

# Romania

	Romania				EU
	DESI 2017	DESI 2018	DESI 2019		DESI 2019
	value	value	value	rank	value
<b>1a1 Fixed broadband coverage</b>	<b>89%</b>	<b>88%</b>	<b>87%</b>	<b>26</b>	<b>97%</b>
% households	2016	2017	2018		2018
<b>1a2 Fixed broadband take-up</b>	<b>63%</b>	<b>67%</b>	<b>66%</b>	<b>22</b>	<b>77%</b>
% households	2016	2017	2018		2018
<b>1b1 4G coverage<sup>1</sup></b>	<b>45%</b>	<b>72%</b>	<b>77%</b>	<b>28</b>	<b>94%</b>
% households (average of operators)	2016	2017	2018		2018
<b>1b2 Mobile broadband take-up</b>	<b>71</b>	<b>82</b>	<b>85</b>	<b>20</b>	<b>96</b>
Subscriptions per 100 people	2016	2017	2018		2018
<b>1b3 5G readiness</b>	<b>NA</b>	<b>NA</b>	<b>0%</b>	<b>13</b>	<b>14%</b>
Assigned spectrum as a % of total harmonised 5G spectrum			2018		2018
<b>1c1 Fast broadband (NGA) coverage</b>	<b>72%</b>	<b>74%</b>	<b>76%</b>	<b>21</b>	<b>83%</b>
% households	2016	2017	2018		2018
<b>1c2 Fast broadband take-up</b>	<b>44%</b>	<b>53%</b>	<b>55%</b>	<b>9</b>	<b>41%</b>
% households	2016	2017	2018		2018
<b>1d1 Ultrafast broadband coverage</b>	<b>NA</b>	<b>73%</b>	<b>75%</b>	<b>14</b>	<b>60%</b>
% households		2017	2018		2018
<b>1d2 Ultrafast broadband take-up</b>	<b>32%</b>	<b>44%</b>	<b>45%</b>	<b>3</b>	<b>20%</b>
% households	2016	2017	2018		2017
<b>1e1 Broadband price index</b>	<b>85</b>	<b>87</b>	<b>86</b>	<b>16</b>	<b>87</b>
Score (0 to 100)	2016	2017	2018		2017

## 1. Progress towards a gigabit society

In 2018, the trend of improvement in recent years in Romania came to a halt. In particular, fixed broadband coverage stagnated at around 87 % and still lags behind most Member States (Romania ranks 26th in this respect). Romania's urban-rural digital divide is illustrated by the figures for fibre to the premises (FTTP) coverage: under 30 % of rural areas are covered (although double the EU average of 14 %), as compared with an aggregate coverage of 63 %.

### National and EU investment in broadband

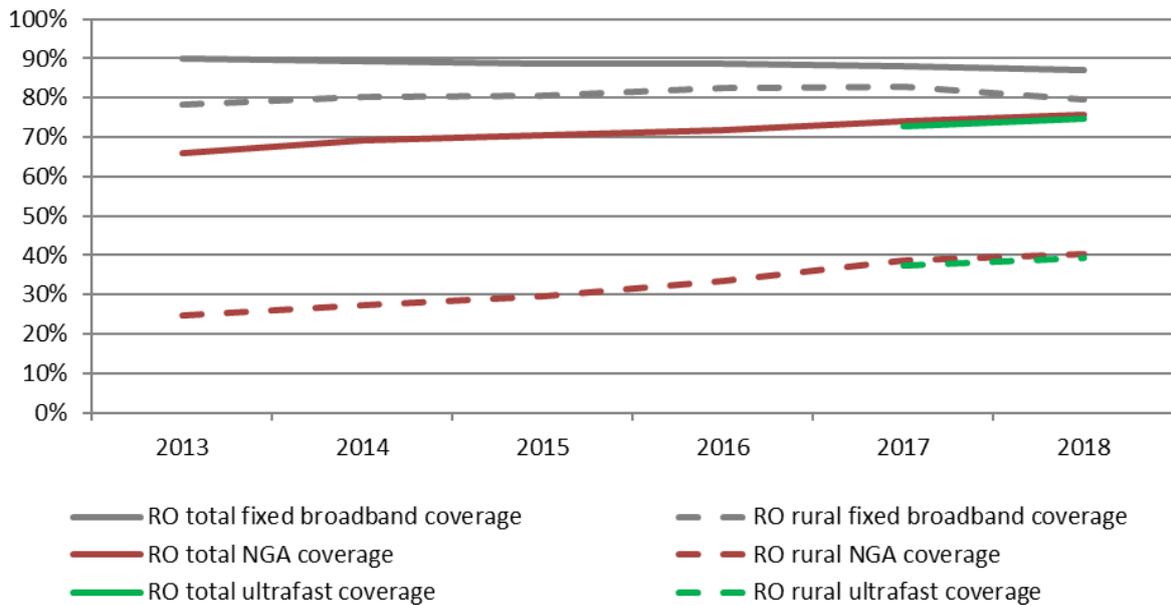
In the 2014-2020 financial framework, the Romanian Operational Programme for Competitiveness has earmarked €100 million from the European Regional Development Fund (ERDF) to address the urban-rural divide, while the 2014-2020 rural development operational programme has initially foreseen an indicative amount of €25 million from the European Agricultural Fund for Rural Development (EAFRD) under LEADER<sup>2</sup>, of which less than €2 million has actually been spent on broadband infrastructure measures.

The RoNet project to support deployment of backhaul networks in white areas<sup>3</sup> was granted ERDF financing of €45 million, from a total of €54 million, in order to ensure broadband backhaul infrastructure for up to 721 localities. At the end of September 2018, the national authorities reported the reception of works in 607 localities, while in 484 localities the works have been finalised and accepted.

<sup>1</sup> Figures refer to population coverage.

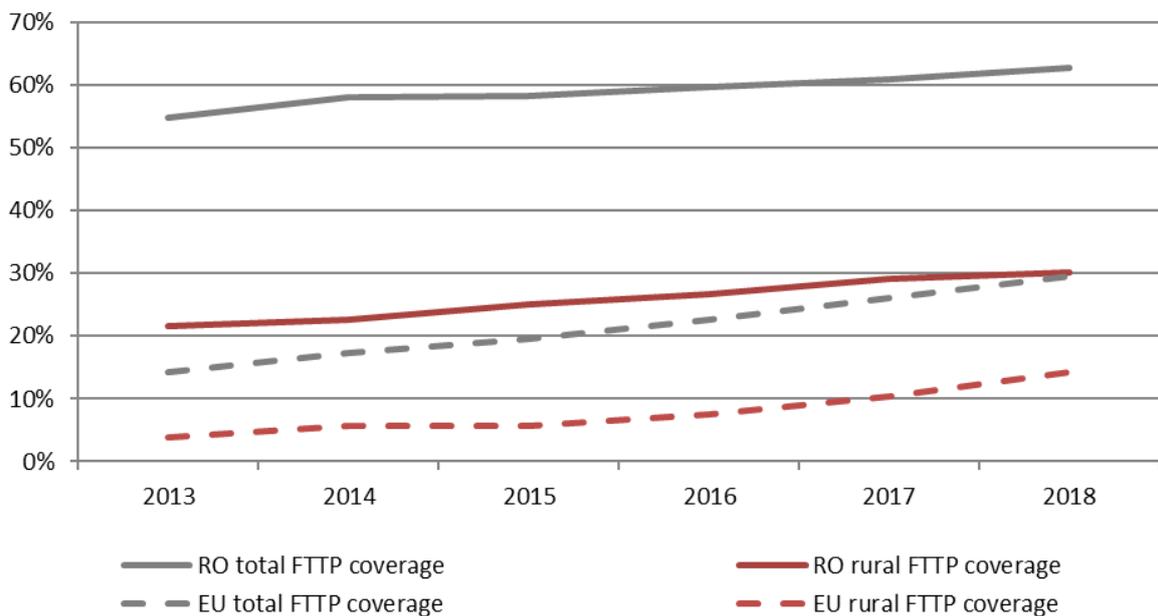
<sup>2</sup> The term 'LEADER' is the French acronym for "Liaison Entre Actions de Développement de l'Économie Rurale", meaning 'Links between the rural economy and development actions'.

**Fixed, NGA and ultrafast coverage, total and rural at Member State level (% of households), 2013-2018**



Source: Commission services, *Broadband coverage in Europe Study*, commissioned to IHS and Point Topic. 2013-2014 data as of end of December; 2015-2018 data as of end of June. Ultrafast coverage metrics are available for 2017 and 2018.

**Fibre-to-the-premises (FTTP) coverage, total and rural at Member State level (% of households), 2013-2018**



Source: Commission services, *Broadband coverage in Europe Study*, commissioned to IHS and Point Topic. 2013-2014 data as of end of December; 2015-2018 data as of end of June.

A new grant scheme for next-generation networks (NGN) deployment, with a total estimated budget of €64 million, was set up to support private operators deploying backhaul and last-mile access infrastructure for additional localities in white areas. The first call for tenders was launched in October

and projects are now under evaluation. A second call, which was submitted to public consultation until the beginning of January 2019, is expected to be launched in 2019.

In 2018, the Ministry of Communications and Information Society (MCSI) launched a project funded by the European Social Fund (ESF) through the administrative capacity operational programme (ACOP) to assess the legislation in force and the impact on private operators' investments in the development of the NGN. A second ESF-financed project designed by the Ministry will aim to adapt the national broadband plan to the objectives of the gigabit society by the end of 2020.

**5G:** November saw the launch of a public consultation on the national strategy for the implementation of 5G. The strategy had been drawn up following wide inter-institutional consultation, including with local authority stakeholders who will play an important role in the deployment of the new 5G networks. It is due to be adopted by Governmental Decision before the organisation of the spectrum auction in the 700 MHz, remaining 800 MHz, 1500 MHz, 2600 MHz and 3400-3600 MHz bands. However, the Decision seems to have been influenced by the adoption of Emergency Ordinance 114/2018, which set a high reserve price for future licences and increased the minimum fees for the renewal of existing licences.

One of the objectives of the draft strategy is the timely launch, in 2020, of 5G services in several representative Romanian cities, by:

- ensuring 5G coverage in all functional urban centres, modernised motorways and railways, international ports and airports, and industrial parks across the country; and
- stimulating the deployment of 5G networks, through simplified regulations for building new physical infrastructure, transposing parts of the European Electronic Communications Code (EECC), promoting novel use cases and fostering cooperation.

The draft strategy confirms the organisation by ANCOM of the selection procedure for awarding the 5G spectrum usage rights in the second half of 2019.

As reported in the previous years the lack of streamlined administrative procedures at local level for construction permit granting is hampering investment in high-speed broadband networks. Improvement in this area is crucial for the future deployment of 5G networks. In this vein, on 7 November 2018, ANCOM adopted a decision on maximum tariffs that electronic communications network operators may be charged for exercising their right of access on, above, in, or under public property. In many cases the tariffs for access to public property will go down to zero, lowering the cost of deployment of communications networks.

## **2. Market developments**

The national regulatory authority found evidence of increasing fixed-to mobile substitution in the retail market for access to fixed telephony services. In terms of average monthly internet traffic per capita, the period between the first half of 2017 and 2018, saw a 24 % increase in fixed internet consumption and a doubling of mobile broadband consumption.

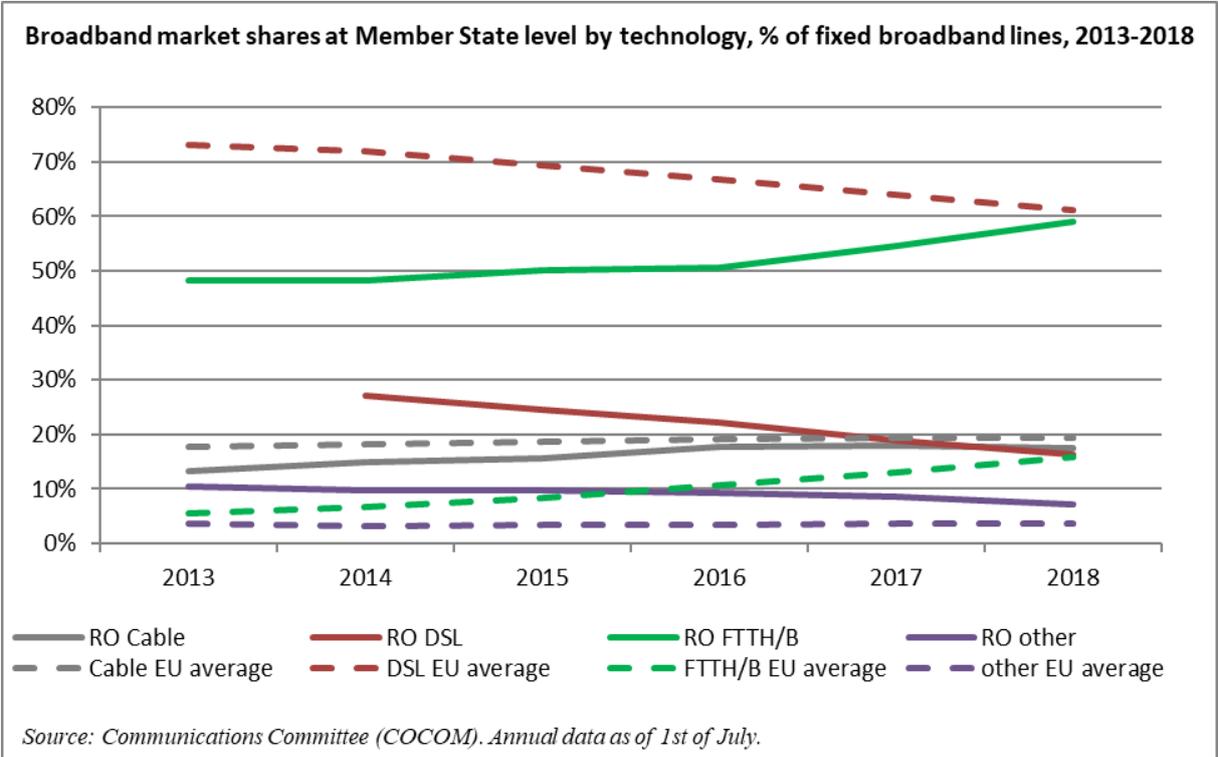
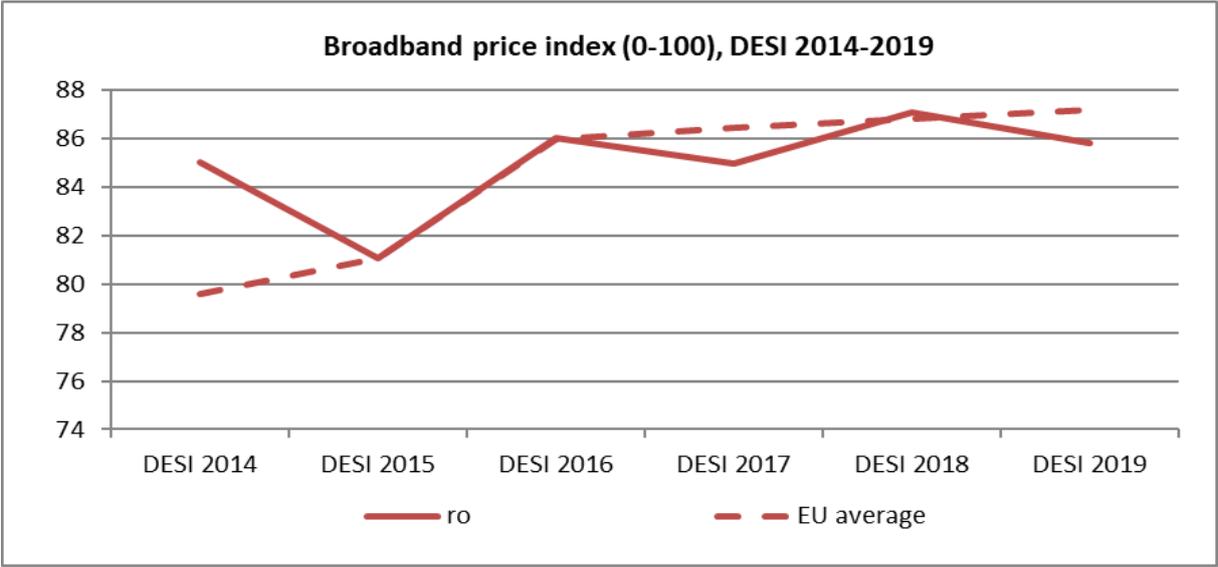
In the first half of 2018, six new entrants offered services using fixed networks, two of which two offered fixed voice transit services only, with no fixed telephony services on the retail market, two others offered retail broadband services for residential users and the last two offered such services for business users.

Vodafone notified the Commission of its plans to acquire certain Liberty Global assets (including UPC Romania). On 11 December, the Commission opened an in-depth investigation into the proposed acquisition by Vodafone of Liberty Global's business in Czechia, Germany, Hungary and Romania. If

the acquisition is cleared, it could influence the competition dynamics in Romania for fixed-mobile converged bundled offers. In July 2017 4-play services had a penetration of 9 % (below the EU average 11 %), against 23 % for triple-play (EU average 25 %).

**2.1. Fixed Markets**

The strong infrastructure-based competition in Romania, mainly in urban areas, is reflected in the indicators on which Romania performs very well, e.g. fast broadband take-up. This is due to the high degree of fibre deployment in the market. In the fixed broadband market, an alternative operator has secured the biggest market share by relying on FTTx infrastructure and this market share increased further in 2018.

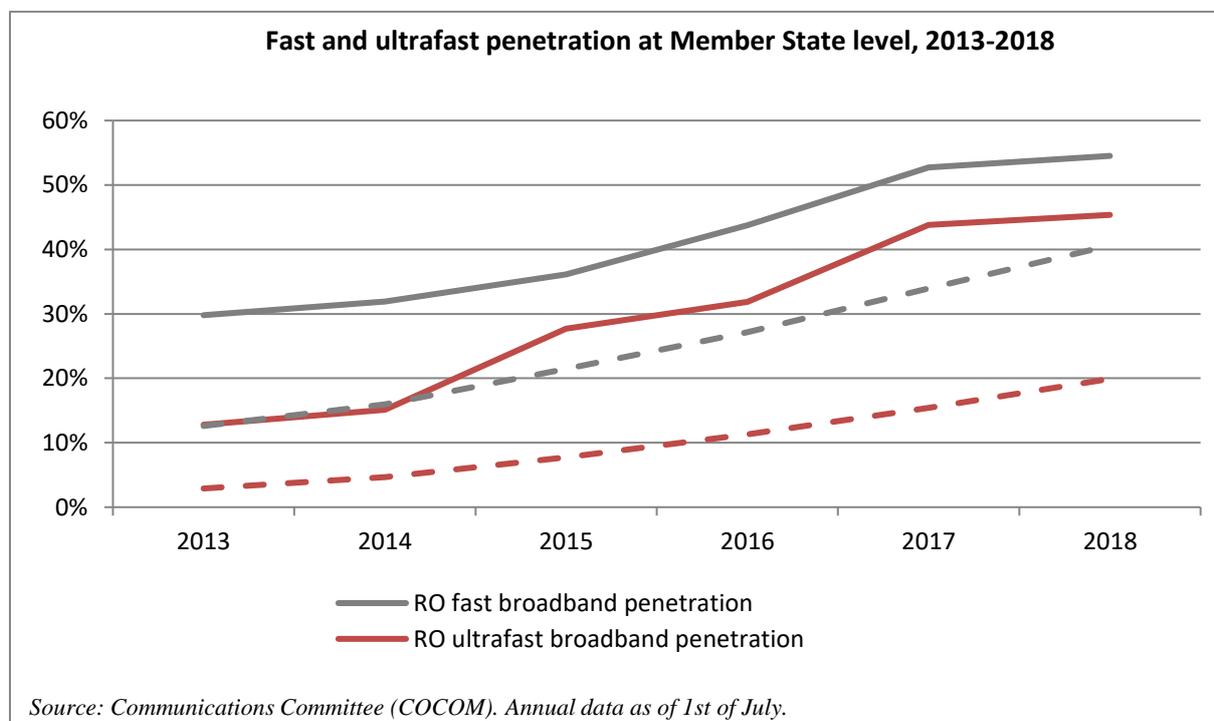


Source: Communications Committee (COCOM). Annual data as of 1st of July.

In terms of fixed broadband prices, Romania scores 86 on the indicator for fixed broadband prices (the EU average is 87)<sup>3</sup>.

Despite a +6 % annual increase of the number of connections broadband take-up has stalled at 66 % of households, well below the EU average of 77 %. Meanwhile, the proportion homes subscribing to fast broadband (>=30 Mbps) is significantly higher than the EU average (55 % against 41 %), although in the last year average growth in the EU as a whole (8 percentage points ) outperformed growth in Romania (2 percentage points). Similarly, while still clearly outperforming the EU average of 20 % ultra-fast broadband take-up, Romania's take-up 45 % was slower (1 percentage points) after an impressive rise of 12 percentage points the year before. The good performance on this indicator is due to the high degree of fibre deployment in the market. Six wholesale-only infrastructure operators are running metropolitan fibre optic networks in Bucharest and five other municipalities.

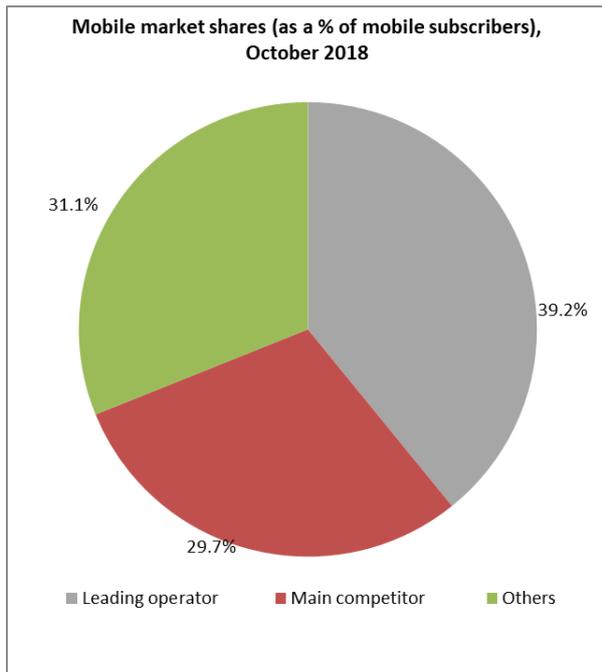
As the technologies' market shares suggest, the broadband market is characterised by platform-based competition, while there is marginal uptake of DSL subscriptions by new entrants. As of 31 December 2018, only nine unbundled local loops were reported. With the incumbent's market share of DSL lines close to 100 %, the share of DSL subscriptions' in the fixed broadband market by technology slid to 16 % in 2018.



## 2.2. Mobile markets

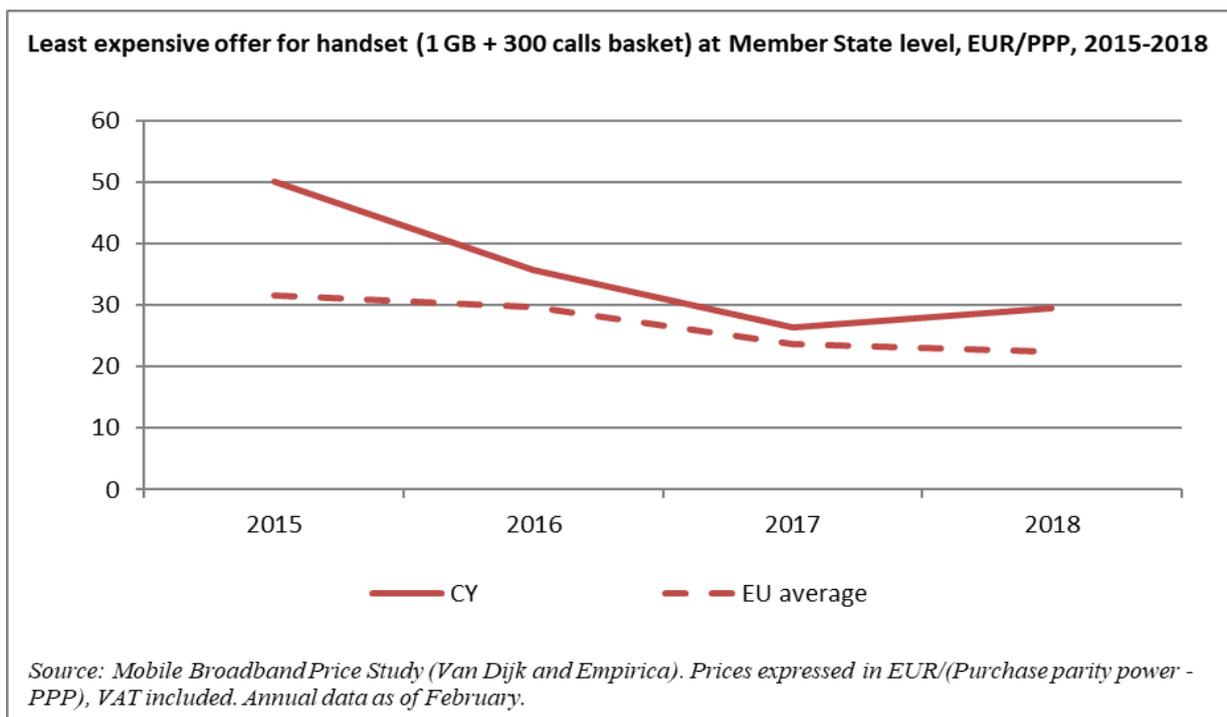
Romania lags behind in mobile 4G broadband coverage (77 % well below the EU's 94 %), despite a year-on-year increase of 5 p.p. Similarly, the mobile broadband take-up indicator places Romania among the worst-performing Member States, despite the significant drop (from €21 to €10) of mobile broadband prices for handset offers (Offers including 1 GB, 300 calls and 225 SMS), well below the EU average (€24).

<sup>3</sup> The fixed broadband price index weighs the cheapest retail offers from: standalone, double play (BB + TV, BB + fixed telephony) and triple play (BB+TV+fixed telephony) and three speeds categories - 12-30 Mbps, 30-100 Mbps and +100 Mbps. This indicator presents values from 0 to 100 (which should not be read as prices) and the higher the values, the better the country performs in terms of affordability of prices relative to purchasing power.



Total traffic volumes on the mobile public networks in the retail market, excluding international roaming, show a doubling of data traffic between June 2017 and June 2018, whereas voice traffic dropped by 5.7 % and SMS traffic by 14.9 %.

The national regulatory authority reduced the mobile termination rates (MTRs) on the basis of a pure ‘long-run incremental cost’ (LRIC) rates benchmark, resulting in a rate of 0.84 euro cent/min.

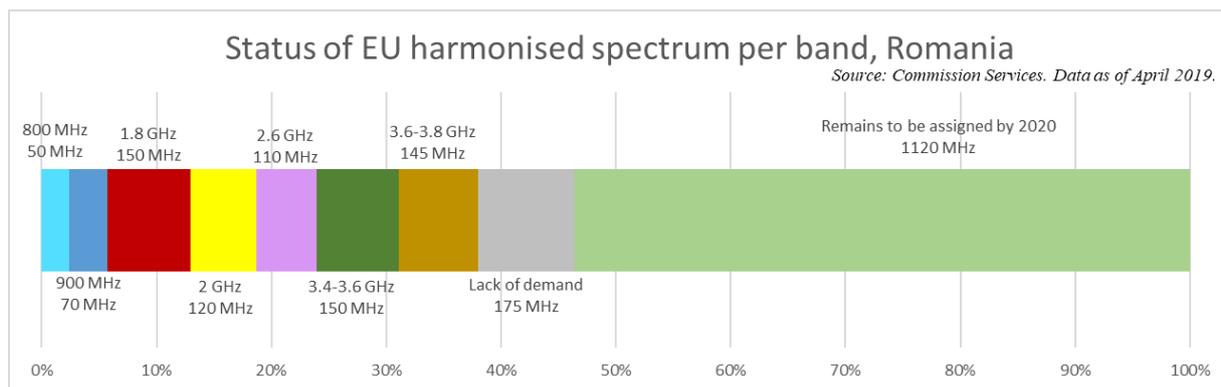


### 3. Regulatory developments

#### 3.1. Spectrum

In July 2018, ANCOM published a national roadmap for the allocation and future use of the 470-790 MHz frequency band. It will make available:

- 2 x 30 MHz (six blocks of 2 x 5 MHz) in the 700 MHz band (the paired frequency bands 703-733 MHz and 758-788 MHz), for the provision of mobile/fixed communications networks (MFCNs) in frequency division duplex (FDD) operation mode; and
- 15 MHz, i.e. the 738-753 MHz sub-band, for supplemental downlink MFCNs.



For this purpose, it will run a competitive selection procedure providing for the use of these frequency bands by technology-neutral MFCNs from 30 June 2020.

ANCOM also intends also to allocate 2 x 8 MHz in the 700 MHz band — the paired sub-bands 698-703 MHz and 753-758 MHz (2 x 5 MHz) and the paired sub-bands 733-736 MHz and 788-791 MHz (2 x 3 MHz) — for the deployment of a dedicated broadband public protection and disaster relief (BB-PPDR) communications network, in addition to the 2 x 30 MHz available for MFCNs in the 700 MHz band, which can partly be used to provide BB-PPDR services through the public electronic communications network infrastructure.

Following consultations with the industry, the roadmap also provides for the assignment and future use of radio frequencies available in the 800 MHz, 1500 MHz, 2600 MHz, 3400-3600 MHz and 26 GHz frequency bands for broadband wireless electronic communications systems. In order to prepare the 5G auction, Romania is to conclude coordination agreements with neighbouring countries by 30 June 2019. While neighbouring countries are using digital terrestrial television (DTT) in the 700 MHz band (694-790 MHz), it is necessary to coordinate the use of DTT in the 470-694 MHz band in order to release the 700 MHz band for wireless broadband (WBB) in those countries. Romania has finished coordinating the new DTT plan (below 694 MHz) with Bulgaria, Hungary and Serbia. Coordination with Moldova and Ukraine (non-EU neighbouring countries) is ongoing.

In Romania, 38 % of the spectrum harmonised at EU level for wireless broadband has been assigned<sup>4</sup>. This low percentage is mainly due to the lack of an assignment procedure for the 700 MHz, 1.5 GHz and 26 GHz bands.

It is expected that the multi-band 5G auction will be launched in the second half of 2019. In 2020, ANCOM plans to organise a procedure for awarding spectrum usage rights for wireless broadband communications in the 26 GHz band (24.25-27.5 GHz) and in other, higher-frequency bands, depending on the outcome of the 2019 World Radiocommunication Conference (WRC-19).

In 2018, ANCOM implemented the relevant EU Decisions under the Radio Equipment Directive<sup>5</sup>, in particular in relation to Article 8 ('Notification of radio interface specifications and assignment of radio equipment classes'):

- Decision (EU) 2017/1483 of 8 August 2017 amending Decision 2006/771/EC on harmonisation of the radio spectrum for use by short-range devices and repealing Decision 2006/804/EC; and

<sup>4</sup> The '5G spectrum readiness' indicator is based on the amount of spectrum already assigned and available for use for 5G by 2020 within the '5G pioneer bands' in each EU Member State. For the 3.4-3.8 GHz band, this means that only licences aligned with the technical conditions annexed to Commission Decision (EU) 2019/235 are considered 5G-ready. However, the percentage of harmonised spectrum takes into account all assignments in all harmonised bands for electronic communication services (including 5G pioneer bands), even if this does not meet the conditions of the 5G readiness indicator.

<sup>5</sup> Directive 2014/53/EU.

-Decision (EU) 2017/1438 of 4 August 2017 amending Decision 2007/131/EC on allowing the use of the radio spectrum for equipment using ultra-wideband technology in a harmonised manner in the Community.

The radio interfaces pertaining to the categories of equipment and of radio applications, which are the object of these Decisions, were updated accordingly in 2018.

Commercial operators conducted two 5G field trials in 2018, both consisting of radio transmissions to test 5G radio access technology for fixed access points.

### **3.2. Regulated access**

Between 22 December 2017 and 31 January 2018, ANCOM ran a national consultation on a transitional measure governing the level of MTRs until the new BU-LRIC model is finalised. The proposed tariff of 0.84 euro cent/min (EU weighted average: 0.85 euro cent/min)<sup>6</sup> was determined on the basis of an EU benchmark of pure average LRIC and will be applied from 1 May 2018. ANCOM notified the Commission of the measure on 7 March 2018 (case RO/2018/2065)<sup>7</sup>.

ANCOM notified its analysis of the market for wholesale high-quality access provided at a fixed location (Market 4 of the 2014 Recommendation on relevant markets) on 20 June 2018. This market was an outstanding grievance raised in the infringement procedure launched on 5 October 2017 by the European Commission for significant delays, of more than five years. ANCOM proposed<sup>8</sup> to remove all ex ante regulatory remedies, imposed on Telekom Romania Communications SA, one year from the date of publication of its final decision. It adopted the final decision (No 686/2018) on 20 August. Following the notification of this decision the Commission closed the case.

On 13 November, ANCOM notified the details of IP interconnection services and tariffs on the market for wholesale call termination on individual public telephone networks provided at a fixed location and the market for wholesale voice call termination on individual mobile networks. It imposed on all operators with significant market power (SMP) — on both the fixed and the mobile termination markets — a requirement to provide IP interconnection (including transparency and non-discrimination obligations). The requirement will enter into force on 1 May 2019. Accordingly, the obligation to publish the required information on IP interconnection will enter into force on 1 April 2019. The maximum tariffs for collocation became applicable on 1 January 2019 irrespective of the interconnection technology, while the new maximum tariffs for ancillary IP-based interconnection services apply from 1 May 2019.

On 27 February 2019, ANCOM notified the review of the market for transit services in the fixed public telephone network (Market 10/2003). ANCOM proposed to deregulate the market since, according to ANCOM, it tended towards effective competition. The European Commission issued no comments. On 29 March 2019, ANCOM adopted the final decision No. 300/2019 on the withdrawal of obligations imposed on the wholesale market for national switched transit services in the public telephone networks.

Law 159/2016 on the physical infrastructure for electronic communications networks and laying down measures to reduce the cost of deploying those networks (Infrastructure Law)<sup>9</sup> requires ANCOM to establish the technical and economic conditions for access to passive infrastructure built with the

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<sup>6</sup> BoR (18) 218, BEREC report on *Termination rates at European level* (July 2018).

<sup>7</sup> The Commission examined the notification and had no comments (Decision C(2018) 1981 final of 26 March 2018).

<sup>8</sup> The draft measure has been notified to the Commission (case RO/2018/2093). The Commission examined the notification and had no comments. See Decision C(2018) 4895 final of 19 July 2018.

<sup>9</sup> Law 159/2016 transposes Directive 2014/61/EU of the European Parliament and of the Council of 15 May 2014 on measures to reduce the cost of deploying high-speed electronic communications networks (OJ L 155, 23.5.2014, p. 1).

participation or support (e.g. through a concession agreement) of central or local authorities or funded, in part or in full, with public funds. Accordingly, ANCOM adopted Decision 785/2018, regarding the technical and economic conditions for access to the duct infrastructure built by RCS & RDS in Oradea. Exercising the same authority, ANCOM adopted the Decision 40/2019 on technical and economic conditions for access to the physical infrastructure realized by "NETCITY TELECOM" S.R.L. on the basis of the concession contract no. 4390 / 02.06.2008, concluded with Bucharest. In the latter case the physical infrastructure is built and operated by a wholesale-only infrastructure operator. Requests to approve the access conditions on underground infrastructure developed with public funds by the Municipalities of Sibiu, Târgu Mureş and Sebeş are under evaluation.

The Infrastructure Law also requires ANCOM to set maximum tariffs for access to public property, based on the principle of justification and proportionality to the damage incurred, and taking into account the tangible and intangible benefits. Tariffs will cover only compensation for direct and definite damage caused by work and the existence and functioning of electronic communications networks and associated infrastructure elements. In November 2018, ANCOM adopted a Decision<sup>10</sup> setting most of the tariffs for access to public property at zero (except some tariffs for cables and boxes). Within 60 days of the date of entry into force of the Decision, the public entities concerned were to publish, amend or complete the conditions (including the maximum tariffs) under which the right of access to public property is exercised, as well as the documents that requesters must submit to demonstrate compliance with the conditions. The tariffs for access to public property cannot exceed the limit set in the Decision. This measure could help remove the bottleneck caused by the difficult permitting process for physical infrastructure rollout.

Under the Infrastructure Law, two single information points (SIPs) are to be set up at national level. One, to be managed by ANCOM, is to provide information on location, route, type and current use of the infrastructure and a contact point provided by network operators. The other, to be set up by the Agency for the Digital Agenda Romania (AADR), is to deal with transparency and the coordination of civil works. Although the legal framework is in place, the second SIP has not yet been set up. The first is functioning in line with ANCOM Decision 1113/2017 on establishing the single information point. The Decision entered into force on 1 March 2018 and was amended on 15 May.

In 2018, ANCOM was asked to solve several disputes related to access tariff to the physical infrastructure belonging to certain energy distribution companies. The disputes are still pending.

Another provision welcomed by the industry at the time of the adoption of the Infrastructure Law was the mandate given to ANCOM, MCSI and the Ministry of Regional Development and Public Administration (MDRAP) to establish, through a joint decision:

- technical norms for the design and development of physical infrastructures and electronic communications networks; and
  
- technical regulations on the design and development of constructions on which they are deployed.

This measure, intended to streamline the cumbersome authorisation procedures at local level, was to be adopted by July 2017 (Article 29.3 of the Infrastructure Law). However, there is still no foreseeable date for the adoption of the technical norms.

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<sup>10</sup> Decision no. 997/2018, published on 29.11.2018

The Infrastructure Law also requires ANCOM to establish recommended tariffs for access to various categories of physical infrastructure (to serve as a reference in the negotiation of contracts to exercise the right of access to infrastructure). There is no indication as to when these will be published.

#### **4. End-user matters**

Of the 25 services markets surveyed in Romania for the Eurobarometer consumer markets scoreboard only six score higher than the EU average in terms of the market performance indicators (MPIs)<sup>11</sup>. The best-performing markets are fixed telephone services (+6.7), mobile telephone services (+4.6) and internet provision (+3.8)<sup>12</sup>.

By the end of November, ANCOM had received 3,350 complaints from end-users. These mainly concerned non-observance of contractual terms, minimum contract information, contract termination, modification etc.) – 26 %; portability – 19 %; roaming – 12 %; pricing and billing – 11 %; availability/coverage – 7 %; distance contracts – 7 %; technical problems – 7 %. Most complaints concerned bundled services.

ANCOM runs two web-based tools to support end-users. Netograf.ro tests and monitors the quality of the available internet-access service. The Veritel.ro interactive tariff comparison tool is an online price calculator that uses the user's options to produce comparative analyses of the standard tariff plans available on the market with regard to fixed telephony, mobile telephony, internet access and bundles.

##### **a. Net neutrality**

ANCOM imposed<sup>13</sup> requirements on all ISPs in relation to internet access service (IAS) contracts and end-users' information. The decision had, inter alia, as legal basis, the provisions of article 5(1) of the EU Regulation 2015/2120 (the Regulation). ISPs are required to comply with additional transparency obligations, i.e. provide information in the contracts and on their website on the IAS speeds and use the certified monitoring mechanism *Netograf* in order for end-users to monitor whether the IAS performance is in conformity with the IAS performance stipulated in the contract and make remedies available to the end-user and in the contracts in case of a discrepancy between the actual and contractual IAS performance. Decision no. 1112/2017 was taken after a monitoring campaign in 2016 which resulted in 71 warnings.

In August 2018, ANCOM issued a sanctioning decision in which it established that Telekom Romania Mobile infringed Article 3(3) paragraphs 1 and 3 of the Regulation by discriminating video traffic on its mobile network. Telekom Romania Mobile applied a speed limitation to the video traffic on its mobile network when the subscriber activated a certain bonus called "unlimited internet". After activating this offering, video traffic was throttled, while other types of traffic could still be used at the maximum traffic speed of the end-users' contract. The provider brought two actions before the courts and asked both for the suspension and the annulment of ANCOM's decision. The two cases are ongoing before the courts.

ANCOM introduced additional transparency requirements to those included in the Regulation. From 1 May 2018<sup>14</sup>, in the first description of each tariff plan containing an internet access service (IAS), providers of electronic communications services are required to publish on their websites the values of

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<sup>11</sup> 2018 Consumer Market Scoreboard, published on 12 October 2018; [https://ec.europa.eu/info/publications/consumer-markets-scoreboard\\_en](https://ec.europa.eu/info/publications/consumer-markets-scoreboard_en)

<sup>12</sup> The market performance index (MPI) is a composite indicator ranging from 0 to 100 which measures how well a given market performs according to consumers See Eurobarometer Consumer Markets Scoreboard 2018, p 12 and p 100, available at [https://ec.europa.eu/info/files/consumer-markets-scoreboard-making-markets-work-consumers\\_en](https://ec.europa.eu/info/files/consumer-markets-scoreboard-making-markets-work-consumers_en)

<sup>13</sup> ANCOM's Decision no. 1112/2017 amending Decision no. 158/2015 on the obligation to inform the end-users

<sup>14</sup> According to Decision no. 158/2015 on the obligation to inform the end-users.

each type of speed established by the Regulation. In case of contracts concluded in the presence of the two parties in the ECS providers' shops, they must also communicate this information to end-users, before the conclusion of an IAS contract. In addition, the providers' website has to display information on the speeds measurement procedure that allows a consumer to identify any significant, continuous or regularly recurring discrepancy between the IAS's actual performance as regards speed or other quality of service parameters and the performance indicated by the provider in the contract. From 1 May 2018, the providers also have to publish on their website the remedies available to the consumer in accordance with national law if such discrepancies are found using the Netograf.ro certified quality measurement mechanism.

### **b. Roaming**

ANCOM granted<sup>15</sup> a new sustainability derogation to RCS & RDS S.A., authorising the operator to levy surcharges from their own customers, in addition to the domestic tariffs, for a 12-month term from 1 July 2018, as follows: €0.0208/min for outgoing calls, €0.0091/min for incoming calls and €2.97/GB. According to the interim roaming report<sup>16</sup>, Romanian operators have observed particularly high increases in customers' EU/EEA roaming consumption of voice calls (fourfold increase) and data (10-fold increase). Since the introduction of 'roam like at home' (RLAH), over 45 % of the users have taken up domestic-only offers, and this was an increasing trend since summer 2017.

### **c. Emergency communications – 112**

Caller location information requirements are set out in ANCOM Decision 1023/2008, as amended. Caller location accuracy is based on the cell ID provided by the mobile network operator or on the installation address if calls are placed via fixed networks. From 18 November 2016, ANCOM extended the scope of operators' obligations to implementing handset-based caller location. However, advanced mobile location (AML) is not yet deployed in the Romanian public safety answering point (PSAP) system. The AML feature and an emergency application platform will be part of the upgrade of the system by the Special Telecommunications Service through the tender launched in September 2018 for an estimated €39 million.

End users with disabilities may access emergency services through SMS to the 113 number while location is ensured for users of this service.

A public warning system, RO-ALERT, has been established nationwide, and is gradually developed under the coordination of the Ministry of Internal Affairs through the General Inspectorate for Emergency Situations and the Department for Emergency Situations. The system provides allows to send cell broadcast messages to the mobile handsets in a designated area.

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<sup>15</sup> Decision no. 571/2018 of 29 June 2018

<sup>16</sup> Report from the Commission to the European Parliament and the Council on the implementation of Regulation (EU) 531/2012 of the European Parliament and of the Council of 13 June 2012 on roaming on public mobile communications networks within the Union, as amended by Regulation (EU) 2015/2120 and Regulation (EU) 2017/920 (COM(2018) 822 final);

<https://ec.europa.eu/digital-single-market/en/news/report-implementation-regulation-roaming-public-mobile-communications-networks-within-union>

#### **d. Universal service**

On the basis of studies on users' studies and an Internal Report assessing the needs of Romanian users, ANCOM will launch a public consultation in 2019 on the scope of the universal service (US) obligations. This will focus mainly on removing the access to public payphones, directory enquiry services and directories of subscribers from the scope of US and setting the best-effort speed for defining the functional internet access as a USO broadband connection.

ANCOM recommends a system of special tariffs to ensure equivalence of access to electronic communication services for end-users with disabilities. These tariff packages are to be reassessed in 2019.

#### **e. Numbering**

In 2018, on the basis of a European benchmarking exercise, ANCOM amended<sup>17</sup> the wholesale tariffs that the recipient provider pays to the donor provider. Another ANCOM decision<sup>18</sup>, in November 2018, made it possible to use geographical numbers outside the geographical area for which they were allocated

### **5. Institutional issues**

The Romanian Parliament amended Emergency Ordinance 33 of 27 April 2017 several times in the course of 2018 as regards the procedure for nominating and dismissing the leadership of ANCOM. In particular, in the version adopted on 18 December 2017 and sent to the President for promulgation, the head and vice-presidents of ANCOM could be dismissed, without any judicial control, if the Parliament rejected ANCOM's annual report. On 15 January 2018 the President contested the Law of approval of Emergency Ordinance 33 before the Constitutional Court. Following the Court's decision, the President retransmitted the law to the Parliament. On 31 May 2018, the law was transmitted again to the President for promulgation. The President contested it again before the Constitutional Court on 7 June. The Court found that some of the provisions of the law are not constitutional. A new version of the law was transmitted to the President on 24 October 2018, in which the rejection of the yearly report did not constitute anymore a ground for dismissal of ANCOM's leadership. The emergency ordinance was then signed into law (Law 245/2018). The Commission services are looking into the outstanding issue of the lack of judicial control over dismissal decisions taken by Parliament in the new legislative framework.

On 29 December 2018, in order to avoid an excessive deficit procedure, the government adopted Emergency Ordinance 114/2018, which introduced a broad range of fiscal consolidation measures affecting various sectors. The Emergency Ordinance sets an extremely high reserve price for future licences (4 % of the 2018 turnover of the telecom sector per year of the licence) and significantly increases the minimum fees for the renewal of existing licences. In addition, it sets out a new method for ANCOM to apply in calculating the annual fee levied by providers to cover the cost cost of performing the regulatory tasks. This involves a radical increase from a maximum 0.4 % of the operator's annual turnover to 3 %, regardless of actual monitoring costs. The Commission services are looking into the matter with concern.

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<sup>17</sup> Decision 381/2018, published on 15 May 2018.

<sup>18</sup> Decision 1069/2018, published on 13 December 2018.

## **6. Conclusion**

Although the upward trend of previous years slowed somewhat in 2018, Romania is well positioned as regards the gigabit society targets, in particular ultrafast broadband coverage and take-up. However, it lags behind on both fixed and 4G coverage. Its legislative framework, in particular the Infrastructure Law, allows for the removal of bottlenecks for broadband network deployment, such as the cumbersome authorisation and permit process at local level. Better coordination between national ministries, ANCOM and local authorities is needed to deliver outstanding secondary legislation that would ensure the provision of streamlined assistance to operators interested in investing in broadband.

ANCOM is preparing the 5G auction planned for the second half of 2019. The process seems however to be endangered with the adoption of the Emergency Ordinance n° 114/2018 which sets a very high reserve price that seems to go beyond European benchmark levels for future licences as well as similarly increased minimum fees for the renewal of existing licences. Excessive licence prices could endanger the success of the auction and adversely affect the rollout of 5G networks, as could, more generally, the uncertainty created through the adoption, at short notice and without prior consultation, of highly significant regulatory changes in the sector. In perspective, the excessive pricing of 5G licences could negatively impact the competitive pricing of electronic communication services, which are key for the digitalisation of the entire Romanian economy. In addition, the Emergency Ordinance is substantially raising the yearly monitoring tariff levied on the sector to the level of 3 % of the annual turnover.