

<b>II. LEGAL AND REGULATORY FRAMEWORK .....</b>	<b>52</b>
1. EU regulatory framework for electronic communications .....	52
2. Legal and regulatory framework in Bulgaria.....	52
3. Regulatory decisions of CRC in 2016 .....	53
4. Carrying out electronic communications .....	54
4.1. Authorisations for the use of an individually assigned scarce resource .....	54
4.2. Carrying out electronic communications through amateur service radio equipment.....	57
4.3. Interconnection and access.....	58

## **II. LEGAL AND REGULATORY FRAMEWORK**

### **1. EU regulatory framework for electronic communications**

In 2016, Regulation (EU) 2015/2120 of the European Parliament and the Council of 25 November 2015 laying down measures concerning open Internet access and amending Directive 2002/22/EC on universal service and users' rights relating to electronic communication networks and services and Regulation (EU) No 531/2012 on roaming on public mobile communications networks within the Union, entered into force. Regulation (EU) 2015/2120 regulates for the first time the net neutrality and it has been envisaged elimination of surcharges in retail roaming within the European Union from 15.06.2017 preceded by a transitional period.

At the end of 2016 the European Commission announced the second comprehensive review of the European Regulatory Framework for electronic communications with publishing of a Proposal for a Directive establishing the European Electronic Communications Code and Proposal for a Regulation of the European Parliament and of the Council establishing the Body of European Regulators of Electronic Communications. The review of the European Regulatory Framework for electronic communications includes review of Directive 2002/58/EC. On 10.01.2017 the EC published a Proposal for a Regulation concerning the respect for private life and the protection of personal data in electronic communications and repealing Directive 2002/58/EC (Regulation on Privacy and electronic communications).

### **2. Legal and regulatory framework in Bulgaria**

In 2016 the Law on Electronic Communications (LEC) was amended several times whereas the changes did not lead to fundamental changes in the regulatory framework or those concerning the CRC's powers. More important amendment of the LEC is repeal of restrictions toward radio and television operators under the jurisdiction of the Republic of Bulgaria to obtain authorisation from the Commission for use of individually assigned scarce resource – radio frequency spectrum, for the provision of electronic communications through electronic communication network for digital terrestrial broadcasting (with revoke of Art.47a and Art.48, para. 3 of LEC). Pursuant to the new Art.138d, the undertakings providing public telephony networks through fixed and/or mobile terrestrial networks, do not have right to register and/or activate in the name of one user more than 10 telephone numbers through which prepaid telephone services are provided. The most significant amendments in the Chapter Sixteen “Radio Equipment and Electronic Communication Terminal Equipment, Equipment for Digital Interactive Television Services and Standards in the Field of Electronic Communication Networks and/or services”, revoked, respectively amended a part of provisions concerning placing on the market and commissioning of electronic communication terminal equipment for the purpose of harmonization with the European legislation. The amendments in Chapter Twenty-one “Administrative Penal Provisions” envisaged administrative penalties for non-compliance with the provisions of Regulation (EU) No. 531/2012 and Regulation (EU) 2015/2120.

For the same period the following secondary legislative acts became effective:

- Technical requirements for ensuring interoperability of consumers digital television equipment (adopted by Decision No. 461 of 01.09.2016 of the CRC; prom. SG, issue 74 of 20 September 2016; in force from 20.09.2016);

- Technical requirements for the operation of electronic communication networks from fixed radio service and the related facilities (amend. SG, issue 37 of 17 May 2016, recast SG, issue 38 of 20 May 2016);
- Technical requirements for the operation of terrestrial networks for provision of electronic communications services (amend. SG, issue 98 of 9 December 2016);
- Rules for carrying out electronic communications via radio equipment using a radio frequency spectrum which does not need to be individually assigned. (prom. SG, issue 74 of 20 September 2016);
- Tariff of the fees collectable by the CRC under the Law on Electronic Communications (amend. and suppl. SG, issue 7 of 26 January 2016);
- General requirements for the provision of public electronic communications (amend. and suppl. SG, issue 54 of 15 July 2016);
- Technical requirements for the operation of mobile terrestrial networks and the related facilities (amend. SG, issue 74 of 20 September 2016).

### **3. Regulatory decisions of CRC in 2016**

The total number of decisions of the CRC adopted in 2016 was 627, the majority of which are under the CRC's powers according to the Law on Electronic Communications. The decisions adopted by the CRC during the year that play a significant role in ensuring a predictable and competitive environment in the sector are as follows:

- Decision No. 356 of 23 June 2016 for analysis of the wholesale market for call origination at a fixed location on public telephone networks and wholesale market for call termination at a fixed location on individual public telephone networks (market 2 of Recommendation 2007/879/EC of 17 December 2007 and market 1 of Recommendation 2014/710/EU of 9 October 2014);
- Decision No. 357 of 23 June 2016 for analysis of the wholesale market for call termination on individual public telephone networks (market 2 of Recommendation 2014/710/EU of 9 October 2014);
- Decision No. 412 of 11 August 2016 for analysis of the wholesale market for high-quality access at a fixed location (market 4 of Recommendation 2014/710/EU of 9 October 2014)
- Decision No. 550 of 20 October 2016 for determination of cost-oriented rates for call termination at a fixed location on individual public telephone networks for the period 2016 – 2020, calculated by adapted CRC's BULRIC model;
- Decision No. 581 of 22 November 2016 on analysis of the market for access to the public telephone network at a fixed location for residential and business customers (market 1 of Recommendation 2007/879/EU of 17 December 2007), market for public accessible national telephone service provided to residential and business users at a fixed location and the market for publicly accessible international telephone service provided to residential and business users at a fixed location (markets 3-6 of Recommendation 2003/311/EU of 11 February 2003);

- Decision No.585 of 24 November 2016 for determination of cost-oriented rates for call termination at a fixed location on individual public telephone networks for the period 2016 – 2020, calculated by adapted CRC’s BULRIC model;
- Decision No.624 of 16 December 2016 for approval the draft Reference Interconnection Offer submitted by BULGARIAN TELECOMMUNICATION COMPANY with binding instructions for its amendment.

#### 4. Carrying out electronic communications

##### 4.1. Authorisations for the use of an individually assigned scarce resource

The authorisations for the use of an individually assigned scarce resource issued during the year are presented in Table 8.

*Table 8*

<i>Authorisations under the Law on Electronic Communications for 2016</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>	35	10	2	62
<i>Electronic communication networks for digital terrestrial radio broadcasting</i>	5	-	-	-
<i>Electronic communication networks from the mobile radio service – PMR</i>	130*	46*	55	10

*Authorisations under the Law on Electronic Communications for 2016*

<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 from the mobile radio service - TETRA</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 on the civil airspace with national coverage</i>	1	-	-	-
<i>Terrestrial network in radio frequency band 1800 MHz</i>	4	-	-	-
<i>Provision of positions on geostationary orbits allocated to the Republic of Bulgaria via international agreements</i>	1	-	-	-
<i>Electronic communication networks from the fixed satellite radio service</i>	2	14	1	-

**Authorisations under the Law on Electronic Communications for 2016**

<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 from the fixed radio service of the “point-to-point” type</i>	63**	2	4	-
<i>Authorisation for the use of individually assigned scarce resource – radio frequency spectrum for production needs</i>	-	1	-	-
<i>Authorisation for the use of individually assigned scarce resource – numbers for carrying out public electronic communications</i>	14	-	3	-
<i>Temporary authorisations</i>	-	13*	-	-
<b>TOTAL:</b>	<b>256</b>	<b>86</b>	<b>65</b>	<b>72</b>

\* The total number of provided radio frequencies for these authorisations is 317

\*\* Amendments and supplements to the technical data of a total of 5031 radio relaylinks, including provided radio frequency spectrum for new 1975 links.

**Notifications on carrying out public electronic communications**

Activities on the notifications submitted in 2016 for carrying out public electronic communications are presented in Table 9.

*Table 9*

Type of activity	2016 (number)
Processed notifications for carrying out public electronic communications	125
Processed notifications for termination of carrying out public electronic communications	94
Issued certificates for entry in the Register	26
Undertakings entered in the Register	59
Undertakings deleted from the Register	90

#### 4.2. Carrying out electronic communications through amateur service radio equipment

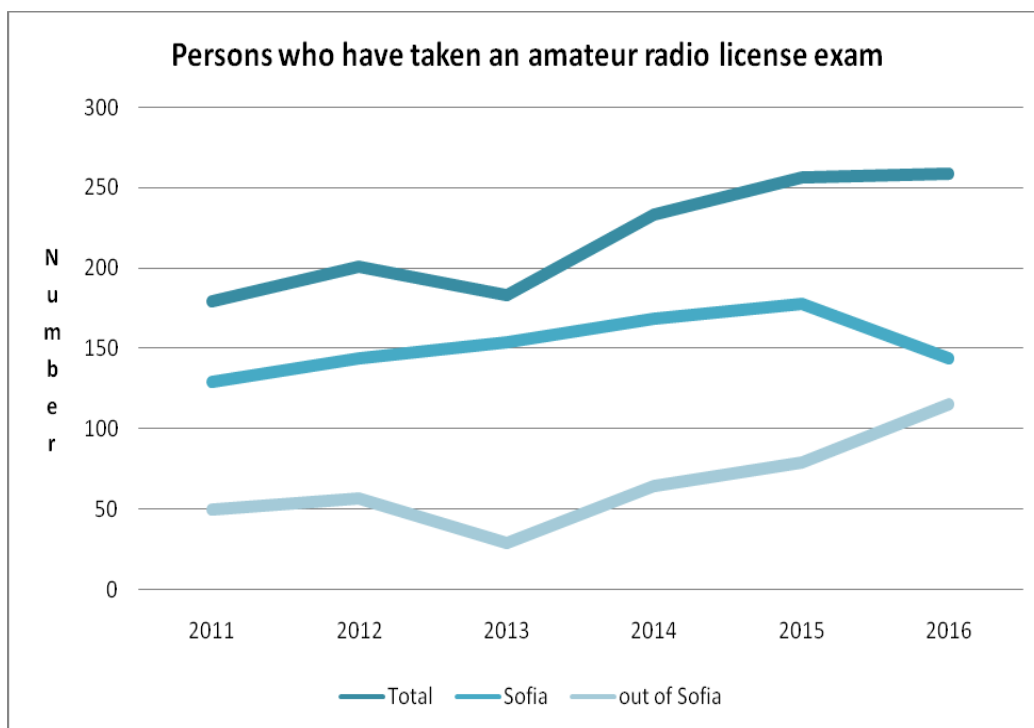
The authorisations, certificates and licenses for radio amateur qualification issued in the year are presented in Table 10.

*Table 10*

Authorisations, certificates and licenses	
Type of document	2016 (number)
Authorisations for radio amateur qualification	286
HAREC certificates	37
CEPT licenses	45
Determined call signs	646*

*\*292 of the determined call signs are temporary*

In 2016 the interest in the amateur radio activity continued. 13 amateur radio license exams were held with 259 examined persons. The chart below shows the distribution of the persons who have taken an amateur radio license exam during the last 6 years.



**Fig.35**

The upward trend in the number of applicants for the acquisition of amateur radio license out of Sofia continued. (In 2016, 2 exams were held in Plovdiv and Varna and one in Kazanluk). The number of examined persons in the capital in 2016 was close to these examined out of Sofia (44% of the applicants took an exam out of Sofia).

In 2016 the public amateur radio register was updated in connection with §4a of Transitional and final provisions of the Technical requirements for the carrying out of telecommunications through radio equipment from the amateur service. A Procedure for determination the order of provision of personal call signs was adopted as well.

#### **4.3. Interconnection and access**

In 2016 the main task of the Commission was to provide terms and requirements for effective provision on IP interconnection from the beginning of 2017 between the undertakings providing fixed voice service. By the deadline (01.03.2016), defined by the CRC Decision No. 355/2015, BTC submitted a draft Reference Interconnection Offer including the conditions to provide IP-based interconnection, the other liable undertakings published conditions to provide IP-based interconnection on their websites.

The processing of the draft submitted was stopped in June at the request of BTC due to the replacement of the undertaking's network elements resulting in complete reorganization of its topology and changes in the conditions of the draft Reference Interconnection Offer. At the end of August BTC submitted a new consolidated draft Reference Interconnection Offer including conditions for provision of IP-based interconnection and evidence of cost-oriented price for network access to network equipments and elements which are needed for network access, providing price information and documents for price formation.



By Decision No. 554/2016 CRC adopted that the offered by BTC one-time and monthly prices for "VoIP port (10 Mbps) configuration and support" and "IP interconnection line -10 Mbps configuration and support" services do not meet the imposed on BTC specific obligations for cost-oriented price, defined by Decision No.356/2016 and returned them for revision, setting an one-month term to submit the revised prices along with the relevant documents proving the pricing.

By Decision No. 555/2016 a public consultation procedure was opened under Art.37 of the LEC with regard to the draft Reference Interconnection Offer and the CRC's position elaborated in the form of a draft Decision on giving binding instructions for amendment to the draft Reference Interconnection Offer. The most important instructions are:

- falling off from the draft Reference Interconnection Offer's content the conditions related to provision of non-regulated services such as origination and transit network services, as well as the Carrier Selection and Carrier Pre-Selection services;
- change of the proposed by BTC terms and conditions for requirement of collateral and bank guarantees;
- change of the proposed by BTC terms and conditions for sanctions and contract termination in case of artificial inflation of traffic (AIT) and other types of frauds;
- maintenance of TDM interconnection points.

During the period of the public consultations, the parties concerned offered their positions, which the CRC took into consideration when preparing its final decision.

By Decision No. 624/2016 the CRC approved the submitted draft Reference Interconnection Offer together with binding instructions for its amendment and adopted that BTC did not prove the cost-oriented price for "VoIP port (10 Mbps)" and "Interconnection line to OLO premises - 10 Mbps" services, imposing prices limitations for a six months period starting from 01.01.2017.

The published by BTC draft Reference Interconnection Offer and conditions for interconnection of the other undertakings, create the necessary conditions and opportunities, if desired, other undertakings to sign individual contracts for interconnection.

Another important CRC activity in 2016 was adoption of a position<sup>1</sup> on the implementation of Art.5, Para.5 of Ordinance No.1 of 19 December 2008 on the terms and condition for carrying out access and/or interconnection. The position was prepared in connection with an undertaking's request for the CRC's opinion on payment terms when carrying out interconnection. The position concerns the payments related to interconnection line building and maintenance which is used only by one contract party and one-way traffic is terminated. All undertakings providing voice service have been noticed.

---

<sup>1</sup> <http://www.crc.bg/section.php?id=44&lang=bg>