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Chapter 19 – Telecommunications and Information Technologies

ROMANIA'S REVISED POSITION PAPER 2

CHAPTER 19 -TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY

1. GENERAL POSITION

Romania accepts the entire *acquis communautaire* in force on March 31, 2002 for telecommunications, postal services and information technology and does not require any period of transition or derogation.

Romania is prepared to continually examine the development of the *acquis* and to systematically inform the Accession Conference or the Association Council on the legislation and the measures adopted for the implementation of the new *acquis* or, when needed, on the difficulties that could arise in the transposition of the new *acquis*.

For this chapter, Romania makes reference to the information provided during the screening process and agrees to continuously communicate it to the Member States of the European Union.

Romania has unilaterally undertaken the date of January 1, 2007 as a working hypothesis for the achievement of its preparations for accession to the European Union.

Romania undertakes as work basis for the harmonization of the national legislation the four Directives of the European Parliament and of the Council (*Framework Directive, Authorisation Directive, Access Directive, Universal Service Directive*), the *Regulation of the European Parliament and of the Council no. 2887/2000 on the unbundled access to the local loop*, as well as the draft *Directive on competition in the markets for electronic communications services*, that are part of the legislative package defining the new regulatory framework for electronic communications infrastructure and associated services. Taking into account that the national legislation adopted until the end of 2001 aimed at transposing the *acquis* for the old regulatory framework, in the analysis of the aforementioned legislation, for convenience, this position paper makes reference to the Directives and Decisions included in the 1998 Regulatory Package.

2. LIBERALISATION OF TELECOMMUNICATIONS MARKETS

The liberalisation of the telecommunications markets represents a key milestone of the reform process. Romanian legislation adopted since 1991 has liberalised the following markets:

- terminal equipments (liberalised since 1991; equipment is subject to type approval);
- data transmissions (liberalised since 1992; lines are leased from Romtelecom);
- mobile communications (liberalised since 1992; licences are subject to frequency spectrum availability);
- satellite services;
- broadcasting (liberalised since 1992; the National Radiocommunications Company is carrier for the national radio and TV programs produced by the Romanian Radio-broadcasting Company and the Romanian Television Company);
- VSAT (liberalised since 1992).

The last restrictions, referring to fixed voice telephony and supply of leased lines, will be lifted beginning with January 1, 2003, when full liberalisation of the markets for telecommunications services and networks takes place.

3. DEVELOPMENT OF TELECOMMUNICATIONS MARKETS

Fixed telephony

Romtelecom, the national operator, is partially privatised, with 65% of the shares and 49% of voting rights held by the Romanian state, and 35% of the shares and 51% of the voting rights held by the Greek operator OTE. In 1998, Romtelecom has been granted a 15 years operating licence, with exclusive rights for the offering of fixed voice telephony and leased wire lines services until 31 December 2002. During the last years, Romtelecom has invested heavily in infrastructure, especially in the digitalisation of the network and installation of new switches.

Mobile telephony

There are two GSM 900 operators, MobiFon, owned by ClearWave N.V., Vodafone and some local investors, and MobilRom, owned by Orange, the majority shareholder, and local and international investors, trading under the brands Connex and Orange, respectively. The two operators got their licences in December 1996 and the services launched in 1997 had a great commercial success. Romtelecom's subsidiary, Cosmorom, got a DCS 1800 licence in 1998. One NMT 450 operator has been on the market since 1992, Telemobil, the majority shareholder being Inquam. On December 7, 2001, Telemobil launched in Romania a digital mobile communications network in the 450 MHz band, based on the CDMA 2000 technology, and the 1st integrated (voice and high-speed data transmissions) mobile communications service based on this technology in Europe.

A presentation of the main indicators for fixed and mobile telephony in Romania is shown in Annex 1 to this document.

Other services

The National Radiocommunications Company (NRC) operates a currently expanding digital radio network of 1,600 km, used for radio and television broadcasting, Internet services, data transmissions, etc. Fully owned by the Romanian State, NRC is the carrier for the two national TV channels, Romania 1 and TVR2, three national radio programs and several local programs in foreign languages, as well as for two programs transmitted for international reception – TV Romania International and Radio Romania International. NRC has until 31 December 2002 the exclusive right to provide radio leased lines for capacities of above 2 Mbps.

NRC is the owner of a satellite earth station and signatory to the Operating Agreement within Eutelsat, IMSO and ITSO. In 1999, the company managed to finalise the digitalisation process, thus being able to offer high quality communications via satellite (television, telephony, VSAT). In June 1999, NRC launched the biggest national SDH network, with a capacity of 622 Mbps, having links in the frequency bands of 2, 4, 6, 7 and 8 GHz.

For 2001-2002, NRC planned the diversification of its services in order to directly reach the consumers, becoming from carrier an end-to-end supplier. The company got a licence for providing publicly available data services and a LMDS licence (for 26 GHz), ensuring a national coverage, and intends to implement a national network that should provide direct access to consumers, allowing to the clients a direct digital connection with a bandwidth from 64 Kbps to 34 Mbps. The types of services that can be offered after implementing the wireless local loop are: leased lines/bandwidth access and voice services, Internet, video services, Virtual Private Networks and value-added services.

There are about 40 Internet service providers authorized at a national level and 362 authorised at a local level, Romania ranking from this point of view on a leading position among the Central and Eastern Europe countries. The Internet service providers and data transmissions service providers are in a process of consolidation. National operators are all privately owned, the most important being Global One Communications Romania, Logic Telecom, RDS, FX Internet, TCM, PC Net, Euroweb and Astral.

With 3.2 million subscribers, cable TV is very popular in Romania. This market is also in a process of consolidation, concentration and diversification, the providers moving towards data transmissions and Internet services as well. The first six cable TV companies control about 75% of the market at the moment, the more important being Astral TV, RCS, Terra Sat, Romsat and UPC, all privately owned.

Information Society

Transition to Information Society is one of the strategic goals of the Romanian Government for the entire period from 2001 to 2004, aiming at the improvement of the quality of services offered to citizens and an increased competitiveness of the Romanian economy. Nevertheless, Romania is involved in the global European effort for the development of the Information Society, the national priorities in this field complying with the strategic goals defined in the frame of the “eEurope+” initiative and with the recommendations of the Warsaw Ministerial Conference of May 2000. Romania’s priorities for the transition to Information Society are: the modernisation of the public administration and of the public services, improvement of life standard by using information technology in fields like health, protection of environment and transports, development of the information technology sector, better work force for the Information Society, adaptation of the educational system and creation of digital content. For the accomplishment of these objectives, a series of projects with regard to facilitating the wide access to the Internet, education and continuous formation, to stimulating e-commerce, to allowing a faster access of citizens and companies to the public administration services and to speeding up transition to e-government are being carried out during 2001-2004, under Governmental coordination.

The Group for Promoting Information Technology (ICT Task-Force) set up in March 2001 as a *task force* led by the Prime Minister and having as members another seven Ministers ensures a coherent and coordinated approach for the implementation of the Information Society in Romania. The main tasks of the ICT Task-Force are the elaboration of the strategy and the approval of all major projects in the field of information technology and communications initiated by public institutions, initiated by or benefiting to national companies or companies where the state is a majority shareholder.

The actions undertaken by Romania for reaching the aims of the “eEurope+” action plan are presented in Annex 2 to this document.

4. ADOPTION AND IMPLEMENTATION OF THE ACQUIS

General regulatory framework

The **Law of telecommunications no. 74/1996 (O.J. no. 156 of July 22, 1996)** ensures the primary legislative framework for telecommunications regulation. This Law has introduced a relatively modern legal ground for the development of the Romanian telecommunications sector, as well as the necessary framework for the liberalisation of the markets within this sector. Law no. 74/1996 reflects the EU policy in telecommunications sector, defining as main objectives:

a) guaranteeing the free circulation of information, the secrecy and the inviolability of communications through telecommunications means, regardless of the technology applied;

- b) liberalisation of telecommunications activities related to design, installation, maintenance, operation and interconnection of networks, to provision of services and to other activities in the field;
- c) telecommunications networks and services to meet public requirements, criteria for economic efficiency and technical and quality specifications and standards.

The last objective mentioned represents the **grounds of the regulatory activity** in the Romanian telecommunications sector for the time being. Its **guiding principles** are: **provision of basic telecommunications services according to the universal service principle**; ensuring users' access under optimum conditions to telecommunications services and networks, through adoption of measures on **distribution, affordability and quality** thereof; safeguarding **effective competition** in telecommunications markets; ensuring **efficiency** in the operation of telecommunications networks and in the provision of telecommunications services.

Law no. 74/1996, Minister's Order no. 76/1994 on the application of ONP to leased lines and Minister's Order no. 175/1998 on interconnection of telecommunications networks contain provisions relating to **ONP application** and the **behavior of operators with dominant position in the market** that have implemented the core principles of Directives 90/387/EEC, 90/388/EC, 92/44/EEC, 96/19/EC, 97/33/EC and 98/10/EC. Public operators and providers of telecommunications services having a dominant market position are obliged to observe the regulations relating to ONP. They may restrict the access to the network or to telecommunications services only in situations that are justified on the grounds of the essential requirements defined by the Law no. 74/1996. Commercial terms and conditions under which a public operator or a service provider with dominant position offers its services must be transparent, based on objective criteria and shall be made public. Public operators and providers of telecommunications services must allow for competitors to access a network or a service under the same technical and financial conditions as if they were users of that network or service, if this is a support for other telecommunications services and there are no objective grounds for not granting the access.

Law no. 74/1996 contains a series of provisions relating to **tariffs and accounting for telecommunications services**, ensuring the implementation of the relevant provisions of Directives 96/19/EC and 97/33/EC. When setting up tariffs, due account should be given to covering the long run costs, avoiding the dominance abuse, offering the services under optimum conditions, preventing cross-subsidisation and ensuring fair competition. The tariffs for basic telecommunications services are subject to approval by the regulatory authority, with the opinion of the competition authority (the Competition Office, in this case). The regulatory authority seeks for the tariffs to be non-discriminatory and cost-oriented and it may ask for this purpose the licence holders to provide all the necessary information, statistical data and documents, and keep separate accounts for each activity relating to the provision of services or to the operation of networks. The tariffs approved shall be made public by the licence holder at least 15 days prior to their entry into force.

The Government decided in 1998 to modify the principles that ground the approval of Romtelecom's tariffs. According to the previous rules, Romtelecom could ask for the periodical adjustment of tariffs on grounds of the influence exerted by other prices on the costs of each service. The new regulations introduced a *price-cap*: the medium

tariff may increase, but it cannot exceed the medium consumer price index or the inflation rate. This mechanism allows tariffs to be rebalanced.

The regulatory authority for the sector is, at present, the Ministry of Communications and Information Technology, whose organisation and functioning are established by **Government Decision no. 20/2001 (O.J. no. 16 of January 10, 2001)**. It also remains the competent authority for policy and strategy making and for the transposition of the *acquis* in communications and information technology sectors. The Ministry is assisted in its activity by the General Inspectorate for Communications and Information Technology, established by **Government Decision no. 180/2002 (O.J. no. 158 of March 5, 2002)**. The General Inspectorate for Communications and Information Technology performs some regulatory functions: supervision and control of the compliance with the regulations, licences and authorisations in the fields of electronic communications, postal services, audiovisual and information technology, management and monitoring of the radio spectrum intended for non-Governmental use, technical control and certification of conformity in these fields. The General Inspectorate for Communications and Information Technology performs the radio spectrum monitoring using two systems – the Radio Inspections System (RADIS), fully operational since the end of 2001, and the National Integrated System for Management and Monitoring of the Use of Radio Spectrum (NSMS), whose implementation will be finalised by mid-2002.

The regulatory activity is based on **interaction and consultation with interested parties**. By Minister's Orders no. 394/1996 and 137/1997 it was established the Consultative Council for Telecommunications. This is an organism that ensures the consultation between the Ministry of Communications and Information Technology, in its quality of public authority entrusted with the strategy and regulation of the telecommunications sector, and the parties involved and interested in the development of this sector. The Council is composed by representatives of users, telecommunications equipment manufacturers, licence holders, authorised operators of telecommunications networks and technical experts. At the same time, all the legislation and the regulations proposed by the Ministry of Communications and Information Technology were elaborated through a process of consultation with all the interested parties, including the publication of the drafts on the Ministry's website – www.mcti.ro –, of which all market players were duly informed so that they could submit written observations. This consultation process also implied the organisation of meetings for direct discussion on the proposed texts.

The legislative framework built on the basis of Law no. 74/1996 has realised only a partial harmonisation with the EU *acquis*. In the years 2001 and 2002, substantial progress was made with regard to the elaboration of the new package of normative acts on electronic communications which shall constitute the pillars of the legislative reform in the field of telecommunications in Romania and shall progressively replace the Law no. 74/1996. The first piece of legislation adopted by the Government from this package is the **Ordinance no. 34/2002 on access to the electronic communications networks and associated facilities, as well as their interconnection**, presented in the section covering access and interconnection. This package shall also contain the basic provisions with respect to the regulatory framework for electronic communications networks and services, including the setting

up of the national regulatory authority for this sector, the establishment of the principles of the regulatory activity, the allocation and assignment of the radio spectrum, the management of the numbering resources; the authorisation of the electronic communications networks and services, including granting of the rights to use radio frequencies and numbers; the universal service and users' rights relating to electronic communications networks and services; the competition in the markets for electronic communications services. The activity of elaboration of the new legislation is focused upon the four Directives (*the **Framework Directive**, the **Authorisation Directive**, the **Access Directive**, the **Universal Service Directive***) and upon the ***Radio Spectrum Decision*** which are part of the new regulatory framework for electronic communications networks and services at the EU level, as well as upon the draft ***Directive on competition in the markets for electronic communications services (Liberalisation Directive)***. The timetable for the adoption of the harmonised legislation is presented in Annex 3 to this document.

In the second quarter of 2002, a draft piece of legislation on **the general regulatory framework for electronic communications networks and services** will be finalised, approved and will enter into force. This act will contain the main provisions regarding the setting up, organisation, functioning and powers of the National Regulatory Authority for Communications (NRAC). The status and powers of NRAC will comply with the requirements of the new ***Framework Directive***. NRAC will be independent from operators, service providers and equipment suppliers and there will be an effective structural separation of the regulatory function from activities associated with the exercise of rights deriving from the state's position as a shareholder in communications companies.

NRAC will also perform regulatory functions for the postal services sector.

In order to build and strengthen the administrative capacity of the future regulator, the Ministry of Communications and Information Technology started to implement the Phare project RO-0107.01. The funds allocated to this project will be used for the following activities:

- assistance for drafting and promoting regulations and ongoing technology transfer for enforcing the law, technical regulations and standards;
- training and assistance for training strategy, curriculum and training material, development of the training center with distance learning facilities;
- development of NRAC website.

Licences and authorisations

The relevant provisions in the field of authorisation are included in the Law no. 74/1996 and in a number of Minister's Orders that established the conditions and procedure for the authorisation of different types of services and networks and of the telecommunications equipment.

This legislation aligns only partially to the principles of the Directive 97/13/EC. Network operation and the provision of telecommunications services require a licence or an authorisation, as the case may be.

According to Law no. 74/1996, the licence is granted for public operators, providers of basic telecommunications services and providers of telecommunications services for which the spectrum availability restrains the competition. Only a Romanian legal person may be beneficiary of such a licence. The granting of a licence is made by competitive bidding or by direct awarding by the regulatory authority. The authority establishes the granting method, ensuring an objective and transparent procedure, the choice for direct awarding having to be motivated. The situations where the direct awarding method may be chosen are strictly circumscribed by the Law no. 74/1996: in cases where exclusive rights for provision of basic telecommunications services are to be preserved, with the due motivation, and for the period thereof; for reasons of standardisation or compatibility with equipment or technology already existing within the respective service, network or area, or in order to ensure the continuity or expansion of the service; when a single participant was present in the bidding procedure.

The operation of independent networks (designed exclusively for the provision of services for the owner of the network or for a closed group of users), with some exceptions, and the provision of telecommunications services opened to competition are allowed only after obtaining the authorisation issued by the regulatory authority. Any Romanian natural or legal person, as well as any foreign legal person with subsidiary registered in Romania may be beneficiary of such an authorisation.

A general authorisation procedure in conformity with the requirements of Article 5 of Directive 97/13/EC was introduced only in 2001, as described further. The adoption of the **Order of the Minister of Communications and Information Technology no. 345/2001 on the authorisation and provision of liberalised telecommunications services (O.J. no. 600 of September 25, 2001)** has simplified the authorisation procedure for the provision of telecommunications services for which the spectrum availability does not restrain the competition, by introducing a general authorisation system requiring a simple notification, in line with the requirements of Directive 97/13/EC. Until the date of adoption of this Order, the authorisations granted on the basis of the above mentioned legislation were equivalent to the individual licences within the meaning of the Directive, the solicitant having to obtain an explicit decision by the regulatory authority before starting the operations for which the authorisation was necessary.

The second innovation of the Order no. 345/2001 is the introduction of a single general authorisation *per* provider, irrespective of how many services the provider offers. The Order also reflects the absence of restrictions on the use of cable TV networks for the provision of telecommunications services, by explicitly stating the possibility to use these networks for the provision of telecommunications services other than voice telephony, in accordance with Directive 95/51/EC.

The piece of legislation on **the general regulatory framework for electronic communications networks and services** that will enter into force in the second quarter of 2002 will also contain the main provisions on the **authorisation of electronic communications networks and services**. These provisions will be harmonised with the new **Authorisation Directive**. The entry on the market of the providers of electronic communications networks and services will be subject to

general authorisation in all the cases, with the only requirement of a notification on the starting up of the activity.

Scarce resources

According to the **Government Decision no. 20/2001**, the Ministry of Communications and Information Technology is in charge with the administration and management of the numbering resources, of the radio spectrum and of the orbital positions assigned to Romania. By **Government Decision no. 1015/2001 (O.J. no. 656 of October 18, 2001)**, the Interdepartmental Commission for Radiocommunications was set up, as a consultative body to assist the Ministry in the performance of its tasks related to the administration and management of the radio spectrum. The Commission is formed by representatives of the Ministry and of all public bodies using radio spectrum resources. The primary tasks of the Commission are to analyse and issue opinions concerning the elaboration and amendment of the National Table for Frequency Bands Allocation (NTFBA) – subsequently approved by Order of the Minister of Communications and Information Technology –, the application in Romania of the decisions and recommendations of CEPT, the requests for assignation of frequencies in the bands which, according to the NTFBA, are exploited in partition G/NG (by Governmental and non-Governmental bodies), the requests for frequency coordination with the neighbouring countries, for assignments in the G and G/NG bands (used by Governmental bodies, or in partition by Governmental and non-Governmental bodies), the proposals for technical regulations in the field of radio spectrum management. The Commission is also empowered to issue recommendations on principles of the policy for rational and efficient use of spectrum and on the Romanian official position within the relevant international organisations.

With regard to the **numbering resources**, according to the Law no. 74/1996, the regulatory authority (at present, the Ministry of Communications and Information Technology) does the planning of the numbering resources which are necessary for the provision of telecommunications services. The authority registers the number blocks, the changing of the numbering plan and the allocation of numbers. The management of numbers takes into account the needs of licence holders, providers of telecommunications services and users, as well as the principles of profitability and effective competition.

By elaborating the **Order no. 463/2001 on the changing of the national numbering plan (O.J. no. 837 of 27 September 2001)**, the Ministry of Communications and Information Technology had in view to provide sufficient numbering resources on a relatively long term. Within the new numbering system, a new figure will be introduced after zero in the number's present structure, this figure indicating the operator or service used. The access codes will remain unchanged: 00 for international and 0 for interurban calls. The implementation and testing of the new numbering scheme will be carried out until mid June 2002. The new national numbering plan will come into force on June 14, 2002, for all operators simultaneously. Within the June – November period, both the new and the old numbering plan will function in parallel, and in December 2002 the old numbering system will be eliminated completely.

With regard to the **harmonisation of the use of frequency bands**, the NTFBA approved in 1999 through the **Order no. 104/1999 of the President of the National Agency for Communications and Informatics (O.J. no. 201 of May 10, 1999)** ensured the full implementation of Directives 87/372/EEC (GSM 900), 90/544/EEC (paging - ERMES) and 92/264/EEC (international telephone access code) and only a partial implementation of Directives 91/287/EEC (DECT), 96/2/EC (mobile and personal communications, including GSM 1800) and of the Decision 710/97/EC (S-PCS). The partially implemented *acquis* refers to bands, which are also used for Governmental applications, thus being available only in part for the services provided by the *acquis*. For this reason, the full harmonisation requires the finalisation and application of a migration plan, as shown below.

At present, a new version of NTFBA is under way. The new NTFBA is fully in line with the common European table of frequency bands use (ECA Table). It will be finalised and shall enter into force during 2002. Its enforcement will be possible only after implementation of the migration plan that aims at renouncing the uses, which are not in accordance with those indicated in the ECA Table. An important step was made with the adoption of the **Order of the Minister of Communications and Information Technology no. 340/2001 on certain transitory measures with a view to harmonise the use of frequencies (O.J. no. 600 of September 25, 2001)**, that prevents the frequency assignments for any non-Governmental radiocommunications service which, in the respective frequency band, is provided in NTFBA, but it is not provided in ECA Table, or is provided at the same time in NTFBA and in ECA Table, but with a different status. Through the adoption of the new NTFBA, the Directives 91/287/EEC and 96/2/EC, as well as the Decisions 710/97/CE and 128/1999/CE (UMTS) will be fully implemented.

Access and interconnection

The provisions for access and interconnection existing in the Law no. 74/1996 and in the subsequent Order no. 175/1998 on the interconnection of telecommunications networks were concordant with the principles of Directive 97/33/EC. The licence of Romtelecom and the licences of the mobile operators provide the obligation to interconnect with each other. However, no stipulations were made in what concerns the access to the local loop and to the physical locations of the incumbent for collocation. Due to this lack of specific provisions that generated in practice many complaints about the incumbent's abusive practices, and considering the adoption of the new regulatory framework for electronic communications networks and services, on January 30, 2002 the Romanian Government approved the **Ordinance no. 34/2002 on access to the electronic communications networks and to the associated facilities, as well as their interconnection (O.J. no. 88 of February 2, 2002)**. The Ordinance was elaborated in line with the requirements of the new **Access Directive** and of the **Regulation no. 2887/2000 of the European Parliament and of the Council on unbundled access to the local loop**. Its provisions, that synthesize the result of a public consultation process that took several months, are organised around the following points of interest:

(a) Defining new concepts, in accordance with the provisions of **Access Directive** and **Framework Directive**. The most important innovation in this respect is the introduction of the concept of “*electronic communications*” that will replace and include the traditional concept of “*telecommunications*”. Accordingly, under a unique cover of “*electronic communications networks*”, fixed (circuit- and packet-switched, including Internet) and mobile terrestrial networks, satellite networks, networks used for radio and television broadcasting, and cable TV networks, irrespective of the type of information conveyed, as well as any other networks, such as electricity cable systems, to the extent that they are used for the purpose of transmitting signals, will be all treated in an identical manner.

(b) Rights and obligations of the operators. In order to ensure provision and interoperability of publicly available electronic communications services, the Ordinance provides that any operator of a public communications network shall have:

- the right to negotiate an interconnection agreement with any other operator of a public communications network for the purpose of providing publicly available electronic communications services, including electronic communications services accessible to users through the intermediary of another public communications network interconnected with the network of any of the two operators;

- the obligation, following the request of an undertaking duly authorised, to negotiate an interconnection agreement with the solicitant, for the purpose of providing publicly available electronic communications services, including electronic communications services accessible to users through the intermediary of another network.

(c) Powers of the national regulatory authority. The regulatory authority shall take all the necessary measures in order to encourage and, where appropriate, ensure adequate access and interconnection, as well as interoperability of services, in observance of the principles of economic efficiency, sustainable competition and maximum benefit to end-users. The regulatory authority may impose in particular:

- obligations on undertakings that control access to end-users, including in justified cases the obligation to interconnect their networks, if this measure is necessary to ensure end-to-end connectivity;

- obligations on operators to provide access to certain associated facilities on fair, reasonable and non-discriminatory terms, if this measure is necessary to ensure accessibility for end-users to digital radio and television broadcasting services.

The obligations imposed by the regulatory authority must be objective, transparent, proportionate and non-discriminatory. The regulatory authority is empowered to intervene by imposing the necessary measures regarding access and interconnection at its own initiative or, in the absence of agreement between undertakings, at the request of either of the parties involved.

(d) Possibility for the regulatory authority to impose specific obligations on operators with significant market power. The regulatory authority may, in accordance with the provisions of Articles 9 to 13 of the **Access Directive**, impose on the operators with significant power on a certain market obligations concerning: transparency; non-discrimination; accounting separation; access to, and use of, specific network elements and associated facilities; cost recovery and tariff controls, including cost orientation of tariffs and cost accounting systems.

A special attention was paid to the **obligations for unbundled access to the local loop**. The regulatory authority may impose on the operator with significant power on the market for local loop the obligation to publish a reference offer for unbundled access to the twisted metallic pair local loop. The reference offer shall contain at least the elements set out in the annex to the Ordinance, reproducing annex II to **Access Directive**. The operator with significant power on the market for local loop has the following obligations:

- the obligation to meet all the requests for unbundled access to the local loop and to the associated facilities, at any time this is possible from a technical point of view;
- the obligation to provide beneficiaries with facilities associated with the provision of the unbundled access to the local loop, notably collocation, cable connections and the relevant software systems;
- the obligation to charge tariffs for unbundled access to the local loop and associated facilities set on the basis of cost-orientation;
- the obligation to include in the reference offer the clauses imposed by the regulatory authority, in order to ensure compliance with the principles of non-discrimination, fair competition, economic efficiency and maximum benefit to end-users.

The determination of the significant market power shall be made by the regulatory authority on the basis of a market analysis, carried out in conditions to be detailed in the act that will establish the **general regulatory framework for electronic communications networks and services**, including the setting up of the national regulatory authority. According to the Ordinance no. 34/2002, if on a relevant market there is a single operator, he is presumed to have significant power on that market. The obligations imposed on an operator so presumed to have significant market power shall be maintained until such time as the regulatory authority, as a result of a market analysis carried out in accordance with the above mentioned piece of legislation, determines that the respective market is effectively competitive.

Universal service and users' rights

The Law no. 74/1996 established the universal service as a core principle of the regulatory activity in the Romanian telecommunications sector. Within the meaning of this Law, the universal service principle was defined as the provision of a minimum set of services of a specified quality, at affordable tariffs, on the entire territory of the country. But because it dates back to 1996, the Law does not transpose the more specific requirements of the EU legislation. It does thus not contain provisions relating to the services included in the scope of the universal service or to their prerequisites, nor is there any provision for developing a funding mechanism.

In exchange, the Law no. 74/1996 empowers the regulator to prescribe licensee obligations which cover universal service scope and content: the situations where the licence holder will guarantee users' access to a network or telecommunications services over the geographic area stipulated by the licence, including the network or service development stages and the implementation of the universal service principle; minimum quality level to be observed by the licensee; open and non-discriminatory access to its services and network; tariffs of services and of access to the network to be publicly available, non-discriminatory and correlated to costs; situations where the regulator approves the terms and conditions for performing telecommunications services to users.

Thus, the enforcement of the universal service principle was ensured by specific measures taken by the regulatory authority. Due to the very poor development of the telecommunications infrastructure, the solution found in order to ensure the universal service was the imposition of development obligations in the licence granted for the operation of the fixed telephony network. Following Romtelecom's privatisation, the company was granted a new licence that contains minimum targets for development: gradual digitalisation of the network and a specified number of new lines to be installed every year until the end of 2002; increasing quality levels for the basic telecommunications services to be achieved every year, until the same date; number of public payphones to be installed; ensuring directory services, in accordance with the principles set out in Article 6 of Directive 98/10/EC, and handling of emergency calls.

According to the licence, Romtelecom shall provide access to the network and telecommunications service on the basis of contracts concluded with the customers. The model of contract for the provision of basic telecommunications services shall be approved by the regulator and shall be made public. The licence also contains specific provisions on the mandatory provision of leased lines, such as availability of information, access conditions, usage conditions and essential requirements, provision of a minimum set of leased lines in accordance with harmonised technical standards, control by the regulatory authority, in accordance with the requirements of Directive 92/44/EEC.

For the recovery of costs incurred by Romtelecom in complying with the obligations stipulated in its licence, the company was granted the exclusive right to provide fixed telephony services and wire leased lines until December 31, 2002.

This universal service scheme did not prove its efficiency. At the end of 2001, only 2 years before the expiry of development obligations, the penetration of fixed lines was around 18% and the digitalisation of the network, around 65%. In addition, comparing to 1998, Romania is confronted today with a high rate of disconnections on request, only partially justified by the emergence of mobile telephony.

For the purpose of adaptation to the new technological and market developments, as well as of harmonisation with the EU legislation, a draft piece of legislation on **the universal service and users' rights relating to electronic communications networks and services** was elaborated according to the provisions of the new **Universal Services Directive** and it is now subject to public consultation. This draft will introduce a financing mechanism for the universal service based on a fund, to which all network operators and service providers will contribute in proportion to their annual turnover. The destination of the sums collected in the fund will be established by taking into account mainly the need to finance the projects oriented on specified zones or income categories, and, where such is the case, the need to cover the net costs generated by the accomplishment of the universal service obligations. It is proposed to grant the subsidies from the fund on the basis of a procedure of negative bidding on specific elements of the universal service, in order to ensure economic efficiency in the provision of universal service and not to distort competition on the electronic communication markets. This draft will be finalised with the support of the operators and service providers and will be submitted to the Government for approval at the beginning of June 2002.

Important progress has been made with the introduction of the single number for emergency calls. The **Government Decision no. 617/2001 on the National Unified System for Emergency Calls (O.J. no. 381 of July 12, 2001)** provides, in accordance with the provisions of **Council Decision no. 91/396**, that the unique number for emergency calls in the public telephony networks, ISDN and mobile telephony networks in Romania shall be "112". The system consists of creating and endowing the emergency integrated dispatcher's offices with an operational telecommunications system, intended for the announcement, reception, processing and transmittal of the emergency calls to the solicited services, in a centralised and unitary fashion.

In its meeting of January 30, 2002, the Government approved the **Ordinance no. 18/2002 on the national system for emergency calls (O.J. no. 81 of February 1, 2002)**. This Ordinance sets up the main functions of the system, the tasks of the intervention services that will handle the emergency calls, the obligations imposed on the operators of public fixed and mobile telephone networks, as well as users' right to make emergency calls free of charge and the mechanism for financing the functioning of the system.

Processing of personal data and protection of privacy

The **Law no. 676/2001 on the processing of personal data and the protection of privacy in the telecommunications sector (J.O. no. 800 of December 14, 2001)** fully transposes Directive 97/66/EC. The Law guarantees the confidentiality of communications effected in a telecommunications network or by a publicly available telecommunications service and obliges service providers and network operators, liable to severe penalties that may go as far as withdrawal of licence, to take all technical and organisational measures as appropriate for guaranteeing the security of the service and network.

For the purpose of protecting privacy, the Law imposes specific obligations with regard to traffic and billing data, itemized billing, presentation and restriction of calling and connected line identification, automatic call forwarding, directories of subscribers and unsolicited calls. An **opt-in** system was preferred in all cases, so that the calls made for direct marketing purposes by use of automatic calling machines without human intervention, by fax or by any other means are forbidden, except where the called subscriber gave its prior explicit consent for receiving such calls.

Competition in the markets for electronic communications services

For the creation of a competitive environment, from January 1st, 2003, Romania will apply the provisions of **Commission Directive on competition in the markets for electronic communications services**. The act on the **general regulatory framework for electronic communications networks and services** will reflect all the principles of this Directive concerning the interdiction to grant any special or exclusive rights for the provision of electronic communications networks and services, the right of any company to provide electronic communications networks and services, access to networks and to the infrastructures provided by third parties, authorisation under objective, non-discriminatory, proportionate and transparent conditions, application of the principle of non-discrimination by the vertically integrated operators, conditions for granting rights to use radio frequencies and numbers, as well as rights of way. The act on the **universal service and users' rights relating to electronic communications networks and services** will implement the principles relating to the interdiction to grant any special or exclusive rights for the provision of directory services and to the objective, non-discriminatory and proportionate character of the mechanism for financing the net costs generated by the accomplishment of the universal service obligations.

Postal services

With a view to harmonise the legislation in this field with the *acquis*, in its meeting of January 30, 2002, the Romanian Government adopted the **Ordinance no. 31/2002 on postal services (O.J. no. 87 of February 1, 2002)**, whose draft was subject to public consultation for several months. The Ordinance integrally transposes the provisions of Directive 97/67/EC, except for those relating to the separation of regulatory functions from activities associated with ownership. Thus, until the date when the NRAC will be set up, the Ministry of Communications and Information Technology, currently exercising the rights deriving from the State's quality of 100% shareholder within the National Company Posta Romana, will continue to perform at the same time the tasks of regulatory authority for the postal services sector.

The Ordinance also incorporates provisions inspired from the Commission's proposal for amending Directive 97/67/EC, especially in what concerns the limitation of services that may be reserved, the ban on cross-subsidisation and the obligation to apply the principles of transparency and non-discrimination with regard to tariffs and to their associated conditions, in cases where a universal service provider charges decreased tariffs for large mailing volume from the same sender.

The provisions of the Ordinance no. 31/2002 focus on the following:

(a) Universal service. According to the Ordinance, the right of access to the universal service represents the right to benefit from the permanent provision of postal services included in the scope of the universal service, that meet certain quality criteria, at any place on the Romanian territory, at tariffs that are affordable to all users. The services included in the universal service scope are the clearance, sorting, transport and delivery of postal items, domestic and cross-border, weighing up to two kilograms, as well as of postal packages, domestic and cross-border, up to 10 kilograms; distribution of incoming postal packages weighing up to 20 kilograms; services for registered items and insured items, either domestic or cross-border; any other postal services established by Government Decision, if they satisfy social or economic needs of users that cannot be appropriately ensured within a competitive market.

The regulatory authority may designate, *ex officio* or upon request, one or more universal service providers, stipulating at the same time, for each case, the services within the universal service scope whose provision by the designated service provider is mandatory, the area in which that provider has to perform its universal service obligations, the special conditions he has to comply with, as well as the rights he is benefiting from in the provision of the universal service. In cases where the regulatory authority designates several service providers who are competing in the same service market, the area where each of them has to perform its universal service obligations shall be established in a way that prevents the creation of an unfair disadvantage for any of them in the market where they are competitors. In doing that, the regulator shall give due consideration to the principle of equitable apportionment of areas from the point of view of profitability in the provision of postal services and taking account of the competitive advantages that each of the competitors benefits from.

The Ordinance also contains provisions referring to the universal service providers' rights and obligations, in accordance with the provisions of Directive 97/67/EC.

(b) Services that may be reserved. The Ordinance proposes a flexible definition of the sphere of services that may be reserved, in order to allow for the progressive decreasing of weight and tariff thresholds, as well as for the limitation of this sphere, according to the gradual liberalisation of the postal services markets, without amending the Ordinance. The services that may be reserved to one or more universal service providers, to the extent necessary to the fulfilment of the universal service obligations, are the clearance, sorting, transport and delivery of items of domestic and cross-border correspondence the weight and tariff of which do not exceed the thresholds established by Government Decision. The Government is empowered to fix thresholds which may not exceed 350 grams and five times the public tariff for an item of correspondence in the first weight step of the fastest standard category. Value-added services, direct mail and document exchange may not be reserved, regardless of their weight and tariff. The sphere of services that may be reserved, determined this way, may also be restrained by Government Decision, for the purpose of gradual and controlled liberalisation of postal services markets.

(c) Licences and authorisations. The provision of postal services included in the scope of the universal service requires an individual licence. The individual licence may contain, *inter alia*, obligations relating to the provision of certain services within the scope of the universal service, including requirements regarding quality, availability, service terms and conditions, obligation to refrain from providing services that were reserved to a universal service provider, obligations concerning possible contributions due by the licence holder on the basis of a financing scheme for the compensation of the costs incurred by the universal service providers. The individual license shall specify the obligation of its holder to respect the essential requirements as well as the legal provisions regulating these essential requirements, including the ones comprised in the regulations issued on grounds of Ordinance no. 31/2002. The regulatory authority establishes the conditions and the procedure for the granting, withdrawal and suspension of the individual licenses, as well as the content of the licenses, including the obligations undertaken by their holders, respecting at the same time the principles of transparency, non-discrimination, proportionality and objectivity. The term for granting the individual license or for communicating the decision to reject the application for the individual license is of 90 days from the date of the registration of the application.

The provision of the postal services which are not included within the scope of the universal service may take place on basis of a general authorisation. The general authorisation is granted provided that the applicant undertakes the obligation to respect the essential requirements, as well as the legal provisions regulating these essential requirements. The regulatory authority sets out the conditions and the procedure for the granting, withdrawal and suspension of the general authorisation, as well as the obligations undertaken by the holders, due consideration being given to the principles of transparency, non-discrimination, proportionality and objectivity. The general authorisation is deemed to have been obtained within 45 days from the date when the application (that will have the form of a simple notification) was registered, save for the situation where the applicant was notified within this time interval of the decision not to benefit from the authorisation.

(d) Tariffs and accountability. Tariffs of postal services within the scope of the universal service must be affordable, transparent, non-discriminatory and cost-oriented. The tariffs of reserved services shall be approved by the regulatory authority and shall be made public at least 30 days prior to their entry into force. With a view to approve these tariffs, the regulator shall ask for the opinion of the Competition Office.

In cases where a universal service provider charges decreased tariffs for large mailing volume from the same sender, he must apply the principles of transparency and non-discrimination with regard to tariffs and to the associated conditions. The decreased tariffs shall be cost-oriented and shall be made public.

The regulatory authority may establish that the universal service providers have to maintain a uniform level of the tariffs for the services within the scope of the universal service they are obliged to provide, on the entire geographical area where they provide such services.

The universal service providers shall keep separate accounts within their internal accounting systems for each of the reserved services on the one hand and for the non-reserved services on the other. The accounts for the non-reserved services should clearly distinguish between services, which are part of the universal service and services which are not. The regulatory authority may also impose on the service providers the obligation to keep separate accounts in other cases too, and may establish the conditions for the accomplishment of this obligation, for the purpose of coherent application of the analytical accountability principles. The accounting system for the allocation of costs corresponding to the reserved and non-reserved services shall be established by the regulator. Other cost accounting systems may be used only if they are approved by the regulatory authority. Compliance with the cost accounting system shall be verified by a competent body independent of the service provider. The providers shall publish annually a statement concerning compliance with the cost accounting system. The financial accounts of all universal service providers shall be drawn up, submitted to audit by an independent auditor and published annually.

It is forbidden to subsidise the non-reserved postal services from the income corresponding to reserved services, except for the cases where this is strictly necessary for the fulfilment of the universal service obligations.

(e) Protection of users. The provisions that aim at protecting the users mainly concern the imposition on service providers of the obligation to comply with quality standards established by the regulator, as well as of the obligation to draw up a transparent, simple and inexpensive mechanism for dealing with users' complaints, particularly in cases involving loss, partial or total damage of postal items or non-compliance with service quality standards. At the same time, a detailed regime of responsibility of service providers was established.

ANNEXES

The following annexes are attached to this document:

1. Statistical data for the development of telecommunications services in Romania.
2. Governmental projects for accelerating the transition to Information Society.
3. Legislative timetable.

Adopted by the Romanian Government in its meeting of April 11, 2002.

STATISTICAL DATA FOR THE DEVELOPMENT OF TELECOMMUNICATIONS SERVICES IN ROMANIA

1. Indicators for the development of fixed telephony

	1/1/1995	1/1/1996	1/1/1997	1/1/1998	1/1/1999	1/1/2000	1/1/2001	1/1/2002*
Lines [million]	2.750	2.925	3.110	3.374	3.570	3.706	3.924	4.030
Manual switches [million]	0.320	0.326	0.330	0.320	0.298	0.245	0.212	0.144
Analog switches [million]	2.242	2.149	2.079	2.023	1.823	1.644	1.582	1.266
Digital switches [million]	0.188	0.450	0.701	1.031	1.449	1.816	2.129	2.619
Teledensity [%]	12.1	12.9	13.8	15.0	15.9	16.5	17.8	18.0
Automatisation rate [%]	88.4	88.9	89.4	90.5	91.7	93.4	95.0	96.5
Digitalisation rate [%]	6.8	15.4	22.5	30.6	40.6	49.0	57.4	65.0
Waiting list [million]	1.21	1.19	1.23	0.99	0.92	0.74	0.66	0.603
Fiber optic [km]	1,080	2,110	2,560	6,840	9,550	12,900	16,500	19,570

* Figures at 1/1/2002 are unofficial.

2. Indicators for mobile telephony*

	MobiFon (CONNEX)	MobilRom (Orange)	Cosmorom
Users	2,003,600	1,636,000	220,000
Coverage [% territory]	82	75	45
Coverage [% population]	95	95	60

* At 1/1/2002.

**GOVERNMENTAL PROJECTS FOR THE ACCELERATION OF THE
TRANSITION TOWARDS THE INFORMATION SOCIETY**

Abbreviations: Ministry of Communications and Information Technology = MCIT
The Group for Promoting Information Technology = ICT Task-force

In the context of Romania's accession process towards the European Union, MCIT has actively participated to the drawing up of the action plan eEurope+ and took on the responsibility of coordinating its implementation in Romania. The eEurope+ plan is dedicated to the accession countries and is similar to the eEurope plan, meant for the Member States of the Union.

Launched on June 15 2001, the eEurope+ action plan sets out the following **objectives:**

1.Cheaper, safer and faster Internet

a) Cheaper, safer and faster Internet access

Measures taken by Romania:

- *Since September 18, 2001 – Dial-up Internet access costs 0.7 cents, representing 25% of the normal local tariff (working days, between 7.00 a.m. and 10 p.m.)*
- *The draft **Law on the electronic commerce** labels as criminal offences certain acts committed in relation to the issuance and use of the electronic payment instruments.*
- *Romania will implement the new acquis for electronic communications, including the **Universal Service Directive**.*
- *The RoNIX network was created in 2001. RoNIX is the National Network for the interconnection of Romanian Internet Service Providers.*
- *Creation of a single point of access to applications and websites of the public institutions for monitoring access and ensuring the security mechanisms in an unitary fashion for all public institutions*

b) Faster Internet for researchers and students

Measures taken by Romania:

- ***RoEduNet (www.roedu.net)** is an organization and at the same time a data communication system which connects a number of Local Area Networks through their Central Access Nodes to a national WAN data communication infrastructure, operated by NSP (Network Service Provider) nodes in Bucharest, Iasi, Tirgu Mures, Cluj, Timisoara and Craiova. The*

aim of this technical complex is to offer the participants – universities, cultural and scientific non-profit institutions – the means to communicate with each other as well as to have access to Internet.

*Presently, the **RoEduNet** data communication infrastructure is structured according to the following hierarchical model:*

level 0 - Backbone

RoEduNet Service Provider nodes or NSPs. These nodes have the task to operate the **RoEduNet** backbone and provide connectivity to regional networks as well as End Users. The backbone links are presently running at 2Mbps. NSP nodes are operated in 6 major cities: Bucharest, Iasi, Targu Mures, Cluj, Timisoara and Craiova.

level 1 - POPs

RoEduNet Points of Presence. They get connectivity from level 0 nodes and provide network services in the capital city of each county.

level 2 - Users

RoEduNet "clients". They get connectivity from level 1 nodes. NSPs also act as POPs in their county.

Short term development plans:

- Upgrading the backbone and Internet access

This stage is complete. All of the nine 2Mbps links between NSPs are operational: Bucharest-Iasi, Bucharest-Targu Mures, Bucharest-Cluj, Bucharest-Timisoara, Bucharest-Craiova and Craiova-Timisoara, Iasi-Targu Mures, Targu Mures-Cluj and Cluj-Timisoara. The backbone is resilient in case of link failures, by quick convergence of the connections through the available channels. Load balancing across multiple paths is also being considered.

The existing 1.5Mbps Internet link to Europe was supplemented by a US satellite connection, operating at 4Mbps. Both links are now operating at about 100% of their capacity, the negotiations with GEANT (ex TEN-155) for an E3 link being already opened. This kind of connectivity, both in terms of speed and reliability because of the two redundant paths, will effectively be the best Internet connection available in Romania.

- Deploying POPs

RoEduNet Points of Presence (POPs) will be deployed in each county's capital city. A 256kbps link will connect the POP to the nearest NSP node on the backbone. The topology for regional access will be star-shaped around each NSP node, initially. Backup lines for POPs will probably be added in the future. About 10 POPs are in various stages of development. The configuration of a POP will include a server running Linux, an access server and modems and a wireless access point for metropolitan access.

- User services

A trouble-ticketing system is being tested and will be integrated in the network management system developed in-house. All events pertaining to the availability of our network (link or server failures, misconfigurations, etc.) will be logged using this system. An automated report will be generated and sent to the interested parties.

- **RNC (www.rnc.ro)**- RNC is a national project co-ordinated and established by the National Agency for Science, Technology and Innovation targeted at the following main objectives:

- Setting up technical and organizational infrastructure meant to provide national and international services for the Romanian scientific research community;
- Providing a rapid and competitive tool for the exchange of information in the framework of research and development community;
- Using the scientific and technical databases available in the country and offered by the national networks from other countries through international networks;
- Providing a support for information, documentation and scientific and technical cooperation considering research teams and topics and research and development programs.
- 94 institutions connected through leased lines;
- Over 250 research institutions connected by "dial-up";
- About 8000-10000 users;
- Total international traffic: 300 Gbytes/month;
- Total international and national traffic: 500 Gbytes/month;

RNC is a member of the following European organizations: TERENA (Trans European Research and Education Networking Association), CEENet (Central and Eastern European Networking Association). RNC has a connection to LORAL ORION - USA (2M / 512k) and its main nodes are: one international node located at ICI (Research Institute for Informatics, the national operator for RNC), national backbone nodes located in 7 cities and 7 backbone nodes in Bucharest.

The PHARE Project - "Restructuring the Science and Technology System in Romania" included a module devoted to the RNC for scientific research.

c) Secure networks and the use of smart-cards

Measures taken by Romania:

- Elaboration of an action plan for promoting safer use of the Internet by combating illegal and harmful content in the global networks;
- Building the Public Key Infrastructure;
- MCIT launched in 2001 a pilot project regarding the identification of civil servants through smart-cards. This project will be the basis for the introduction of smart-cards in other fields in the next future;

- The **Law no. 455/2001 on the electronic signature** was adopted in July 2001, and the subsequent secondary legislation was also adopted in November 2001.
- The draft **Law on the electronic commerce** labels as criminal offences certain acts committed in relation to the issuance and use of the electronic payment instruments.

2. Investing in human resources and developing the necessary skills for working in the Information Society

a) European youth in the digital age

Measures taken by Romania:

- The Romanian Government approved in 2001 and launched a project to introduce, in two years, 500,000 computers with education software and Internet access in all Romanian schools and high-schools. This project will cost about 260 millions USD. In 2001, 2573 schools were equipped with at least a computer connected to Internet and 120 computer networks connected to Internet were supplied to high schools throughout Romania. Also, a more active involvement of the private sector is encouraged and lobbied for (donations for schools).
- **ADLIC** – This system is the first Romanian system used to centralize the capacity exam's results and to assign candidates to high schools according to their results and their preferences. The assignment of the high schools candidates was made according to the specifications of the Ministry of Education and Research.
The objectives of the ADLIC project, initiated by the Ministry of Education and Research, were:
 - Modernization of the high schools and technical schools candidates distribution process from the technological point of view
 - Applying the new IT technologies in the educational fields
 - Promotion of the new technologies to all organizational levels of the ministry (local units, district, etc.)
- **BrainBench** (classification): Romania is the first European country in the classification of Brain Bench technical evaluation system.
- Ensuring the availability of the support services and of the Internet educational resources (ICI's pilot project "virtual library")

b) Working in the knowledge-based economy

Measures taken by Romania:

- The MCIT (www.mcti.ro) launched in 2001 a pilot project for job search and employees recruitment. The pilot project E-job can be accessed at: <http://e-job.mcti.ro/ejob/>;
- The Ministry of Labor (www.mmss.ro) implemented an electronic system to match the demands for jobs and job offers.

c) Participation for all in the knowledge-based economy

Measures taken by Romania:

- The MCIT (www.mcti.ro) launched in 2001 an info-kiosk pilot project, which is already used by local authorities to implement individual projects addressing the needs of specific communities.
- The MCIT (www.mcti.ro) launched in 2001 a project to implement multimedia centres for citizens. The project can be accessed at: <http://cmc.mcti.ro/>
- The MCIT (www.mcti.ro) launched in 2001 a project to implement an “e-referendum” system. The project can be accessed at: <http://cmc.mcti.ro/>
- The Romanian Government approved the **Ordinance no. 24/2002 on electronic cashing in of local taxes and duties (O.J. no. 81 from February 1, 2002)** for the introduction of the “e-tax” systems in all the local public administrations. In a first phase, until February 1, 2003, the system will become operational in all the municipal towns, and it will be extended for all the cities until November 2003.

3. Stimulating the use of the Internet

a) The speeding up of introducing the electronic commerce

Measures taken by Romania:

- Measures for strengthening the consumers’ trust in the use of electronic means, by organising media campaigns, creation of antifraud departments in the public administration.
- Among the pilot projects launched in 2001 by MCIT, a major role in the development of e-commerce is played by the “e-procurement” and “e-market” projects. The extension at a national level of the “e-procurement” project started with the launching on March 4, 2002 of the Electronic system for public acquisitions. The system will contribute to reducing bureaucracy and eradicating corruption by ensuring the transparency of Governmental acquisitions, and also to cutting the public expenditure. The system will be extended gradually. In the first phase, the **Government Decision no. 175/2002** imposes to around 400 public institutions to use the system and establishes 10 categories of products (a total of 3,000 different products) that will be procured by these institutions only through this system. The system may be accessed at www.e-licitatie.ro. Until April 10, 2002, 5355 users (519 contracting authorities and 4836 suppliers), 157 bids closed and 396 bids opened were registered in the system. The use of the system provided reductions of up to 37% of the acquisition costs, compared to the same transactions done in 2001 and in the first months of 2002. The “e-procurement” project is considered essential for developing the institutional capabilities in Romania and for improving the relation Government – citizens.

- Corporate income declaration: Starting with March 14, 2002, the first 50 large enterprises can submit electronically their income statement declaration to the Ministry of Public Finance.
- Beginning with January 2002, the MCIT and all the institutions in its coordination are recruiting staff using the "e-Job" system developed last year.
- Creation of the necessary legislative framework:
 - The Romanian Government approved on January 30, 2002, the **Ordinance no. 20/2002 concerning public acquisitions by means of electronic bids (O.J. no. 86 of February 1, 2002)**. The "e-procurement" system will be implemented gradually, starting from several categories of goods and a number of public institutions.
 - The **Law no. 455/2001 on the electronic signature (O.J. no. 429 of July 31, 2002)** implementing Directive 99/93/EC defines the legal framework for the use of the electronic signatures. The technical and methodological norms for the application of the Law were approved by the **Government Decision no. 1259/2001 (O.J. no. 847 of December 28, 2001)**.
 - The draft **Law on the electronic commerce** implementing Directive 2000/31/CE was approved by both Chambers of the Romanian Parliament. Its entry into force is expected in the second quarter of 2002.

b) Government online: electronic access to the public services (**see Notice**)

Measures taken by Romania:

- The site of Romanian Government (www.gov.ro) functions as a portal for Governmental information.
- Promotion of pilot projects: MCIT (www.mcti.ro) launched in 2001 about 20 pilot projects on e-Government components, some of them being already in process of extension at a national level. These projects aim at providing on-line public data, including information concerning legislation, administration, culture, environment and traffic related information ("Info-Kiosk" pilot project and "Expansion of the IT System for Monitoring the Balance Sheet and the Fiscal Duties of the Economic Organisations with Web Declaration Capabilities" project, both launched by the MCIT); simplified administrative procedures for the incorporation of a new company (pilot project, part of the "Romania Gateway" project); the promotion of the use of open solutions in the public sector and the establishment of the best practices in the field of e-Government (participation of Romania to the IST and IDA programmes – Brussels, September 5th – September 6th 2001); the promotion of the use of electronic signatures in the public sector (all the projects approved by the ICT Task-force and launched by the MCIT impose the use of electronic signatures or of smart-cards)
- The Ministry of Public Administration launched in September 2001 the strategy for "e-Administration" (<http://www.gov.ro/objective/map/e-Administration.pdf>).

- *Participation of Romania to the „Interchange of Data between Administrations (IDA)” programme*
- *Implementation of security mechanisms for interchange of data between administrations of different states*

c) Health online

Measures taken by Romania:

The main institutions in this field are already presenting on-line information to citizens and are even providing on-line services:

- www.cnas.ro- National House of Health Insurance
- www.medicina.ro
- www.farmaline.ro

d) Digital content for global networks

Measures taken by Romania:

- *Starting with 2002, Romania will participate to the “e-CONTENT” programme*
- *Launching the INFOSOC programme, which consists of projects aiming at the creation of digital content*
- *Continuing the “Romania Gateway” project, whose objective is to present information concerning the development of various sectors in Romania*

e) Intelligent transport systems

Measures taken by Romania:

Main transport companies have their web sites, providing information to citizens:

- www.ratb.ro
- www.cfr.ro
- www.metrorex.ro
- www.tarom.ro

The pilot projects launched in the year 2001 by MCIT classify themselves in the list of basic public services proposed by the European Community as being absolutely necessary for the implementation of the “e-Government” concept. These pilot projects constitute the starting point for the roll-out at a national level: for each of the pilot projects launched and completed until the end of the year 2001, the ICT Task-force will define and approve an extension strategy at regional and national level for each of the projects, on the basis of the proven results and benefits.

“e-Government” will contribute to the modernisation of the public administration, both local and central. For the modernisation of the local public administration, the Romanian Government approved in September 2001 the strategy for “e-Administration”, which is a component of the chapter G2C of the strategy for “e-Government”.

“e-Government” requires the use of a standard for the exchange of information through which the users could create and share documents running on any local or extended network, helping the Governmental institutions to integrate applications characterised by a great technological diversity. For the successful implementation of “e-Government” it is necessary to coherently define the architecture of the applications and to pre-define a set of general services and tools for the development, implementation and subsequent administration of the applications. This architecture needs to be updated to ensure correspondence with the user’s requirements and with the new emerging technologies.

Notice: With regard to the “e-Government” component of the “eEurope+” plan, the European Community monitors the achievements registered by each country on basis of a series of indicators, grouped in two main categories:

- 1. The percentage of the basic public services provided by electronic means.*
- 2. The use by the public of the public services provided by electronic means for the purpose of information or forms filling in.*

In February 2001, the European Community proposed a list of 20 basic public services to be included in the list of the public services provided by the electronic government. Providing these services by electronic means may be realised on various levels of complexity:

<i>Level 1</i>	<i>Information: providing information about the public services</i>
<i>Level 2</i>	<i>One-way interaction: downloading forms from the Internet</i>
<i>Level 3</i>	<i>Two-way interaction: forms processing, including authentication</i>
<i>Level 4</i>	<i>Fully automated transactions: transmission of information, making decisions and delivery (including payments by electronic means).</i>

The two tables below present the list of the public services proposed by the Commission and the stage of achievement of corresponding national measures.

Public services for the citizens	Stage of achievement
Income taxes: declaration, notification on the evaluation http://www.mfinante.ro/bilant_web/proiectepilot.htm http://cmc.mcti.ro/	"Info-kiosk" pilot project launched by MCIT <u>Level</u> : I and II "Global Revenue Tax" project of the Ministry of Public Finances (forthcoming)
Job search http://e-job.mcti.ro/	Project launched by the National Agency for Employment and Professional Training Pilot project "E-job" launched by MCIT <u>Level</u> : I,II,III
Contributions to social security (3 out of 4 services)	
Personal documents (Passport and driving licenses) Romania Gateway	By-project launched in collaboration with the Ministry of Internal Affairs within the "Romania Gateway" project; a bid shall be organised <u>Level</u> : I and II
Car registration (new, used or imported)	
Building permission	
Declaration to police	Forthcoming project of the Ministry of Internal Affairs
Public libraries (catalogues availability, search instruments)	The " Virtual Library" pilot project deferred to ICT Task-force for approval
Certificates (birth and marriage): request and issuance	Project proposed within the "e-Administration" Action Plan (Ministry of Public Administration)
Education enrolment	Pilot project financed by the World Bank and realised in collaboration with 4 state universities of: Cluj, Timisoara, Iasi, Bucharest
The formal announcement of the domicile modification (change of address) http://e-adress.mcti.ro/	By-project, in collaboration with the Ministry of Internal Affairs, within the "Romania Gateway" project; a bid shall be organised <u>Level</u> : I and II
Health related services (interactive consultation concerning the availability of these services within the various hospitals, hospital scheduling)	

Public services for the business environment	Stage of achievement
Social contribution	
Corporation tax: declaration, notification http://www.mfinante.ro/bilant_web/proiectepilot.htm http://e-facturi.mcti.ro/	Pilot project aiming to extend the web collection of balance sheets launched by the Ministry of Finance – “Expansion of the IT system for monitoring the balance sheet and fiscal duties of the companies with web declaration capabilities”, launched by the MCIT, in collaboration with the Ministry of Public Finances <u>Level:</u> I and II
V.A.T.: declaration, notification	Pilot project aiming to extend the web collection of balance sheets launched by the Ministry of Finance – “Expansion of the IT system monitoring the balance sheet and the fiscal duties of the companies with web declaration capabilities”, launched by the MCIT, in collaboration with the Ministry of Public Finances <u>Level:</u> I and II
Registration of a new company	By-project, in collaboration with the Romanian Chamber of Industry and Commerce, within the “Romania Gateway” project; a bid shall be organised <u>Level:</u> I and II
Data submission towards the statistics offices http://e-europe.mcti.ro/	Pilot project launched by MCIT; it shall be realised in collaboration with the National Statistics Commission
Customs declarations	Pilot project approved by the ICT Task-force; the specifications are to be elaborated by MCIT and the Ministry of Public Finances <u>Level:</u> I, II, III and partially IV
Environmental licenses	
Public procurement www.e-licitatie.ro	Pilot project launched by the MCIT: “e-Procurement” <u>Level:</u> I, II, III and partially IV

LEGISLATIVE TIMETABLE

Nr.	Measure	Transposition date	Implementation date
1.	Decision 91/396/EEC on the introduction of a single European emergency call number	3rd qt. 2001 Government Decision no. 617/2001 on the National Unified System for Emergency Calls 1st qt. 2002 Ordinance no. 18/2002 on the national system for emergency calls	4th qt. 2003
2.	Directive 97/67/EC on common rules for the development of the internal market of Community postal services and the improvement of quality of service	1st qt. 2002 Ordinance no. 31/2002 on postal services	1. Elaboration of the authorisation procedure for the postal services providers – 2nd qt. 2002 2. Designation of the universal service providers – 4th qt. 2002
3.	Directive on access to, and interconnection of, electronic communications networks and associated facilities (Access Directive)	1st qt. 2002 Ordinance no. 34/2002 on access to the electronic communications networks and to the associated facilities, as well as their interconnection	1. Establishing the markets within the electronic communications sector with characteristics that may justify the imposition of specific obligations and the elaboration of the procedure for market analysis – 4th qt. 2002 2. Performance analysis of the market in order to establish whether the markets are effectively competitive and establishing the providers of electronic communications networks and services having SMP on the markets not effectively competitive – 2nd qt. 2003 3. Imposition of specific obligations on the operators having SMP – 3rd qt. 2003 4. Control of compliance with specific obligations – permanently

4.	Directive on a common regulatory framework for electronic communications networks and services (Framework Directive)	2nd qt. 2002 Act on the general regulatory framework for electronic communications networks and services, that will contain the main provisions on: a) the establishment of NRAC b) authorisation of electronic communications networks and services c) protection of competition in the markets for electronic communications services	1. Start of NRA's activity – 3rd qt. 2002 2. Draft of the general authorisations – 3rd qt. 2002 3. Expiry of exclusive rights – 4th qt. 2002
5.	Directive on the authorisation of electronic communications networks and services (Authorisation Directive)		
6.	Commission Directive on competition in the markets for electronic communications services, consolidating the provisions of: <ul style="list-style-type: none"> - Directive 94/46/EC - Directive 95/51/EC - Directive 96/19/EC - Directive 99/64/EC 		
7.	Directive on universal service and users' rights relating to electronic communications networks and services (Universal Service Directive)	4th qt. 2002 Act on universal service and users' rights relating to electronic communications networks and services	1. Designation of the universal service providers – 1st qt. 2003 2. Definition of projects that will be financed from the Fund by performing a feasibility study relating to the underserved areas – 4th qt. 2003