

## **Introduction**

In 2011, the Communications Regulation Commission (CRC), as a specialized independent state body, continued to execute its regulatory and control functions in the electronic communications sector of the Republic of Bulgaria. The regulator focused its mission and main goal on creating conditions for development of effective competition on the electronic communication markets.

In the 2011 Annual Report prepared pursuant to the provisions of Art. 38 of the Law on Electronic Communications (LEC), CRC reviews its activity and the processes affecting electronic communication network and services which outline the situation in the sector for the preceding year. As a national authority entrusted with the function of regulating the postal services market in the Republic of Bulgaria, CRC prepared an Annual Report on the development of the postal services in 2011, which is published as a separate document.

In the past year, the national regulator continued to exercise its powers in accordance with the general principles of the competition law and the specific national conditions, while taking into account the best European practices, working in close interaction with the European Commission (EC), and applying the experience of other European regulators. Market analyses are the mechanism used to impose the necessary specific obligations on undertakings with significant power on the relevant markets with the purpose to create better conditions for competition development

In 2011, CRC launched the second round of the procedure for analyzing the market for voice call termination on individual mobile networks (Market 7) and the markets for call origination and call termination on individual public telephone networks provided at a fixed location (Markets 2 and 3). In its work, the Commission followed the principles of the European regulatory framework, as well as the provisions of LEC and the Methodology for the terms and procedures of relevant market definition, analysis and assessment.

In March 2011, CRC introduced another European practice to Bulgaria – the so called “closed dialing”. The new way of dialing geographic numbers created opportunities for overcoming the technical restrictions in portability implementation in terms of geographic numbers in regions served by analogue exchanges, as it lead to an increase in the numbering resource by over 8 million numbers in just one year, which is absolutely sufficient for the scales of the country.

In compliance with LEC and following the European Union’s policy for efficient management of the frequency spectrum, at the end of 2011, the Communications Regulation Commission also finalized the procedure by which it announced its intention to issue authorizations for the use of 2 x 5 MHz and 2 x 8 MHz in band 1800 MHz for the provision of public electronic communications via land mobile network with national coverage.

The past year witnessed a considerable increase in the number of complaints filed against operators, and the problems motivated the regulator to take an active stand to offer mechanism for better protection of interests of the end users. The issue related to the problems of the Bulgarian users of telecommunication services was repeatedly raised by the Communications Regulation Commission. It was discussed with representatives of the executive and legislative power, undertakings and user organizations. Acting as a mediator, CRC organized a round table to review the problems of mobile services users, in addition to a series of meetings between operators and user organizations with the purpose to solve the problems of the subscribers.

In 2011, CRC, together with the Commission for Consumer Protection and the Commission for Personal Data Protection, opened temporary receptions for citizens facing difficulties in their relations with the undertakings providing electronic communications. A total of 17 temporary receptions consumers were organized in 11 district centers. The main problems discussed were related to implementation of number portability, automatic renewal

of users' contracts, suspected overcharged bills, and non-provision of detailed bills to subscribers, conclusion of contracts from a distance, change of tariff plans, etc.

Although CRC does not have legislative initiative, the regulator participated actively by giving proposals for legal norms aimed at protecting the Bulgarian consumers' interests. A great part of the CRC's proposals were adopted in the revised Law on Electronic Communications which introduces regulations for a more responsible behaviour of the undertakings providing electronic communication services and ensures a maximum protection of the interests of end users. The amendments introduced to the LEC as of 29.12.2011 also ensure the implementation of the revised EU regulatory framework.

Another important priority of the regulator was related to the structural and functional development of the National system for radio frequency spectrum monitoring to ensure the continuous and efficient monitoring of the frequency spectrum on the entire national territory. Regional control stations for RFS monitoring were built on the territory of the towns of Sofia, Vratsa, Veliko Tarnovo, Varna, Burgas and Plovdiv, as the prospects reveal that at the end of 2012, the National monitoring system will have at its disposal 15 main fixed (manned and remote) radio monitoring stations.

This line was followed by CRC's policy for development and intensifying of the bilateral relations with regulators from the neighbouring countries. Together with the Turkish regulatory authority, the Commission took active actions to stop the cross-border harmful interferences in the bands for UHF/FM radio and television broadcasting, which is a pressing problem, especially in the summer season on the Bulgarian Black Sea coast.

At an international level, CRC took part in the activity of governmental and specialized organizations in the area of communications both at international and European level. As a member of the Body of European Regulators for Electronic Communications (BEREC), the Commission performs regular exchange of information and experience with the national regulatory authorities of the EU member states and the EC.

The past year was also marked by the successful performance of CRC in the Network of Regulators of the member states of the Francophone International Organization - FRATEL. In its capacity as chair of FRATEL, in May 2011, the Communications Regulation Commission hosted a two-day conference on *"The key role of the user in determining the regulator's activity"*.

The provision of suitable information service by CRC is of significant importance for the efficient performance of its regulatory and monitoring functions. In 2011, the Communications Regulation Commission achieved its goal – to provide quality, economically effective and easily accessible services to the citizens and the business in an electronic way. CRC is the first Bulgarian sector regulator who is already offering 39 electronic administrative services. This became possible through the newly introduced information system "Licensing and Registers".

At the end of 2011, it was distinguished with the prestigious international award "Diskobolos". The information system of CRC won this recognition in competition with 127 other projects. This distinction has been given since 1995 to the most successful achievements in using modern IT in business. The project of CRC won the special award in category "Public Services" of the international jury comprising representatives of the Council of European Professional Informatics Societies - CEPIS, the European Economic Interest Grouping – EEIG, the Union of ICT Societies in Serbia - JISA, regional chambers of commerce and industry, distinguished IT experts. With the new platform, CRC brought the processes of communications with the business and the citizens to a new quality level by facilitating to a maximum the access to administrative services and public database. The project which was executed under Operational program "Administrative Capacity", was included in the catalogue of good practices under operational programs, in the catalogue of the

European Institute of Public Administration for 2011, and in the catalogue of projects of the information society to the International Telecommunications Union (ITU) for 2012.

In the course of its regulatory activity, and when taking decisions on important issues of public significance, in 2011 CRC continued to work in conditions of publicity and transparency, maintaining an active dialogue with undertakings, industry organizations and institutions engaged in the development of electronic communications in the country. Among the main objectives of the national regulator remains the protection of the end users' interests ensuring that they derive real benefits from the use of services in the sector, as well as increase of investments in the new electronic communications technologies.