 complaints), etc. on the other hand, there was a substantial increase in the number of complaints on illegal disconnections, restricted access to the network and/or termination of service provision (19 complaints).

Like in the previous years, the biggest number of complaints were addressed to ANRCETI by consumers served by JSC „Moldtelecom” (77 complaints), JSC „Orange Moldova” (21 complaints), JSC „Moldcell” and LLC „Starnet Solutions” (18 complaints each).

The Table below provides information on the nature of complaints, considered by ANRCETI in 2015 – 2016.



Table no. 2 Nature of complaints considered by ANRCETI in 2015 – 2016

Reporting timeframe	2015	2016
Total number of complaints	210	184
a. Complaints per area of interest		
• mobile telephone services	39	42
• cable TV services	16	21
• Internet access services	18	26
• fixed telephone services	19	11
• radio broadcasting	2	-
• interconnection, access to infrastructure	11	7
• number portability	2	6
• content services	-	2
• general electronic communications issues	103	69
b. Claimed subjects		
• Data included in bills	72	62
• Tariff increase	15	12
• Quality of service, malfunctions	26	28
• abusive clauses in service provision contracts	5	6
• breach of contractual clauses, interconnection agreements, normative acts	77	45
• illegal disconnection/restriction of access/termination of service provision	6	19
• unfair competition	3	-
• abusive actions in number portability implementation	4	6
• abusive actions in using personal data	-	2
• fear of electromagnetic field effects on human health	1	1
• illegal interception	1	-
• network security	-	3
<i>Complaints by individuals</i>	166	154
<i>Complaints by businesses</i>	44	30
<i>Complaints from providers</i>	35	15
<i>Complaints from users</i>	175	169
<i>Justified complaints</i>	47	39
<i>Unjustified complaints</i>	80	87
<i>Complaints referred by competence</i>	12	6
<i>Complaints withdrawn by complainants</i>	-	8
<i>Explanations presented</i>	45	24
<i>Rejected complaints</i>	12	6
<i>Pending complaints</i>	14	14

Source: ANRCETI

Following the examination of complaints, ANRCETI specialists found that out of the 184 complaints 39 – were considered as justified, while the facts described in 87 proved groundless, the complaints being qualified as unjustified. Due explanations were presented to 24 complaints, 8 complaints were withdrawn by the complainants, 6 were referred by competence, 14 complaints were pending at the

end of 2016, and 6 - rejected for the reason of non-consistency with the requirements of the legislation in force.

It should be mentioned that all the justified complaints were solved in favor of consumers, while in some cases ANRCETI specialists proposed alternative solutions that helped the complainants remedy the problems.



6 Information and communications

In 2016, ANRCETI communication activity was focused on informing the public about its regulations and activity, as well as on the objective of dissemination of the measures targeted at the implementation of the Law on access to properties and shared use of infrastructure associated to public electronic communications networks (hereinafter - Law no. 28/2016) the Law on postal communications (hereinafter - Law no. 36/2016), in force since April 2016, taken by ANRCETI given the new powers prescribed by these Laws.

In the same period, ANRCETI revised its official web page structure, supplemented it with new information on the sectors covered by its regulation and actively used it in the information campaign about the provisions of Law no. 28/2016 and Law no. 36/2016 and the regulatory documents issued in order to implement these laws.

6.1 Transparency of decision-making process

To ensure the transparency in decision making, ANRCETI continued in 2016 to maintain a

permanent and open dialogue with the industry, both through the public consultation process on its draft regulations and numerous consultations and working sessions on these projects, organized at ANRCETI or providers' initiative.

In 2016 ANRCETI proposed for public consultations 30 draft Administrative Board Decisions, which subsequently were debated within 35 hearings and public sessions. During the public sessions, the Administrative Board examined and approved 26 decisions, of which 8 concern the implementation by ANRCETI of Law no. 28/2016 and Law no. 36/2016.

In the public consultation, ANRCETI received 367 recommendations from stakeholders on the draft documents subject to consultations. Of the total number of recommendations, 246 were classified by ANRCETI as justified and were taken into account for improvement of the draft decisions. The reasons why 121 recommendations were not accepted by the Agency were explained in the synthesis of recommendations, published on ANRCETI official website.

Table no. 3 Process of public consultation on draft ANRCETI decisions, 2014 – 2016

Nr	Reporting timeframe	2014	2015	2016
1	Number of draft decisions subject to public consultations	49	27	30
2	Number of draft decisions announced on the website	49	27	30
3	Number of hearings, debates and public sessions	12	15	35
4	Number of recommendations received	53	230	367
5	Number of recommendations considered as unjustified	27	167	246
6	Number of adopted decisions	22	53	26
7	Number contested ANRCETI decisions for non-compliance with Law no. 239-XVI of 13.11.2008	0	0	0
8	Number of sanctions applied for non-compliance with Law no. 239-XVI of 13.11.2008	0	0	0

Source: ANRCETI

6.2 Communication with the public

In 2016, ANRCETI's communication with the public was based on two main working tools: informing the public about the activities and regulations through the official website and holding seminars for level two public authorities throughout the country in order to make them aware of their rights and obligations pursuant to Law no. 28/2016.

In order to give the website visitors the possibility to access multiple categories of information, in particular about the provisions of Laws no. 28/2016 and no. 36/2016 and their implementation progress, ANRCETI proceeded to restructure its official website by merging/reviewing some old sections and creating two new ones to cover

the regulation of access to the properties and shared use of infrastructure associated to public electronic communications networks, as well as the postal sector.

The first section, entitled *Access to properties*, offers interested parties specific aspects related to the enforcement of Law no. 28/2016, details on the request for access and contract for access to properties, tariffs and access conditions to public and private property, under which the infrastructure is shared and works are carried out in terms of construction (installation), maintenance, removal, replacement, transfer or retooling of electronic communications networks or infrastructure elements necessary

for their support. The second section, *Postal Communications*, makes the basic information available for interested stakeholders, in clear and accessible language, as well as the information on the provisions of *Law no. 36/2016* with reference to rules and conditions of activity in postal communications, implementation of general authorization regime and universal postal service, resolving complaints from postal service users and disputes between providers.

Meanwhile, after *Laws no. 28/2016* and *no. 36/2016* entered in force, ANRCETI started an extensive information campaign by means of its official website, in order to raise the awareness of the public concerning the two laws. Also ANRCETI added new content to its website about new regulatory measures on the sectors within its competence, with new data on the evolution of electronic communications markets, progress of the licensing process for the provision of electronic communications networks and/or services, postal services, evolution of the quality of service parameters, etc. Overall, 630 inside pages of ANRCETI website were created, modified and completed in 2016.

Statistical data show that during 2016 ANRCETI official website was accessed by over 45,3 thousand users, while within one month – on average 3,7 thousand users. Overall, in 2016, the visitors of ANRCETI website had more than 90,3 thousand sessions, in which they generated over 271 thousand displays of the website interior pages.

During the information campaign aimed at raising the awareness of the public about the provisions of *Law no 28/2016*, ANRCETI organized, in November 2016, three seminars dedicated to the implementation of the law for municipal and district government representatives from across the country. The first seminar was held in Balti, for public authorities from the North of Moldova, the second - in Comrat, for public authorities from the South and the Gagauz autonomous territorial unit and the third – in Chisinau, for public authorities from the central zone of the country.

During the seminars, ANRCETI experts made presentations on *Law no 28/2016* and answered questions raised by the representatives of public authorities as regards the implementation of this law. There were interested in specific aspects such as dealing with requests for access to properties, development and publication of access conditions, signing access contracts, pricing and rates for access to properties and dispute resolution.

In the end of the seminar in Comrat, it was agreed, at the proposal of the representatives of District

Council of Cantemir, that ANRCETI, upon request, would delegate its specialists to mayors meetings in order to inform and help clarify specific issues related to the implementation of *Law no 28/2016*.

Proceeding from the results of the three seminars, ANRCETI decided to continue the campaign in 2017, to inform public authorities about their responsibilities in the implementation of *Law no 28/2016*. This action will be continued by means ANRCETI official website, mass-media publications, during meetings of district mayors.

6.3 Communication with mass-media

In its communication with the representatives of mass – media, ANRCETI directed its efforts to inform about its new powers, given by *Laws no. 28/2016* and *no. 36/2016*, and the regulations developed for the purpose of implementing the provisions of those laws, the evolution of the electronic communications market segments, progress of the general authorization regime for electronic communications and postal sectors, other activities of public interest.

In April 2016, ANRCETI held the traditional press conference dedicated to the launch of the Report on Electronic Communications Market Development for the previous year. ANRCETI has organized such press conferences annually for the eighth consecutive year, in order to inform stakeholders about the situation on the market segments, to make them aware of the trends and development prospects of the electronic communications sector.

These and other ANRCETI activities of public interest became the subjects for press releases and news, published on the official website and submitted to mass media. Throughout 2016, ANRCETI issued 75 press releases, of which 30 – covering topics related to access to properties and the postal sector. The subjects and the facts stated in the 75 press releases were reflected in more than 200 mass - media publications.

Table no. 4 ANRCETI activity reflected in mass - media, 2015- 2016

Reporting timeframe	2015	2016
Total number of press releases and news published in mass – media,	274	215
Of which:		
Published in electronic press	230	185
radio/ TV programs	11	17
published in written press	33	13
Number of press releases submitted by ANRCETI to mass-media representatives	78	75

Source: ANRCETI



ANRCETI international cooperation activity is guided by a basic principle that active cooperation externally helps improve the regulatory process and creates preconditions for a fast development of the sectors covered by its regulation. In this regard, in 2016, according to the provisions of the Association Agreement Moldova - European Union, the National Action Plan for the implementation of the Agreement for 2014-2016, and the new regulatory powers for postal market and access the properties, ANRCETI focused on fulfilling the tasks for the implementation of European standards in regulating sectors under its competence, on enhancing the cooperation with similar authorities in European countries and taking up the best regulatory practices.

ANRCETI fulfilled these tasks by being involved in European activities and projects, by participation of its experts in seminars, workshops and conferences, through the exercise of its membership and observer in European specialized organizations and by identifying new assistance projects on topics of major importance for its regulatory activity.

7.1 Partnerships and projects

In 2016, ANRCETI became observer in the European Regulators Group for Postal Services (ERGP), continued its activity in the Eastern Partnership Electronic Communications Regulators Network (EaPeReg), strengthened its cooperation relations with other similar authorities from EU countries and received two technical assistance projects from the European Commission (EC) under TAIEX instrument.

Cooperation activities with organizations and regulators

In 2016, ANRCETI history was marked by a significant event: after taking over, in April 2016, pursuant to Law no.36 / 2016, the regulatory powers of the postal service market, in July of the same year the Agency was accepted as observer in the European Regulators Group for postal services (ERGP). Later, ANRCETI participated as observer in two ERGP plenary sessions, which discussed, in addition to current issues (e-commerce, indicators for monitoring the European postal service market, quality of service), the Action Plan of the group for 2017, actions attended by its representatives.

ANRCETI also took part in a number of EaPeReg events: workshops, working groups meetings, plenary sessions, which helped take over the best regulatory practices from EU member states. In those events, ANRCETI specialists were involved in data collection and analysis, presentation of country reports and experiences in the area under discussion, the gained knowledge being basis for the process of national regulation alignment to EU standards.

ANRCETI officials participated in two EaPeReg Plenary meetings in 2016. At the first meeting, held in April, the attendees examined the activity reports of working groups on spectrum (SEWG) and benchmarking (BeWG – ANRCETI chairs this Group), the opportunity to establish a third working group – on roaming (REWG) – in order to create roaming common space of the EaP countries.

At the second plenary meeting of the Group EaPeReg, which took place in November, the network discussed the draft work plan for 2017, the action plan and the main areas of activity for 2018 - 2019. At the Plenary ANRCETI appointed by vote EaPeReg 2017 Chair, while the National Authority for Management and Regulation in Communications of Romania (ANCOM) - Vice Chair. So, starting with January 1, 2017 the two regulators are responsible for monitoring the performance of the EaPeReg Network, its work plan for 2017 and for the general organizational process.

Another important ANRCETI activity in 2016 was the participation, jointly with the EaPeReg Network, in the Harmonization of Digital Markets (HDM) platform, which promotes the development of digital markets, harmonization of legislative and regulatory frameworks in partner countries. The event was attended by representatives of EaP countries, including Moldova, the EU Commission and the Council, EBRD, ICT associations. The meeting agreed on a common vision on Digital Community, common digital market expansion and implementation by the EaP countries of the HDM action plan for 2016 - 2017. At this meeting, the EC launched the project EU4Digital Regional Networks, a platform to become one of the engines of the process of implementation of the roadmaps developed under the Digital Community umbrella.

ANRCETI also organized bilateral meetings, on basis of the Memorandums of Understanding, previously signed with the regulators from



Romania (ANCOM) and Lithuania (RRT). At these meetings, ANRCETI specialists learned about the experience of their colleagues in terms of postal service regulations, quality of service and implementation of 112 emergency service.

TAIEX technical assistance projects

In 2016, ANRCETI continued the process of training its specialists by means of TAIEX Technical Assistance and Information Exchange Instrument of the European Commission, delivered by expert missions from Portugal and Lithuania.

In the first workshop, held in May 2016, ANRCETI specialists discussed the legislation and the regulatory framework in Portugal and Moldova as regards access to properties and shared use of electronic communications infrastructure and the best practices applied in Portugal in this area, in particular by the National Authorities in Communications (ANACOM).

The second workshop was held in July 2016 and was delivered by experts from the Communications Regulatory Authority of Lithuania (RRT). In this workshop, ANRCETI specialists learned about the regulatory framework for the postal service markets in the EU and in Lithuania, and about the RRT experience in postal service regulation. Both workshops contributed to strengthening the professional skills of ANRCETI specialists and served as support in the implementation of Laws no. 28/2016 and no. 36/2016.

It is notable that ANRCETI representatives took part, in the April 2016, in the workshop "TAIEX - Information Society - 20 years of experience", organized in Vilnius, Lithuania, by the EC in cooperation with the Ministry of Foreign Affairs and Communications and Regulatory Authority (RRT) of Lithuania to commemorate 20 years since the launch of TAIEX financing instrument. It is remarkable that in the timeframe 2011 - 2016, ANRCETI was the beneficiary of nine TAIEX missions, which contributed added value to the professionalism of its specialists.

7.2 Participation in European and international forums

In 2016, ANRCETI representatives participated in a number of conferences, seminars and meetings, organized by regional European and international bodies in electronic communications, information technology and postal communications, which contributed to the strengthening of ANRCETI's institutional capacity and made the regulator more visible externally.

The most important international events attended by ANRCETI this year was the Mobile World Congress, which took place in February 2016 in Barcelona, Spain, under the auspices of the GSM Association and the World Summit on Information Society (WSIS), – in Geneva, Switzerland.

ANRCETI representatives also took part in the following events:

- Meeting of the Spectrum Working Group (SEWG) (February, Zagreb, Croatia);
- Conference "Digital Economy: Changes and Challenges" (March, Prague, Czech Republic);
- ITU Seminar "Spectrum Management and Digital Switchover for Europa and CIS (March, Bucharest, Romania);
- 10th session of NEDDIF (North-Eastern Digital Dividend Implementation Forum), (June, Warsaw, Poland);
- Consultative Seminar: "Broadband Service Map in Europe" (June, Brussels, Belgium);
- Regional conference EURODIG "European Dialogue for Internet Governance" (June, Brussels, Belgium);
- Training Course: „Infocomm Media Executive Program: sharing the Singapore Experience" (August, Singapore);
- ANCOM Annual Conference (September, Bucharest, Romania);
- BERD Regional Conference on Broadband Investment (October, Athens, Greece).

In conclusion, we emphasize that ANRCETI's international activity contributed both to a more visible representation in international European and regional specialized bodies and to the improvement of its employees professional skills. They benefited from the opportunity to study current trends in the electronic communications and postal service markets in global and European level, but also to take the best regulatory practices applied by partners from EU countries.



8 Human resources

Pursuing its human resources policy, ANRCETI administration continued to act towards strengthening the regulator's institutional capacities, an effective organization and management of regulatory activity in the sectors under its competence, as well as those related to the improvement of the staff's training process. In this regard, the Board took steps contribute to the development of human potential and increase the professional efficiency of staff.

8.1 Management of human resources

The measures of human resource management, undertaken in 2016, were aimed at optimizing the structure and number of ANRCETI staff, team motivation and consolidation in order to achieve the objectives to be reached by ANRCETI.

Acknowledging the need to duly fulfill ANRCETI's new tasks prescribed by *Law no.28/2016* and *Law no.36/2016*, the Administrative Board made modifications to ANRCETI organizational structure.

Thus, the Regulations Development Department and the Regulations Executive Department were re-structured, by the modification of the number of services, specifications of tasks and optimization of their staff. As a result, as of 02.01.2017, in the Regulations Development Department there are three subdivisions: Electronic Communications Regulation Service, Postal Communications Regulations Service and Market Analysis Service, while in the Regulations Executive Department – two subdivisions: Monitoring and Access Service and Monitoring and Statistics Service. The optimization of ANRCETI structure and number of staff was carried out within the expenses set by the annual budget and existing human resources.

As per 31.12.2016, ANRCETI had 68 employees, most of them specialized staff. As per this date, the average age of employees was 45. The bulk of the team are aged between 30 and 49, which makes over 82% of the total number of employees. The number of employees aged 20 - 29 makes 7%, 30 - 39 – 49%, 40 - 49 – 28%, 50 - 59 - 10%, over 60 - 6% of the total ANRCETI employees. (Chart 12).

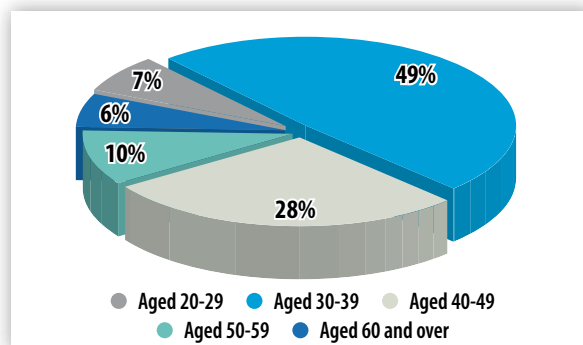


Chart 12 Structure of ANRCETI staff per age categories

Source: ANRCETI

The structure of staff by professional qualification reveals that ANRCETI has a significant potential for development. From the total number of employees, 64 have university degrees (93%), of which 29 – also have postgraduate degrees. 13 employees have two university degrees, one employee has degree of doctor of law, nine employees are currently studying for the second university degree or doctor's degree.

The bulk staff are employees with technical degrees (26), followed by those with degrees in law (17), economic education (13), humanitarian (7), other (3). The data about ANRCETI employees are reflected in the Chart below.

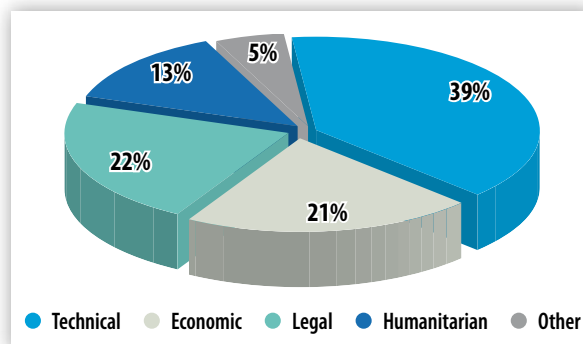


Chart 13 Structure of ANRCETI staff by education degrees

Source: ANRCETI

In 2016, ANRCETI continued to motivate its staff for higher performance at work.

On May 17, on the World Telecommunication and Information Society Day, for prodigious activity, perseverance and professionalism, one ANRCETI employee was awarded the Honorific title "Master in Information Technology and Communications", while six employees were awarded with Honorific Diplomas of the



Ministry of Information Technologies and Communications and Trade Union Federation in Communications. As well, on August 17, 2016, on ANRCETI's 16th anniversary, eight employees, for significant work performance, were awarded with ANRCETI Merit-based Diplomas.

8.2 Professional training of ANRCETI staff

The professional training of ANRCETI staff was focused on profoundly studying the European regulatory practices applied for postal services, for access to the properties and shared use of electronic communications infrastructure associated to public networks, expertise absolutely necessary for ANRCETI to fulfill its new powers established in *Law no.36/2016* and *Law no.28/2016*.

Thus, the process of training ANRCETI specialists was realized through various activities in the country and abroad. Thus, a number of ANRCETI specialists took part in a series of seminars, workshops, roundtables organized by the EaPeReg Network, by the technical assistance and information exchange missions delivered the TAIEX - Technical Assistance and Information Exchange Instrument of the European Commission, but also events organized by the International Telecommunication Union (ITU) and EU regulators.

More information about the training of specialists ANRCETI is available above, in Chapter 7. International Relations of this Report.

9 Conclusions. Priorities for 2017

The information in this Report confirms that 2016 was successful for ANRCETI, both internally and externally, considering the results of its activity within regional and European bodies specialized in the areas of its competence.

The acceptance of ANRCETI as an observer in the ERGP, its election as EaPeReg Chair for 2017, its chairmanship in the Benchmarking Working Group proves that ANRCETI has become more visible at European level and its activity as regulator is appreciated by its partners abroad.

As EaPeReg Chair, ANRCETI aims to intensify the network activity and to develop common regulatory practices, thus helping EaPeReg Network become the main entity coordinating the regulation of electronic communications sector in Eastern Partnership countries. ANRCETI will also intensify its direct cooperation and exchange of experience with counterparts from the EU countries, in EaPeReg areas of competence, to obtain specialized information and improve the technical activities of this group.

In relation to the regulator's internal activity, it is notable that the main outcome of the ANRCETI work is the completion of the development and approval of regulatory acts for the implementation of *Law no.36/2016* and *Law no.28/2016*, both in force since April 2016 and other documents included in the Program for Regulatory Acts Development in 2016. This year, ANRCETI Administrative Board examined and approved 40 decisions, 20 of which of normative nature, 13 – covering the internal organization of the regulator, five decisions of individual nature, and two – as remedies for breaches of obligations.

To ensure consistent enforcement of ANRCETI's new tasks and streamline its work, the Administrative Board restructured the subdivisions responsible for regulations developing and their enforcement, by changing the number of services, by specifying duties and

optimization of staff. The Board considers that the restructuring will facilitate the achievement of one of the main objectives posed by ANRCETI for 2017: the enforcement of the regulatory documents aimed at implementing the above-mentioned laws and monitoring the providers' compliance with their obligations prescribed by these laws.

Another priority for ANRCETI in 2017 is to continue the regulation of relevant electronic communications markets, defined as susceptible to ex ante regulation. After concluding, in 2016, the fourth round of three relevant markets analysis, in 2017 ANRCETI will make the analysis of six other markets. In this work, ANRCETI will review the situation of the six relevant markets in order to ascertain whether they are effectively competitive and, depending on the situation, take decisions whether to impose, maintain, amend or withdraw the obligations previously imposed on providers with significant market power. These measures are targeted at ensuring the functioning of the electronic communications market under competitive conditions and protecting the interests of end users.

The agenda of ANRCETI priorities for 2017 also includes measures of monitoring the providers' access to properties and shared use of infrastructure associated to public electronic communications networks, the compliance by providers with significant market power with the ex-ante obligations, imposed by ANRCETI, and the way electronic communications and postal service providers observe the consumer protection requirements.

In order to improve the current regulatory framework, ANRCETI plans to develop and approve a new version of the Regulation on Control, the decision on the minimum measures to be taken by providers to ensure security and integrity of public electronic communications networks and services and reporting incidents with significant impact thereon, as well as a number of amendments to some previously approved regulatory acts.

