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In 2008, the Communications Regulation Commission (CRC) in its role as an independent specialized state body performed the functions of regulation and control of the electronic communications sector in Republic of Bulgaria. The mission and the primary objective of the regulator were concentrated on creating conditions for development of effective competition in electronic communications and postal services markets. This activity is conditioned both by the need to protect end-users' interests and to provide real benefits from the consumption in the sector, as well as to increase the investments and the new technologies development regarding electronic communications. In the process of its regulatory activities and upon taking decisions on key issues of public importance, CRC worked in terms of publicity and transparency and maintained an active dialogue with companies, industry organizations and institutions involved in the electronic communications and postal services development in the country.

In the 2008 Annual Report prepared in accordance with the provisions of Art. 38 of the Law on Electronic Communications¹ (LEC), CRC reviewed its activity and examined the processes concerning electronic communications networks and services that outlined the situation in the sector last year. As a national body set with the function of regulating the postal market in Republic of Bulgaria, CRC submitted an annual report on postal services in 2008, which was formed as a separate document.

In performing its functions of regulation and control of the electronic communications market CRC is guided by the European standards laid down in the sector policies and regulatory policies for management of the scarce resources. In accordance with the objectives and the regulatory principles of the European policy in the sector, and in the implementation of the recommendations of the 2007 Progress report on the single European electronic communications market (13th Report) CRC adopted tasks of paramount importance for its activity, which have been performed in 2008.

Over the year, the CRC focused its work on determining, analyzing and evaluating the electronic communications markets according to the Recommendation of the European Commission (EC) for relevant product markets in the electronic communications sector, subject to ex-ante regulation. As a result, the first three drafts of market analysis were notified - markets for voice call termination on individual mobile networks, for calls origination at a fixed location on public telephone networks and for call termination at a fixed location on individual public telephone networks. Until the entry into force of the measures regarding undertakings with significant market power, providing mobile services, CRC put restraints of wholesale termination prices in the form of a glide path.

With the purpose of updating the secondary legislation, in accordance with its authority under the LEC and the Law on Electronic Document and Electronic Signature (LEDES), in 2008, CRC has developed and adopted a series of regulations providing for the effective implementation of regulatory functions and facilitating interaction between industry and the state regulatory authority.

CRC adopted Regulatory policy for the management of the radio frequency spectrum for civil needs in accordance with the policy of the European Commission on the harmonized use of the spectrum in the Community. This important step is dictated by the need for effective planning and assignment of the radio frequency spectrum. With regard to this, the

¹ Promulgated, SG. 41/ 22.05.2007

CRC paid particular attention to the monitoring as one of the mechanisms for radio frequency spectrum management, for additional frequency ranges utilization in respect to the introduction of new technologies in electronic communications and for creation of conditions for the digitalization of the terrestrial television broadcasting. In 2008 continued the establishment of a National RFS Monitoring System for civil needs, consisting of fixed, mobile and remote-controlled stations for monitoring of the spectrum, equipped with specialized systems for monitoring, measuring and radio direction finding, in accordance with the requirements of the International Telecommunications Union.

In accordance with the provisions of the LEC, CRC also adopted a regulatory policy for the use of numbers, addresses and names for the provision of electronic communications. In the regulatory policy were set out the main objectives, mechanisms and approaches of CRC for the management and utilization of the numbering resource in short (up to the end of 2008) and in medium term (2009 - 2010). The adopted regulatory policy is one of the steps that CRC made to implement the LEC principles of consultations, non-discrimination, proportionality, and neutrality regarding the used technologies and services provided, which creates conditions for sustainable and competitive market.

In order to ensure conditions for the development of effective competition in the electronic communications sector, one of the major priorities in the CRC work for the previous year was the provision of number portability in mobile and fixed networks. In this respect, as a result of the regulator efforts, in April 2008, number portability in mobile networks was successfully launched as by the end of the year the popularity of the service among users increased. In 2008, the CRC also adopted Functional specifications for geographic number portability upon changing the provider of fixed telephone service and/or changing the address within one national destination code, and Functional specifications for the implementation of non-geographic number portability upon changing the service provider. Launching of number portability on fixed networks is forthcoming in 2009 as well, and the expectations are for serious stirring up of the fixed voice service market.

In accordance with the provisions of the LEC, CRC adopted Regulation on procedures for providing access and/or interconnection. This secondary legislation provides a clear regulation of the obligations of the undertakings in order to realize effective interconnection and access. These rules are applicable to all undertakings that have an obligation to provide access and interconnection. At the same time, according to the LEC, one of the major powers of CRC is to impose measures on undertakings with significant market power in order to achieve efficient access and interconnection. In this regard, the regulation set out basic requirements that have to be met by undertakings with significant market power in the provision of access and interconnection.

In compliance with the 13th Report recommendation of the European Commission for strengthening the independence of the regulator, in 2008, CRC has started activity in planning, organizing, coordinating and participating in the initiatives of the international and European organizations and their working bodies in the field of the electronic communications. These activities contributed to strengthening the role of the Bulgarian regulator in the process of taking decisions and defending national position and interests as well as strengthening the prestige of Republic of Bulgaria as a factor and a reliable partner at international, European and regional level.

CRC participated in the governmental and specialized organizations' activities in the field of electronic communications at international and European level, aimed at the effective implementation of the European regulatory framework.

In this regard, CRC experts continued throughout 2008 their participation in the working groups and project teams of the Independent Regulators Group (IRG). This, in turn, helped for strengthening the CRC administrative capacity and created a favourable environment for mutual cooperation and exchange of expertise, which affected the implementation of a number of priority tasks in the 2008 CRC work.