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II. LEGAL AND REGULATORY FRAMEWORK

1. EU regulatory framework for electronic communications

In November 2015 Regulation (EU) 2015/2120 was promulgated, laying down measures concerning open Internet access and for amending Directive 2002/22 / EC on universal service and users' rights relating to electronic communications networks and services and Regulation (EU) No. 531/2012 on roaming on public mobile communications networks within the European Union. The major part of its provisions shall apply from 30 April 2016.

Regulation (EU) 2015/2120 affects two major issues - ensuring net neutrality and elimination of surcharges in retail roaming within the European Union from June 15, 2017. In connection with the implementation of the regulation guidelines are envisaged to be adopted by the Body of European Regulators for Electronic Communications. In February 2016 guidelines on the implementation of the provisions relating to the provision of roaming were published while the guidelines on net neutrality are expected to be published by August 30, 2016.

In the second half of 2015 the European Commission (EC) launched a review of the European regulatory framework. A public consultation on key issues of the future amendments has been published. The legislative proposals of the EC are expected to be published in the second half of 2016.

2. Legal and regulatory framework in Bulgaria

In 2015, the Law on Electronic Communications (LEC) was amended several times, whereas the changes did not lead to fundamental changes in the regulatory framework.

The most important amendment of the LEC is the introduction for the first time of financial penalties for non-compliance with the provisions of Regulation (EU) No. 531/2012 of the European Parliament and of the Council of 13 June 2012 on roaming on public mobile communications networks within the European Union (OJ, L 172/10 of June 30, 2012).

The amendments in the LEC expanded the scope of the applicable procedure for failure to fulfil the general requirements, the terms of the authorisations issued for use of scarce resource and/or imposed specific obligations (Art. 78 of the LEC). The amendments also include new administrative penal sanctions in case of non-compliance with CRC's decision for discontinuing the failure or mandatory instructions for discontinuing the failure and/or removal of its effects and for bringing the activities of the undertaking in accordance with those acts.

The next substantial amendment of the LEC is in Chapter Fifteen, in the provisions concerning the storage of data necessary for the needs of national security and the prevention, detection, and investigation of serious criminal offenses. The amendments to the LEC are in connection with Decision No. 2 from March 12, 2015 on constitutional case No. 8 of 2014, by which Art. 250a - 250d, Art. 251 and Art. 251a of the LEC were declared unconstitutional.

Another amendment of the LEC is in Art. 33 para. 2, where a new requirement to the registers kept by the CRC is created. Under the new amendments the register shall contain, among other things, the number of subscribers of the undertakings differentiated according to the services provided, based on data from the annual activity report. According to the new para. 2 of Art. 74 of the LEC, undertakings should publish the information about the subscribers on their websites.

In 2015 the amendments to the following secondary legislation acts became effective:

- Functional specifications for portability of geographic numbers in case of changing the provider of fixed telephone service and/or changing the address within the same geographic national destination code;
- Functional specifications for portability of non-geographic numbers in case of changing the provider of the relevant service;
- Functional specifications for portability of nationally significant numbers in case of changing the public mobile service provider;
- Ordinance No. 1 of 22 July 2010 regarding the rules for use, allocation and the procedures of primary and secondary assignment for use, reservation and withdrawal of numbers, addresses and names.
- Technical requirements for the operation of terrestrial networks enabling the provision of electronic communication services;
- List of radio equipment using frequency bands harmonised within the European Union and electronic communications terminal equipment.
- Rules for carrying out electronic communications through radio equipment using frequency spectrum which does not need to be individually assigned.

3. Regulatory decisions of CRC in 2015

In 2015, CRC adopted 618 decisions concerning the powers of the CRC according to the LEC. The decisions adopted by CRC in 2015 that play a significant role in ensuring a predictable and competitive environment in the sector are as follows:

- Decision No. 355 / 08.06.2015 laying down the requirements for the performance of obligations to provide interconnection based on Internet Protocol (IP-based interconnection), imposed on “ITD Network” AD, “Blizoo Media & Broadband” EAD, “Bulgarian Telecommunications Company” EAD, “Varna Net” OOD, “Vestitel BG” AD, “Global Communication Net” AD, “Gold Telecom Bulgaria” AD, “Eastern telecommunications company” AD, “Interoute Bulgaria” EAD, “Mobiltel” EAD, “Nexcom Bulgaria” EAD, “Net Is Sat” OOD, “Netfinity” EOOD, “Telecom 1” OOD and “Telenor Bulgaria” EAD;
- Decision No. 356/06.08.2015, by which the CRC adopted a draft decision for determining, analysing, and evaluating the wholesale market for call origination from a fixed location on public telephone networks and the wholesale market for call termination in a fixed location on individual public telephone;
- Decision No. 357/06.08.2015, by which the CRC adopted a draft decision for determining, analysing, and evaluating the wholesale markets for voice call termination on individual mobile networks;
- Decision No. 372/13.08.2015 for analysis of the wholesale market for local access provided at a fixed location and the wholesale market for central access provided at a fixed location in Republic of Bulgaria. The wholesale market for local access provided at a fixed location is subject to *ex ante* regulation, as there is no effective competition on this market due to the existence of an undertaking with significant market power. The wholesale market for central access provided at a fixed location is not subject to *ex ante* regulation, as there is effective competition on this market due to the lack of an undertaking with significant market power on the relevant market. CRC determined “Bulgarian Telecommunications Company” EAD as an undertaking with significant

market power impact on the relevant wholesale market for local access provided at a fixed location;

- Decision No. 633/17.12.2015, by which CRC adopted a draft decision on amending and supplementing the General Requirements for carrying out public electronic communications.

4. Court representation on complaints against CRC decisions in 2015

In 2015, appeals were filed against 12 CRC decisions adopted by the Commission in 2015, as well as complaints against 1 CRC order on preliminary execution of decisions adopted by the Commission in 2015.

In 2015, 8 CRC decisions adopted by the Commission in 2013-2014 were finally confirmed. In 2015, 2 CRC decisions adopted by the Commission in 2012 and 2013 were annulled.

5. Carrying out electronic communications

5.1. Authorisations for the use of an individually assigned scarce resource

The authorisations for the use of the individually assigned scarce resource issued during the year are presented in Table 9.

Table 9

<i>Authorisations under the Law on Electronic Communications for 2015</i>				
<i>Electronic communication network</i>	<i>Amendments/Supplements (number)</i>	<i>Authorisations issued (number)</i>	<i>Terminated/Revoked/ Expired (number)</i>	<i>Transfers (incl. partial)/Lease (number)</i>
<i>Electronic communication networks for terrestrial analogue broadcasting of radio signals with national and local coverage</i>	65	21	4	3
<i>Electronic communication networks for digital terrestrial broadcasting</i>	5	-	-	-
<i>Electronic communication networks from a mobile radio service - PMR</i>	43*	35*	38	9
<i>Electronic communication networks from the aeronautical mobile radio service</i>	2	-	1	-
<i>Electronic communication networks from a mobile radio service for personal calls</i>	1	-	-	-
<i>Electronic communication networks from the aeronautical mobile radio service, radiolocation and radio navigation for air traffic management and the provision of air navigation services of the flights in the civil airspace with national coverage</i>	1	-	-	-
<i>Terrestrial network in frequency band 2 GHz</i>	3	-	-	-

<i>Provision of positions on the geostationary orbits allocated to the Republic of Bulgaria via international agreements</i>	5	-	-	-
<i>Electronic communications networks from the fixed satellite radio service</i>	5	4	1	-
<i>Electronic communications networks from the fixed radio service of the "point-to-point" type</i>	60**	-	7	-
<i>Electronic communications networks for broadband wireless access (BWA)</i>	-	-	3	-
<i>Authorisation for the use of individually assigned scarce resource – numbers for carrying out public electronic communications</i>	15	1	11	-
<i>Temporary authorisations</i>	-	20	-	-
TOTAL:	205	81	65	12

**The total number of provided radio frequencies is 110*

*** Amendments and supplements to the technical data of a total of 3044 radio relay links, including provided radio frequency spectrum for new 1356 links.*

5.2. Notifications on carrying out public electronic communications

Activities on the notifications submitted in 2015 for carrying out public electronic communications are presented in Table 10.

Table 10

Type of activity	2015 (number)
Processed notifications for carrying out public electronic communications	189
Processed notifications for termination of carrying out public electronic communications	118
Issued certificates for entry in the Registry	19
Undertakings entered in the Registry	95
Undertakings deleted from the Registry	83

5.3. Carrying out electronic communications through amateur service radio equipment

The authorisations, certificates and licenses for radio amateur qualification issued in 2015 are presented in Table 11.

Table 11

Type of document	2015 (number)
Authorisations for radio amateur qualification	341
HAREC certificates	27

CEPT licenses	47
Determined call signs	645*

* 234 of the determined call signs are temporary

In 2015, 11 amateur radio license exams were held in the cities of Sofia, Plovdiv, Kazanlak and 257 persons were examined.

The distribution of the persons who took amateur radio license exams in the last five years is presented in Figure 35.

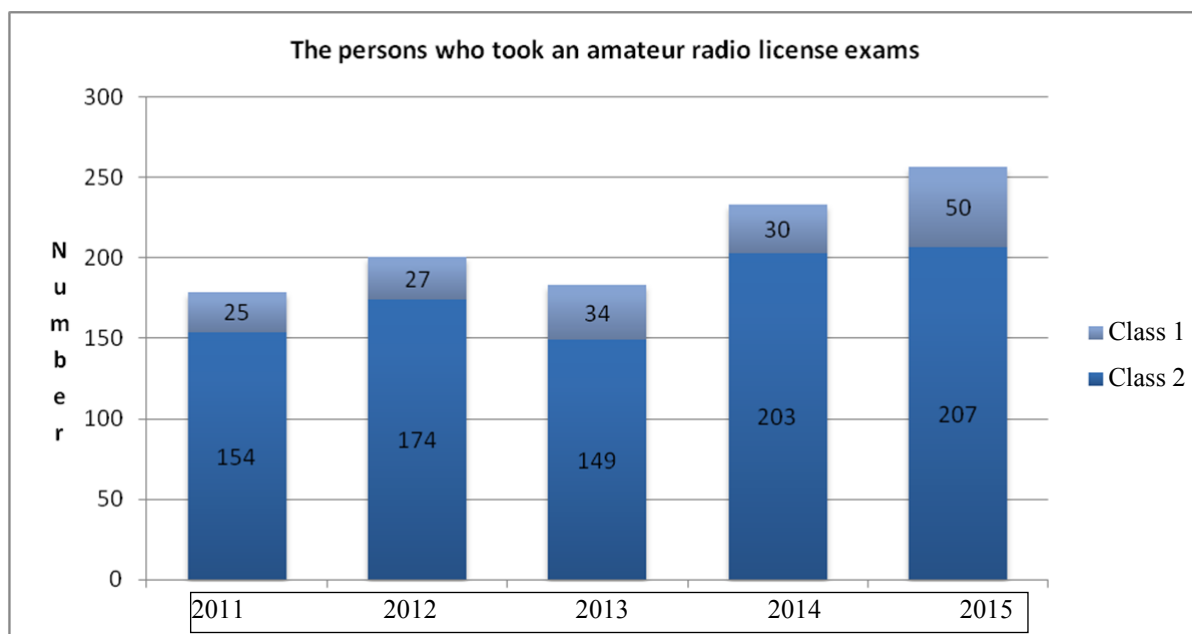


Fig. 35

During the last years an increasing interest in the amateur radio activity was registered. The total number of persons examined in 2015 has grown in comparison with 2011 by 30% (26% for the lower class 2 and by 50% for class 1).

5.4. Interconnection and access

In 2015, the Commission's activity related to the interconnection and access was mainly focused on:

5.4.1. Introduction of interconnection based on Internet Protocol

At the end of 2014 was opened a procedure for public consultation on the draft decision of the CRC which is setting out the requirements and deadlines for providing interconnection based on Internet Protocol (IP interconnection). The procedure has finished by Decision No. 270 from 17.06.2015, as the opinion of the Commission on the submitted remarks and suggestions from stakeholders are stated out in an annex to the Decision. CRC sent a notification of the draft Decision to the European Commission, national regulatory authorities of the Member States of the European Union and the Body of European Regulators for Electronic Communications, in accordance with the provisions of Art. 7a of Directive

2002/21/EC and Art. 42 and Art. 42b of the LEC. The European Commission has adopted the draft without comments.

By Decision No. 355 of 06.08.2015, CRC has definitively adopted the requirements and deadlines for providing an IP interconnection. In the corresponding Decision, in addition to the technical requirements to implement an IP interconnection, has been defined a deadline of 01.01.2017, when the effective provision on IP interconnection have to be launched. In accordance with the decision the obliged undertakings have negotiated among themselves the conditions for carrying out measurements of quality parameters, as the same were presented to the CRC in due time.

5.4.2. Examination of the various questions raised by enterprises on which the CRC has provided an opinion:

- refusal for providing additional lines for interconnection according a signed interconnection agreement between undertakings and not fulfilling the obligation of non-discrimination imposed by Decision of No. 1362/2012 of the CRC;
- refusal to comply the invoicing of the interconnection services according the signed interconnection agreement ;
- request for imposing an obligation under Art. 281b para. 1 of LEC for colocation and facility sharing of an electronic communications network;
- requesting the CRC for opinion regarding the negotiation process for signing an agreement for national roaming;
- terms related to bank guarantees in the interconnection agreements.

For every single case, additional information has been collected from stakeholders and if it was necessary additional investigations were carried out. After analysing the submitted documents, the commission has pronounced a decision on each of the cases, and the concerned parties have been informed for the decision.

Disputes within the meaning of Art. 55 or Art. 56 of LEC were not considered in the past year.

5.4.3. Implementation of Directive 2014/61/EU into the Bulgarian legislation

Commission representatives participated actively in the interdepartmental working group created by the Ministry of Transport, Information Technology and Communications (MTITC) on preparation of a draft law on electronic communications networks and physical infrastructure. The Commission has presented opinions on the project in the process of its drafting and on the public consultation procedure.

5.4.4. Participation in BEREC expert working groups and in the review of the European regulatory framework

Regarding the reports prepared by BEREC expert working groups, related to the migration to all-IP networks, the quality of services for Internet access in the context of net neutrality and OTT services, CRC provided opinions, replies to questionnaires and summarised data for undertakings and services on the national market.

In the process of drafting the new European regulatory framework, the Commission presented opinions and answers to questionnaires for assessment of the current regulatory framework, as well reviewing the provisions of the framework after the adoption of the strategy for Digital Single Market by the EC. The proposals of national regulatory authorities and BEREC and the amendments on the draft document at the different stages from the drafting till its adoption, were tracked.

Quality of Internet access service and Net Neutrality

Regarding the quality of services for Internet access in the context of net neutrality, the CRC stake in its priorities for the 2015 tasks to monitor the quality of Internet access service and to take regulatory measures to protect end users.

In order to improve awareness and to help end users, a document in the form of Frequently Asked Questions (FAQs) was prepared, including explanations on questions affecting both the access - technology, terminals, and the service and its parameters - speed, interruption, etc. The FAQ was published on the CRC's website.

Also, to collect updated information on end user's satisfaction from the Internet access service, the commission has developed and published on its website "*Survey on the end users' satisfaction from the quality of Internet access service*". The collected information will enable the CRC to analyse and monitor both the presence and absence of issues when using the service by end users, as well as to what extent the agreed conditions meet the actual delivered service.

In 2015, work on drafting the amendment of the "General Requirements for carrying out public electronic communications" (GR) has begun. The changes are aimed at refining the parameters for quality of services and the obligations of the providers of electronic communications services in order to provide greater transparency and information to the end users. The quality parameters are reduced to the most essential ones, characterising the Internet access service, and shall comply with the latest developed and approved recommendations and reports to the European level. By Decision No. 633 of 17.12.2015 the CRC has adopted a draft amending the GR and opened a procedure for a public consultation.