



Fostering Broadband Access through *ex-ante* Regulations

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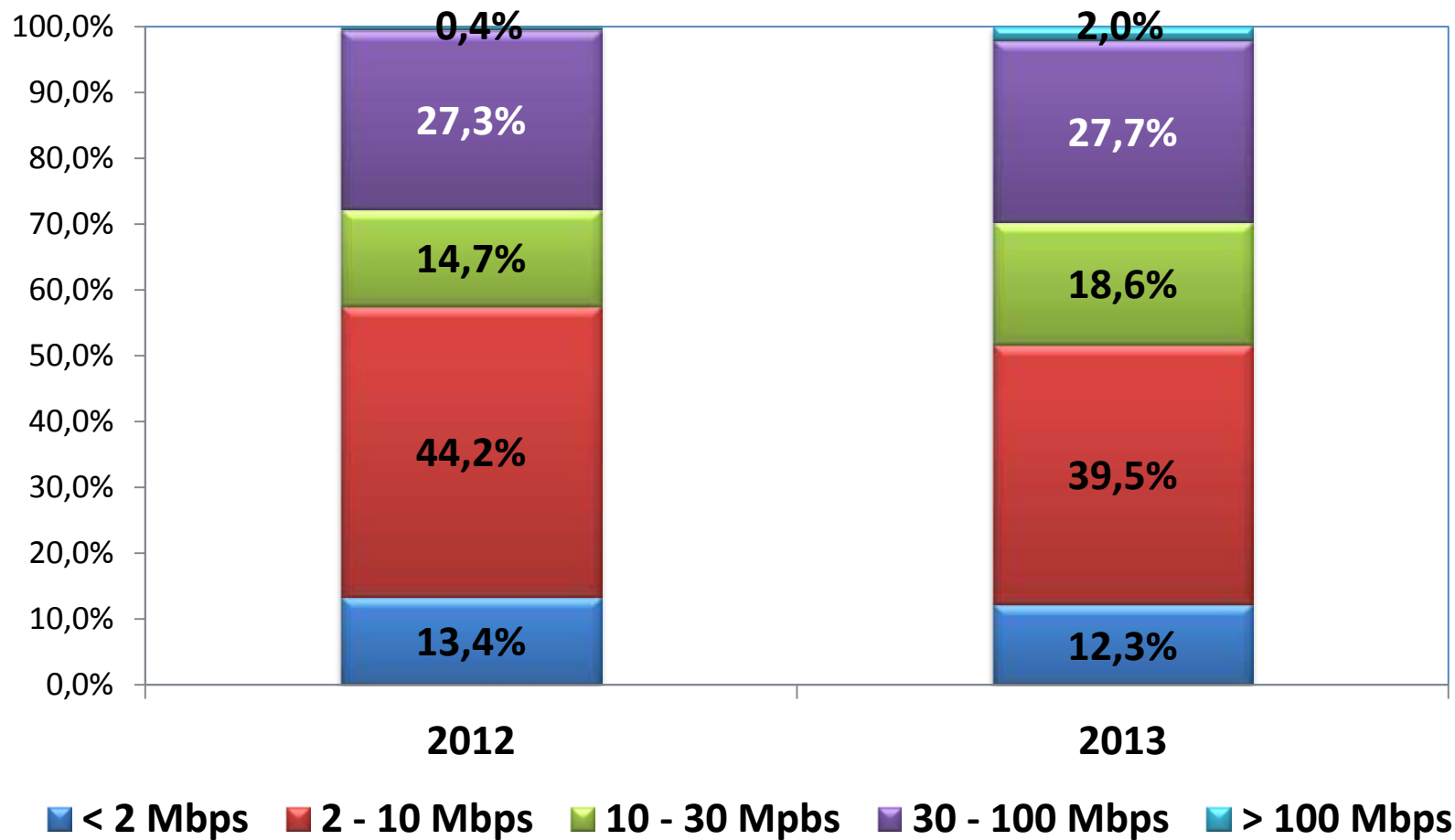
National Regulatory Agency for Electronic
Communications and Information
Technology, Republic of Moldova

- Electronic communications market overview
- Wired and wireless Broadband access
- About ANRCETI
- Legal and regulatory framework
- Market analysis cycle
- Regulatory framework. Market analysis
- Regulatory framework. Markets 4&5
- Why regulating infrastructure access *ex-ante*? Asymmetric vs symmetric
- Regulation of Markets 4 and 5. Ex-ante remedies
- *Ex-ante* provisions related to infrastructure access

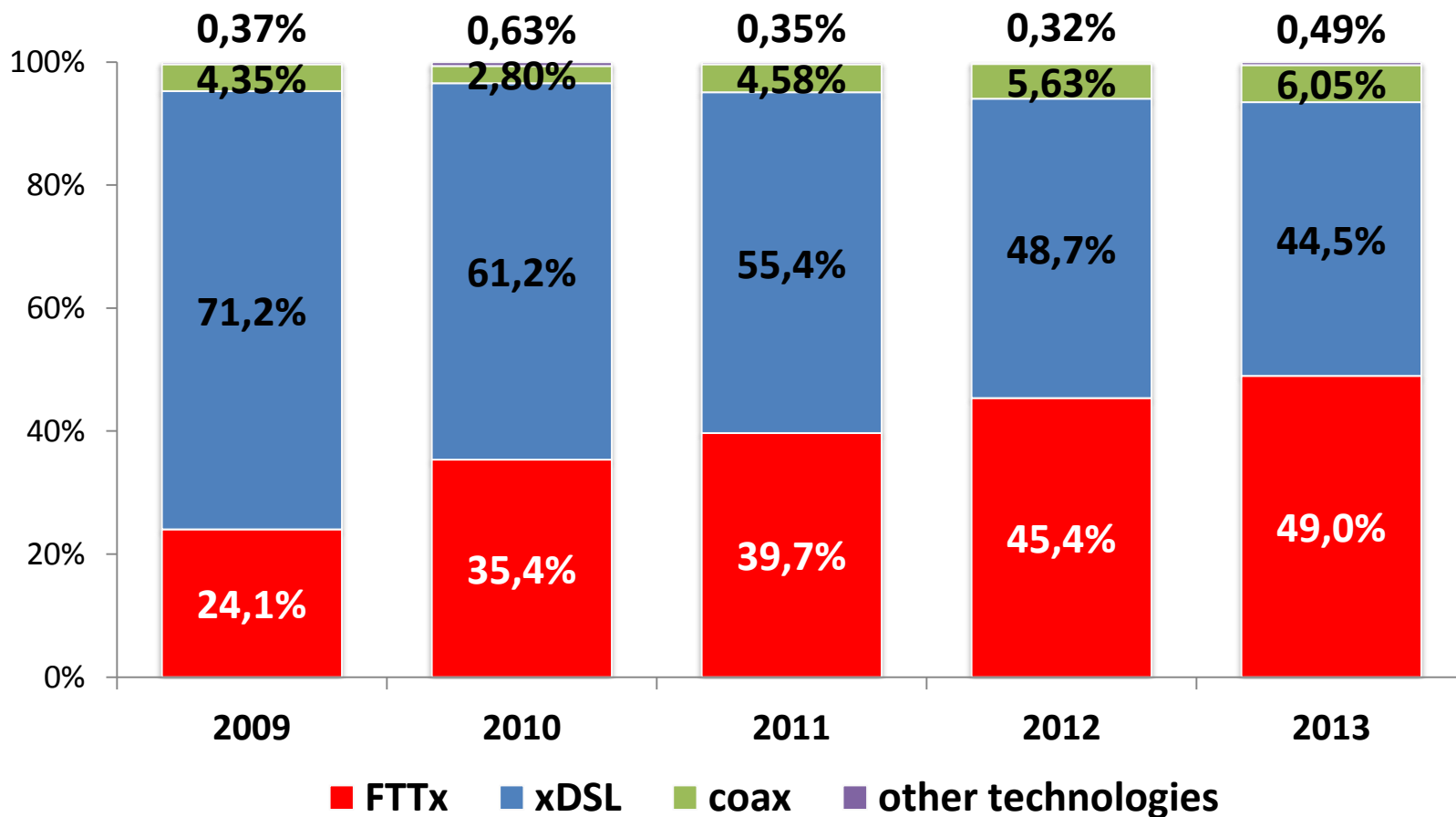
	Penetration (%)	Revenue (mil.EUR)	ARPU (EUR)	Other
Mobile telephony	124,5	188,7	3,7	200 (MoU)
Fixed telephony	34,3	60,2	4,1	301 (MoU)
Fixed broadband	13,2	47,5	8,1	-
Pay TV	8,1	18,8	2,6	-
Mobile broadband	7,3	14,0	5,3	7,9 GB (AUPU)
TOTAL		330		

3 - mobile operators, 2 of them operate LTE network;
 28 – fixed telephony operators;
 58 – fixed broadband operators;
 130 – cable TV, IPTV (2 of them) and broadcasting operators.

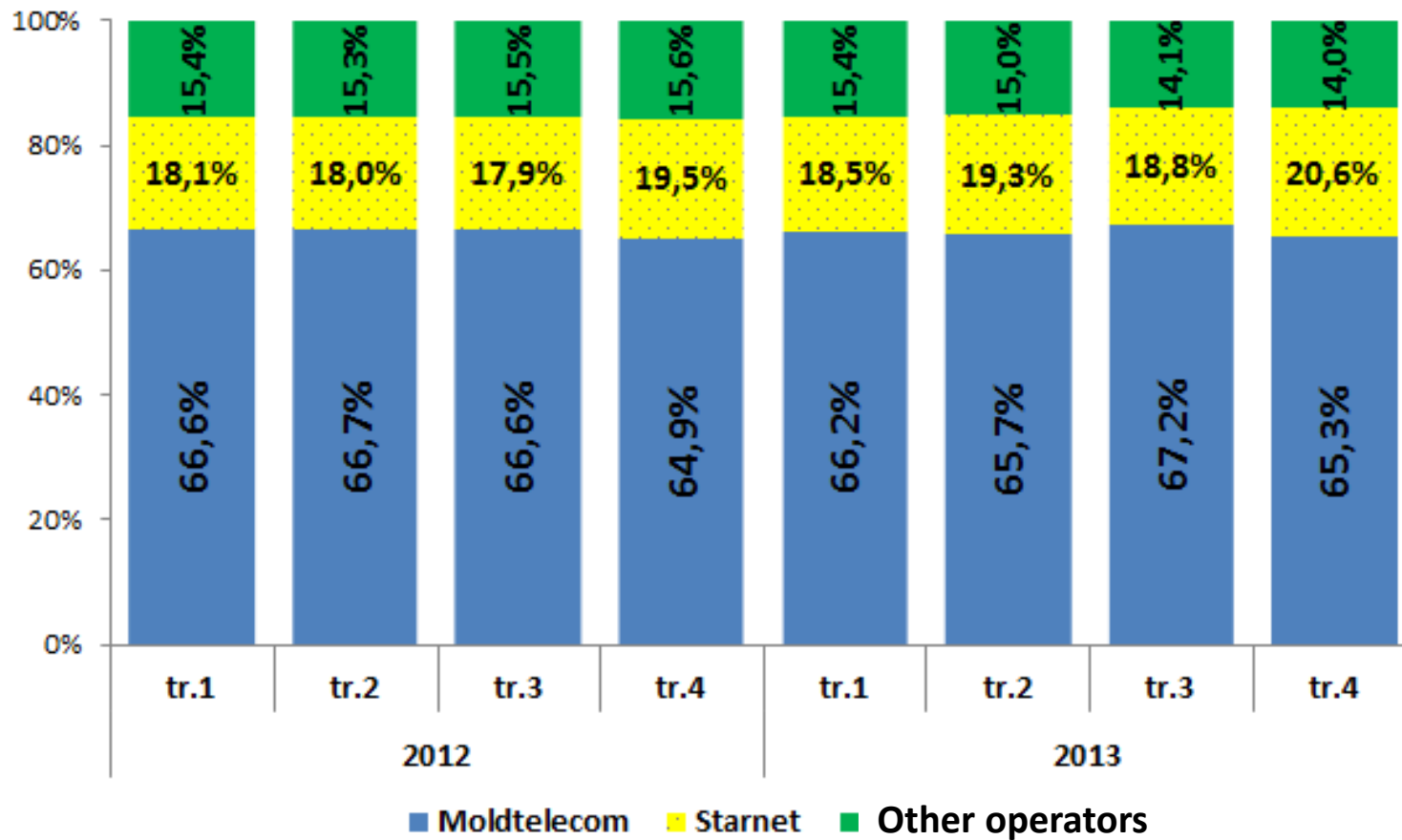
The share of broadband subscribers by Internet access contracted speed



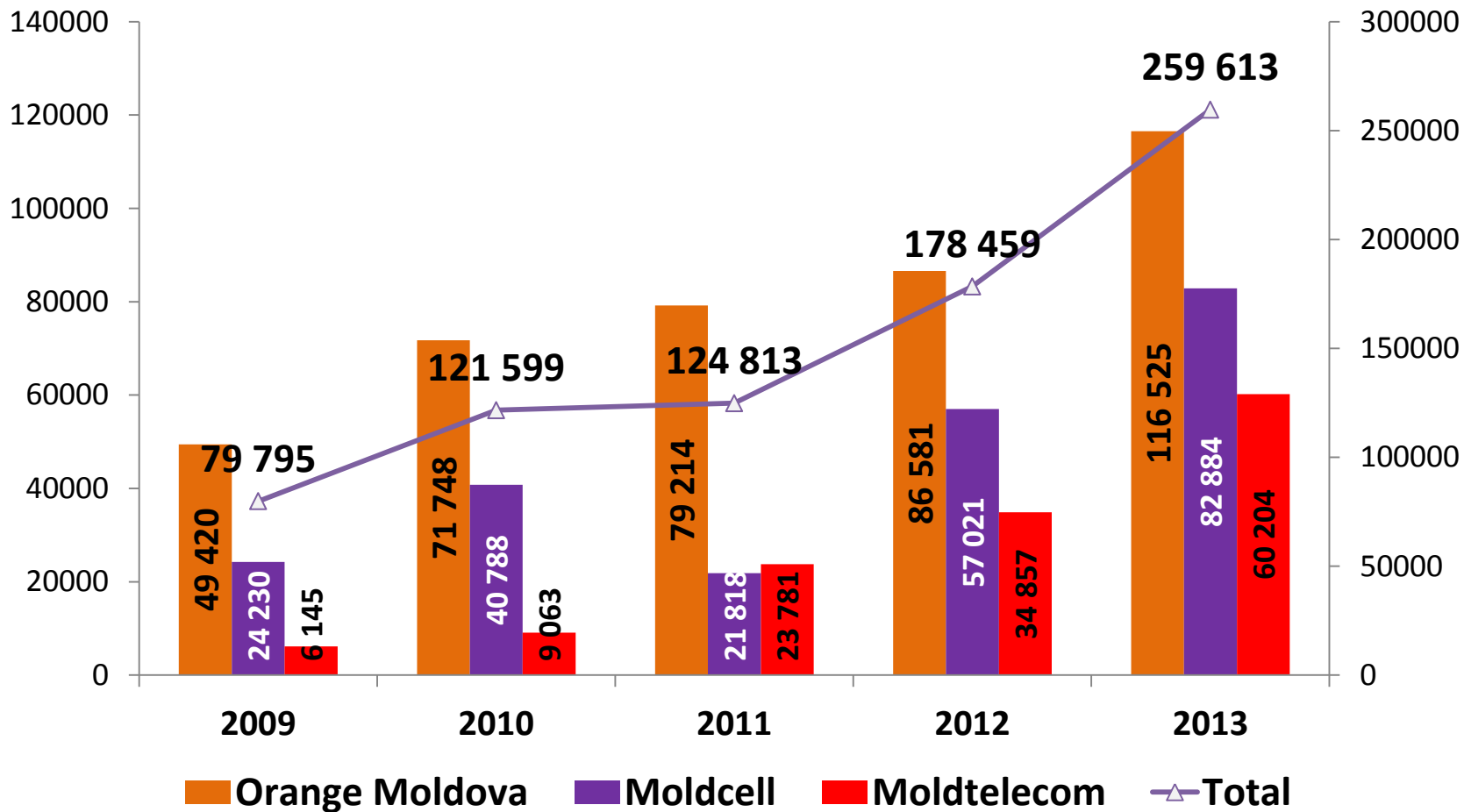
Technologies share in fixed broadband access



Market shares of the biggest fixed broadband operators by subscribers



Subscribers of the mobile broadband datacard subscriptions



ANRCETI – National Regulatory Agency for Electronic Communications and Information Technology in The Republic of Moldova

Key regulatory issues:

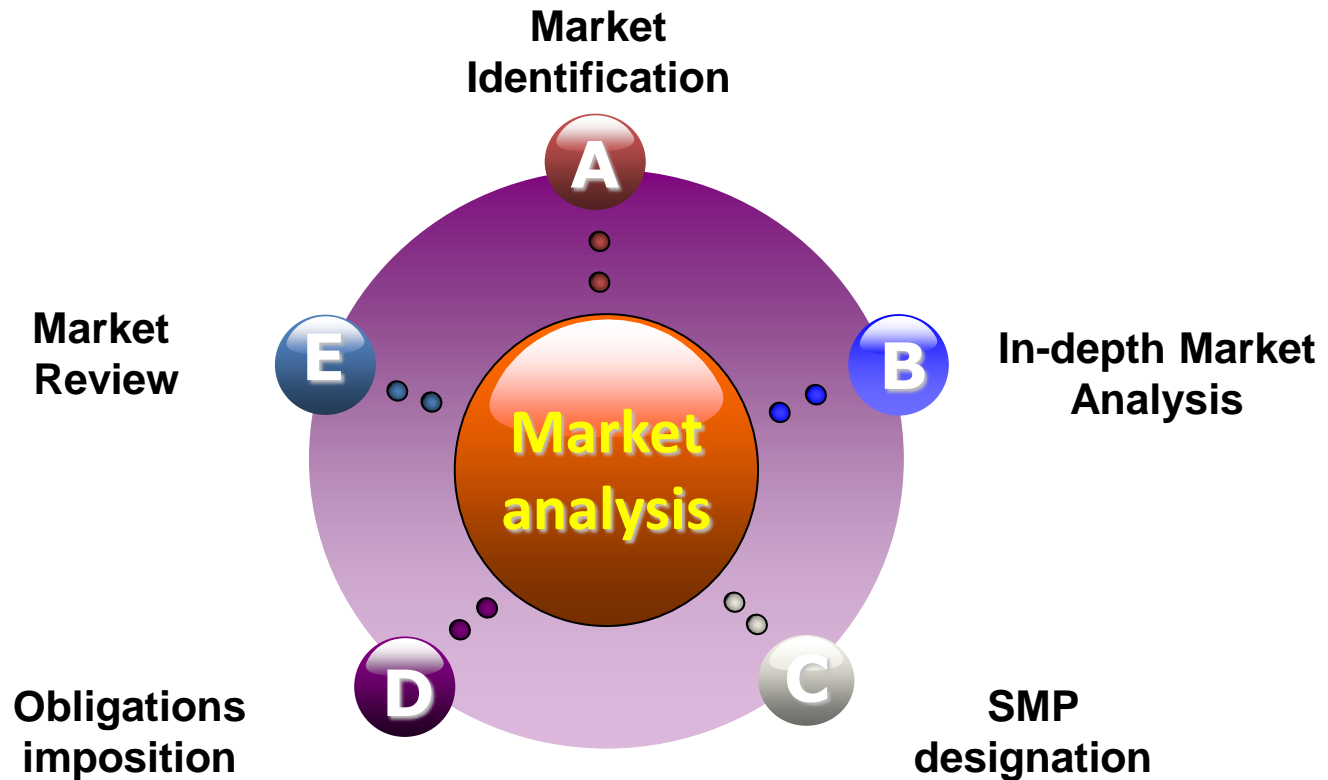
1. Market analysis and *ex-ante* remedies:
 - a. Access to essential facilities and interconnection
 - b. Cost modeling and tariff setting(MTR/FTR)
 - c. Accounting separation & Regulatory audit
 - d. Public reference offers
2. Universal service provision
3. Broadband, NGA/NGN development
4. Frequency licensing for mobile networks
5. Digital switchover process
6. Customer protection & Quality of Service

The Law nr.241 of 2007 on electronic communications creates the legal framework of regulating the electronic communications sector

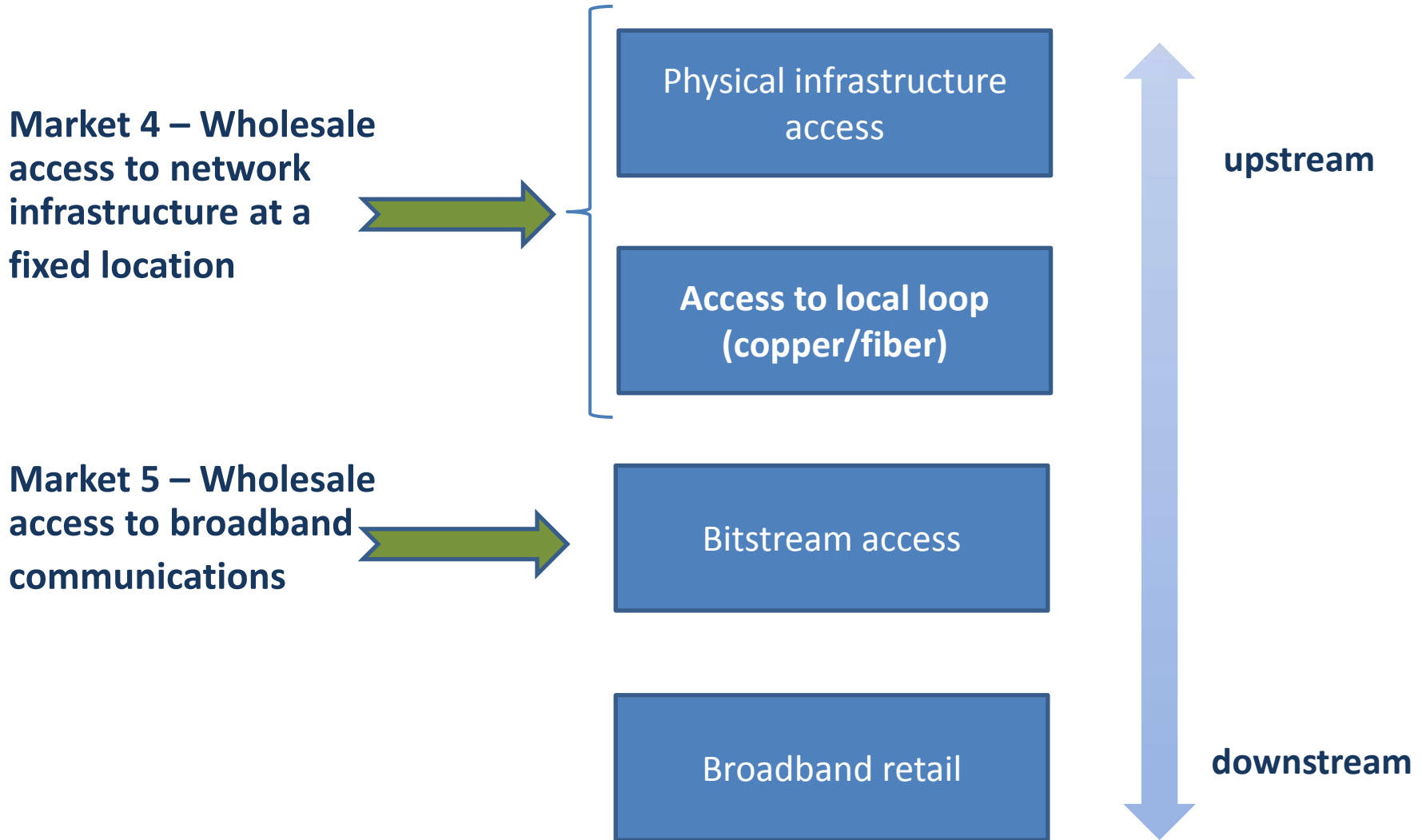
The Law and the subsequent regulations adopted by ANRCETI transpose into the national legislation the EU common framework:

- Directive 21/2002/EC (Framework Directive)
- Directive 19/2002/EC (Access Directive)
- Directive 20/2002/EC (Authorization Directive)
- Directive 22/2002/EC (Universal Service Directive)
- Commission guidelines on market analysis 2002/C165/03
- Recommendation 2003/311/EC (relevant products and services)
- Recommendation 2007/879/EC (relevant products and services)

ANRCETI and MTIC consider revision of the law to adapt it to the 2009 EU framework (Directive 140/2009/EC “Better regulation directive”, Directive 136/2009/EC “Citizens rights directive”)

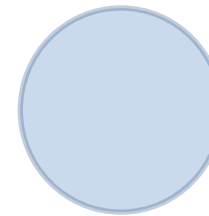
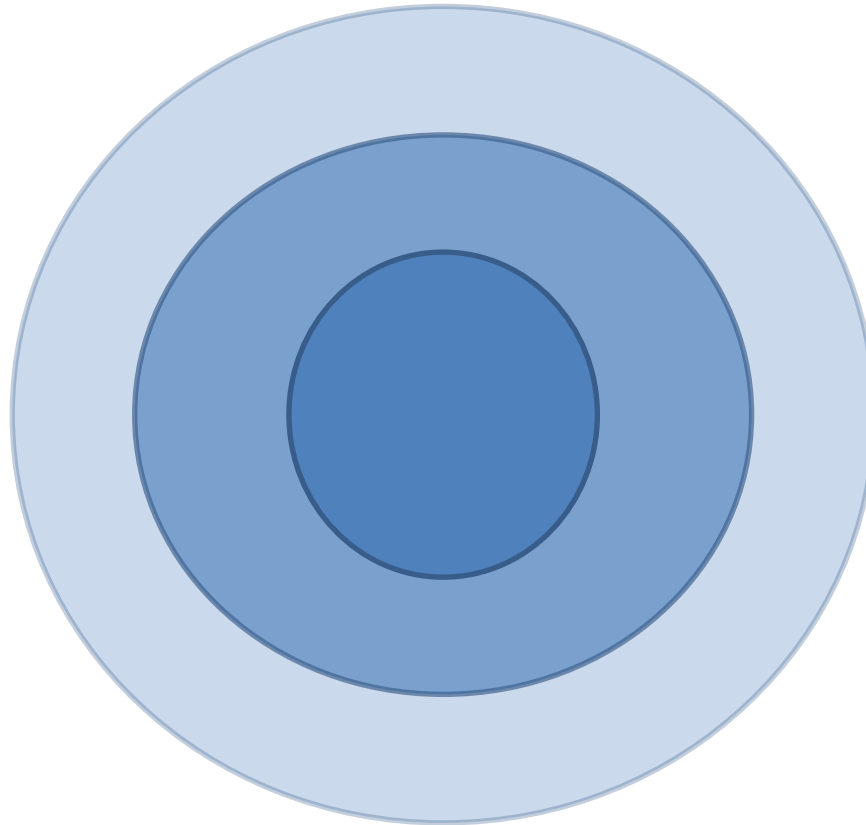


Since 2010, ANRCETI has undergone 2 cycles of markets analysis.

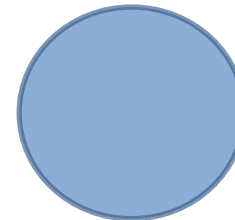


Why regulating IA ex-ante? Asymmetric vs symmetric

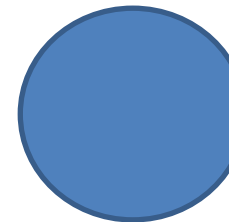
Legend:



**(S) Cross-sectors
infrastructure access
regulation**



**(S) Telecoms
infrastructure access
regulation**



**(A) Ex-ante remedies
on SMP operator**

Why regulating IA ex-ante? Asymmetric vs symmetric

	<i>Ex-ante</i> mandated access to physical infrastructure	Symmetric access to telecoms infrastructure	Cross-sectorial infrastructure access
Suitable infrastructure	Perfect	Potentially perfect	Depending on type of infrastructure
Strength of the measure	Strong	Slighter	The slightest
Timeliness	Fast	Longer time for negotiations	Longer time for negotiations
Legal aspect	Needs only regulatory powers for <i>ex-ante</i>	Needs certain legal provisions. Implies telecom regulator	Needs cross-sectorial legal provisions. Might imply several regulators
Changes	Relatively easy to implement	Often might need legislation changes	Needs legislation changes
Most frequent costing method	LRIC+, LRAIC, FAC	Negotiated or own operator's method	Negotiated
Enforcement	Strong if enough powers and strong	Usually slight	Weak

On the both markets 4 and 5 the incumbent operator Moldtelecom was designated with SMP and *ex-ante* remedies were imposed.

The following obligations have been imposed:

- Access to, and use of, specific network facilities. It implies not only provision of access to local copper/fiber loops or bitstream services, but also physical infrastructure access (ducts, poles)
- Transparency. Reference offers should be published
- Non-discrimination. The SMP operator has to provide access in the same terms to competitors as it provides to its own services
- Price control and costing accounting. Costing method to be used – LRIC+
- Accounting separation

- Shared access to infrastructure was mandated based on SMP on M4
- SMP operator shall provide access to ducts, poles and other relevant infrastructure all across its network infrastructure, irrespective of the intended use
- The SMP operator has to open up its plans when building new segments of infrastructure; has to envisage the requests of the operators for sufficient capacities
- A reference offer for access to ducts and poles is required
- The access services provision should be based on *equal input* principle; this means access services should be provided externally by the same means, people, in the same terms, by using the same IT systems and procedures as those used for internal provision
- The tariffs must be oriented to LRIC+ cost levels

Thank you!



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