

## Conclusion

The main goal of the Communications Regulation Commission is to secure conditions for development of maximum effective competition on the communications and postal market, allowing users to make an informed choice and satisfying their needs of diverse, quality, modern and affordable services.

In exercising its regulatory and control powers, in 2011 CRC continued to be guided by the requirements and principles set out in European regulations and introduced to the Bulgarian legislation with the Law on Electronic Communications (LEC), the Postal Services Act (PSA) and the Law for the Electronic Document and Electronic Signature (LEDES), as well as regulations related to their application. The Commission continued to take into account the best European practices and insist on their application by all participants on the telecommunications and postal market.

Market analyses remained an important priority for the regulator. They were the main tool used by CRC to create the necessary conditions for stimulation of competition on the market. The analyses were aimed at regulating the behaviour of undertakings with significant power on the market by imposing specific obligations on them, including price caps. The Commission supervised the implementation of the regulatory measures imposed on the markets of electronic communications networks and/or services by monitoring the results from obligations already imposed.

The only sector where a considerable decrease of prices was observed was the telecommunication services. As a result of the CRC's intervention, wholesale mobile termination rates in peak hours have dropped over three times since 2008. A new reduction is anticipated, whereby as of 01.07.2012 wholesale prices for call termination will be by approximately 58% lower than the previous one, and by 86% against 2008.

In 2012, the finalization and notification of leased lines market analyses is expected to take place. The second round of analyses of wholesale markets of call termination on individual mobile networks and markets of call origination and termination on individual public networks at a fixed location ended.

Among CRC's priorities was also the launch of a second round of the procedure for defining, analysing and assessing the retail markets for access to public telephone networks at a fixed location and publicly available telephone services provided at a fixed location, as well as the completion of the public procurement for the introduction of accounting separation and development of BU-LRIC models of fixed and mobile network.

In the past year 2011, intensified competition between the undertakings was also observed, as they continued to extend more and diverse price offers. In order to meet the users' expectations, they focused on different types of bundled services; meanwhile, a decline was registered in the total volume of traffic generated by the subscribers of fixed telephony service. This is due to the faster penetration of Internet and Internet-based free telephone services.

The growing interest of undertakings in users and problems related to protecting their rights as clients, reflected also on the CRC's activity during the past year. This justifies the continuous active position of the regulator aimed at protecting the users' interests.

With the amendments to LEC effective as of 29.12.2011, the main problems encountered by subscribers in their relations with the undertakings were solved – the option for automatic renewal of fixed-term contracts without the user's consent was eliminated, the maximum duration of fixed-term contract between the subscriber and the undertakings should not exceed 24 months, with an option to conclude a contract with a term of up to one year. In addition, the undertakings are already obliged to provide detailed bills to the users. LEC also

provided the opportunity for the subscriber to terminate a contract unilaterally without owing any penalty payments within 7 days of its signing.

In 2012, the Communications Regulation Commission will continue to be open for the problems of the end users, and to be partner of all stakeholders, playing the active role of a mediator with the purpose of improving the service and achieving a maximum protection of the interests of the users of electronic communications services.

The aim of CRC is to reduce its activity to management of scarce resources and specific aspects of service users' protection. In this respect, the Commission strives to achieve a level of effective competition on the relevant markets which will bring down to a minimum the regulatory intervention.