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## IV. ACTIVITIES UNDER THE LAW ON ELECTRONIC COMMUNICATIONS AND THE LAW ON ELECTRONIC DOCUMENT AND ELECTRONIC SIGNATURE

### 1. Provision of electronic communications

In compliance with Art. 48 of LEC, CRC carried out a procedure for the selection of an undertaking which may obtain an authorization for the use of an individually assigned scarce resource - radio frequency spectrum for the provision of electronic communications through electronic communication network for terrestrial digital broadcasting with national coverage, intended for broadcasting of programs of public operators, as per the stages and deadlines envisaged in the Plan for introduction of terrestrial digital television broadcasting (DVB-T) in the Republic of Bulgaria. As a result, CRC issued an authorization for the use of individually assigned scarce resource - radio frequency spectrum for the provision of electronic communications through an electronic communication network for terrestrial digital broadcasting with national coverage, intended for broadcasting of programs of public operators, to "HANNU PRO BULGARIA" EAD. The authorization is with a 15-year term of validity. The undertaking is obliged to broadcast only licensed radio and television programs of public operators, specified as must carry according to LRT and in compliance with the principles of objectivity, justice, non-discrimination and equality. By virtue of the provisions of LRT, "HANNU PRO BULGARIA" EAD is obliged to broadcast up to 4 television programs of the Bulgarian National Television and up to 4 radio programs of the Bulgarian National Radio.

#### 1.1. Authorizations for use of individually assigned scarce resource under the LEC

**Table 11.**

<b>Authorizations under the Law on Electronic Communications</b>						
<i>Electronic communications network</i>	<i>Amendments/Supplements/ Transfers (number)</i>	<i>Authorizations issued (number)</i>	<i>Terminated/Revoked (number)</i>	<i>Expired (number)</i>	<i>Active authorizations as of 31.12.2009 (number)</i>	<i>Active authorizations as of 31.12.2010 (number)</i>
Electronic communication networks for terrestrial analogue broadcasting:						
broadcasting of television signals with national and local coverage	158		12	-	145	133
broadcasting of radio signals with national and local coverage	578	10	6	-	290	294
Electronic communication networks for terrestrial digital broadcasting:						
Electronic communication networks from a mobile radio service paging	-	1	-	-	1	2
Electronic communication networks from the mobile radio service - TRUNK	-	-	-	-	3	3
Electronic communication networks from the mobile radio service - PMR	57*	41*	39	7	656	651
Electronic communication networks from the aeronautical mobile radio service	-	4	-	-	9	13
Electronic communication networks from the mobile radio service - TETRA	-	-	-	-	3	3

<b>Authorizations under the Law on Electronic Communications</b>						
<i>Electronic communications network</i>	<i>Amendments/Supplements/ Transfers (number)</i>	<i>Authorizations issued (number)</i>	<i>Terminated/Revoked (number)</i>	<i>Expired (number)</i>	<i>Active authorizations as of 31.12.2009 (number)</i>	<i>Active authorizations as of 31.12.2010 (number)</i>
Land mobile network - GSM and/or UMTS in frequency bands 900 MHz and 1800 MHz	4	-	-	-	3	3
Land mobile network - UMTS in frequency band 2 GHz	2	-	-	-	3	3
Land mobile network - NMT and/or CDMA	-	-	-	-	1	0
Aeronautical mobile, radiolocation and radionavigation radio services for the air traffic control and provision of aeronavigational service of flights in the civil air space	-	-	-	-	1	1
Provision of positions on the geostationary orbit allocated to the Republic of Bulgaria via international agreements	1	-	-	-	2	2
Electronic communication networks from the fixed satellite radio service	7	2	7	2	24	17
Electronic communication networks from the fixed radio service of the "point-to-point" type	180**	8**	15	-	128	121
Electronic communication networks for broadband wireless access (BWA)	7	1	-	-	7	8
Electronic communication networks for fixed wireless access (FWA)	2	-	1	-	2	1
Electronic communication networks for the provision of a fixed voice telephone service	73	5	1	-	22	26
Electronic communication networks for the provision of access to a voice telephone service through the carrier selection service	1	-	1	-	11	9
Electronic communication network for data transfer - numbers	2	-	-	-	3	3
Electronic communication network from the fixed radio service of the "point-to-multipoint" type-numbers	-	-	-	-	2	2
Public telephone service and all services included in the GSM and/or UMTS standard	6	-	-	-	3	3
<b>TOTAL:</b>	<b>1094</b>	<b>73</b>	<b>83</b>	<b>9</b>	<b>1322</b>	<b>1303</b>
Temporary authorizations	-	8	-	-	-	-

\* The total number of provided radio frequencies is 161;

\*\* Amendments and supplements to the technical data of a total of 4006 radio relay links, including provided radio frequency spectrum for another 2054 links.

## 1.2. Notifications on the provision of public electronic communications under the LEC

Table 12.

<b>Public Registry of the undertakings which have notified the Commission of their intention to provide public electronic communications (Registry under Art. 33, Para 1, item 1 of LEC)</b>			
<i>Type of activity</i>	<i>as of 31.12.2009 (number)</i>	<i>2010 (number)</i>	<i>Total</i>
Processed notifications for provision of public electronic communications	726	372	1098
Processed notifications for termination of the provision of public electronic communications	221	240	461
Issued certificates for entry in the Registry	51	50	101
Undertakings entered in the Registry	1381	150	1531
Undertakings deleted from the Registry	184	194	378

## 1.3. Provision of electronic communications through radio equipment from the amateur radio service

**Table 13**  
**Authorizations, certificates and licenses**

<i>Type of document</i>	<i>as of 31.12.2009 (number)</i>	<i>2010 (number)</i>	<i>Total</i>
Permits for radio amateur capacity	1943	149	2092
HAREC certificates	191	17	208
CEPT licenses	296	24	320
<b>TOTAL:</b>	<b>2430</b>	<b>190</b>	<b>2620</b>

**Table 14**  
**Exams for radio amateur capacity**

<i>Exams/ Examined persons</i>	<i>as of 31.12.2009 (number)</i>	<i>2010 (number)</i>	<i>Total</i>
Exams	56	5	61
Examined persons	1577	113	1690

In 2010, 170 personal and 196 temporary identification signs of persons with radio-amateur capacity were approved.

## 2. Market regulation

The collection of information about the activity of undertakings providing public electronic communications in Bulgaria, the analysis of competitive environment on the electronic communications market, and the regulatory measures taken with the purpose to ensure a competitive environment offering users a wide choice, affordable prices and high quality of electronic communication services they use, are among the main priorities of CRC.

### ***2.1. Monitoring of the electronic communications market***

In accordance with Art. 40 of LEC and with Art. 18 of the Methodology for the terms and procedures of relevant market definition, analysis and assessment<sup>1</sup> (the Methodology), monitoring of the Bulgarian electronic communications market is carried out by CRC through observation of a set of parameters for which data is collected from over 1300 undertakings by means of specially created for this purpose questionnaires, complying with the public electronic communication services provided by them. The set of parameters spans information necessary to the Commission for:

- definition, analysis and assessment of the relevant electronic communications market according to the 2002 European Regulatory Framework;
- preparation of a summarized annual analysis on the state and development of the electronic communications market in Bulgaria for the preceding year, part of the regulator's Annual Report;
- providing information to the EC aimed at the preparation of the annual progress reports for the single European electronic communications market (Implementation reports) and the reports on the development of broadband Internet access in the Community;
- providing information to international institutions and organizations of which CRC is a member by virtue of international agreements: ITU, BEREC, Independent Regulators Group (IRG), etc.

### ***2.2. Definition, analysis and assessment of the relevant electronic communications market according to the 2002 European Regulatory Framework***

In compliance with LEC and the Methodology transposing in the national legislation the 2002 European Regulatory Framework, during the year, CRC continued its activity which commenced in 2008 and refers to the relevant market definition, analysis and assessment, the designation of undertakings with significant power on the markets, and the imposition of remedies on these undertakings with the purpose to ensure a competitive market environment.

By Decision No. 506 of 30 April 2010, the Commission defined the market for transit services in the fixed public telephone networks (Market 10 of Recommendation 2003) as not susceptible to ex-ante regulation, since it does not fulfil cumulatively the three criteria for defining the relevant market, susceptible to ex-ante regulation. With this decision, CRC withdrew the obligations imposed under the Telecommunications Act (repealed) on BTC, concerning the provision of national transit services.

In 2010, work continued on the definition, analysis and assessment of the markets for provision of wholesale (physical) network infrastructure access (including full and shared unbundled access) at a fixed location (Market 11 of Recommendation 2003, respectively Market 4 of Recommendation 2007) and market for provision of wholesale broadband access (Market 12 of Recommendation 2003, respectively Market 5 of recommendation 2007), as the draft was published for public consultation by Decision No. 1119 of 18.10.2010. After taking into account the comments extended during the public consultation, by Decision No. 1683 of 21.12.2010, the draft decision was sent for approval to the European Commission and the regulatory bodies of the European Union member states.

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<sup>1</sup> The Methodology was adopted by Ordinance No. 40 of 28.02.2008 of the Council of Ministers and promulgated in the State Gazette, issue 27 of 11 March 2008.

### ***2.3. Price regulation***

In accordance with the provisions of LEC, electronic communications prices are subject to regulation only if prescribed by law or if based on a market analysis it is found that the competition on the relevant market is ineffective, and if CRC has imposed specific measures on the undertakings with significant power on the market concerned in terms of prices. With Decisions No. 236/17.03.2009, 237/17.03.2009 and 650/25.06.2009, CRC has introduced new price caps for undertakings with significant power on the following analysed markets: for call termination on individual mobile networks; for call origination on public telephone networks provided at a fixed location and for call termination on individual public telephone networks provided at a fixed location; for access to a public telephone network at a fixed location and publicly accessible telephone services.

With respect to the market for voice call termination on individual networks, with Decision No. 236 of 17.03.2009, CRC adopted a glide path for reduction of termination prices, as the last step of the adopted plan is effective as of 01.07.2010.

On the grounds of the assigned obligation, the weighted average<sup>2</sup> reduction of termination prices at the end of 2010 versus January 2010<sup>3</sup>, reached 34.4%. For the same period, the decrease of average<sup>4</sup> retail prices for calls to other networks (off-net) of the three mobile operators in the country, was 7.3%, as it was highest with "COSMO BULGARIA MOBILE" EAD – 20%, followed by BTC – 14% and "MOBILTEL" EAD – 9%.

The difference between prices of calls within the network and to other networks in the country is still considerable. However, it should be noted that during the period under review (01.01.2010 – 31.12.2010) the weighted average retail price of calls made in the network of BTC remained unchanged, while the price of calls to other networks dropped by 14%; the weighted average retail price of calls made in the own network and to other networks of "COSMO BULGARIA MOBILE" EAD decreased at almost equal rates, respectively by 20% and 19%. An exception was "MOBILTEL" EAD, where the reduction of weighted average prices of calls on the own network (17%) outstripped the decrease of the weighted average price of calls to other networks.

The charts below (Fig. 61 and 62) show a comparison of average retail prices of mobile undertakings for the period 2006-2010, as follows: average prices of calls to other mobile and fixed networks in the country and average prices of calls within a given mobile network<sup>5</sup>.

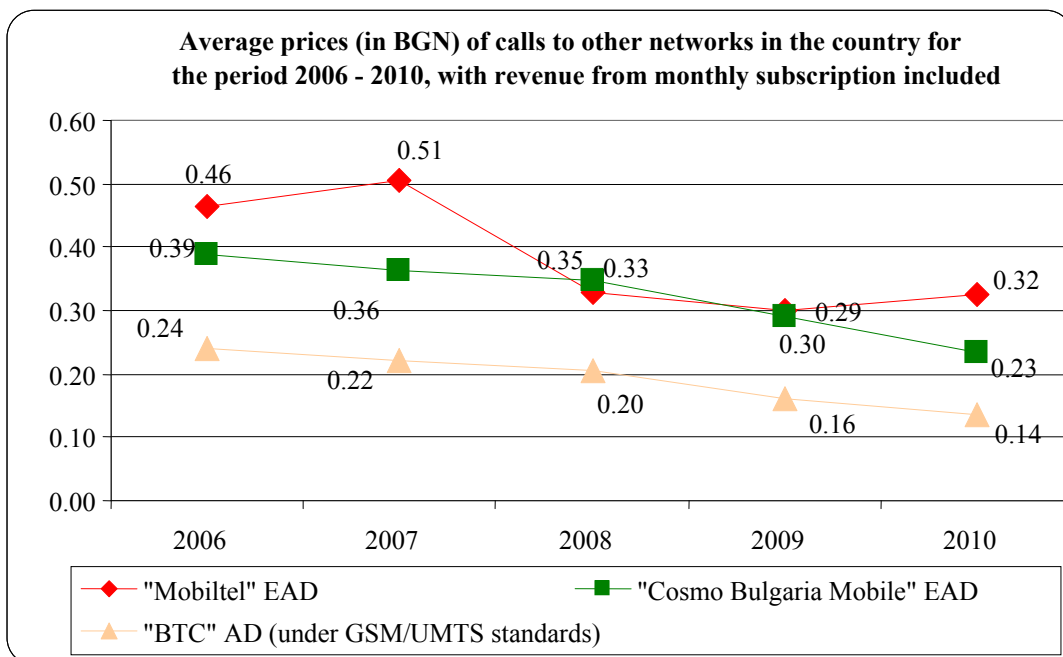
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<sup>2</sup> Based on terminated traffic in peak and off-peak hours.

<sup>3</sup> Termination rates as at 01.01.2010 – 0.205 BGN/min. in peak hours and 0.15 BGN/min. in off-peak hours.

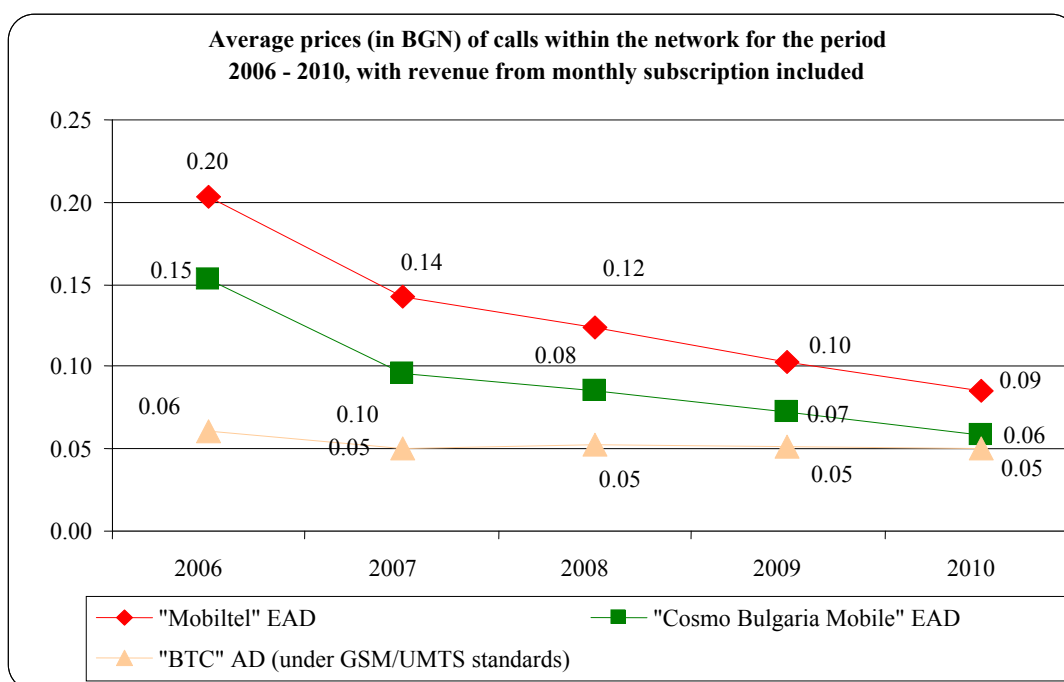
<sup>4</sup> Average prices were calculated by dividing the total revenue, generated from the provision of outgoing calls to a certain types of network by the total volume of outgoing traffic to this network. It should be noted that revenue from monthly subscription was also taken into account in this calculation, as this amount was proportionally distributed depending on the traffic ratio.

<sup>5</sup> Revenue from monthly subscription was also taken into account when calculating the average prices, as this amount was proportionally distributed depending on the traffic ratio within the network, to other networks in the country (fixed and mobile) and to networks abroad. The main argument for the inclusion of revenue from these services is the fact that mobile undertakings offer tariff plans with included minutes which are actually covered by the monthly fee.



Source: Data submitted to CRC

Fig. 61



Source: Data submitted to CRC

Fig. 62

The data presented on the charts above show that average retail prices of calls to other networks in the country and of calls within the network registered a clear drop in the period 2006-2010. During the reviewed period, the average retail prices of calls to other networks in the country were down by 36%, as the greatest decrease was registered with BTC (43%), and the smallest one - with "MOBILTEL" EAD - by 30%. The average retail prices of calls within the network decreased by 53%, as in this case the greatest reduction was reported with "COSMO BULGARIA MOBILE" EAD (62%), and the smallest one - with BTC (17%).

By Decision No. 237 of 17.03.2009, CRC adopted a glide path for reduction of prices

for call termination on individual public telephone networks provided at a fixed location. The last step of this glide path was enforced as of 01.07.2010.

With reference to the market for call origination on the public telephone network provided at a fixed location, it should be noted that the reduction of the wholesale origination rates did not result in a growth of the use of "carrier selection" service, as in 2010 traffic generated from its provision registered a drop once again (by 38%) against 2009.

For the markets of access to a public telephone network at a fixed location and publicly accessible telephone services provided at a fixed location, with Decision No. 650 of 25.06.2009, CRC imposed price caps both for the wholesale and retail markets.

With Decision No. 712/29.06.2010, CRC approved BTC's Reference Offer for Wholesale Line Rental (WLR), which is a precondition for the service development. However, according to data submitted to CRC, at the end of 2010 the service was not used by alternative undertakings.

Considering the connection between price measures for wholesale and retail markets, the reduction of wholesale rates caused a decrease in the prices on the markets for publicly available telephone services provided at a fixed location. Thus, the retail prices of BTC's outgoing calls to mobile networks dropped at each step of the reduction of prices for call origination on the public telephone network provided at a fixed location and of call termination on individual public telephone networks provided at a fixed location. As a result of the intervention of CRC, the same applied to the prices of calls to other networks.

Another important decision which was adopted in 2010, concerns the provision of access to the duct network and to the passive infrastructure of BTC as a whole, being one of the necessary conditions for the competition stimulation on related retail markets of access to a public telephone network and the retail market of broadband access.

After the public consultations procedure aimed at determining whether amendment should be made to the General conditions for the shared use of premises, equipment and towers and the General conditions for the use of the duct network of BTC, and as a result of the statements submitted, CRC adopted Decision No. 1220 of 11 November 2010, containing binding instructions for amendment of the General conditions of BTC. With this Decision, price caps were also imposed on monthly subscription prices for the use of a route from the duct network and on the monthly subscription prices for location in a 19" rack in standard co-location halls, according to the declared volume, since through the submitted documents, the incumbent did not prove that the above prices were cost-oriented.

In execution of Regulation (EC) No. 544/2009 (the Regulation) amending Regulation (EC) No. 717/2007 on roaming on public mobile telephone networks within the Community, by which the Regulation's validity was prolonged up to 30 June 2012 and its scope was extended with the provision within the Community of roaming SMS messages and data, the Bulgarian mobile undertakings offered to their subscribers Eurotariff and Euro-SMS tariff, in compliance with the additional requirements for billing per second, with an initial interval of up to 30 seconds for outgoing calls. Additional requirements were also introduced for the provision of information about tariffs of regulated SMS messages and data transfer services in roaming. As of 1 July 2010, a limit for data roaming was introduced, which did not exceed the amount of EUR 50 (VAT excl.) or any other preliminarily agreed amount, and when reached, the data traffic should be suspended, unless consumers have expressly declared their wish to continue to use the service.

The prices for international roaming of Bulgarian undertakings providing mobile services, applied as of 01.07.2010, are as follows:



**Table 15.**

	Undertaking		
	"MOBILTEL" EAD	"COSMO BULGARIA MOBILE" EAD	BTC
<b>Eurotariff</b>			
Outgoing call (BGN/min., VAT incl.)	0.914	0.914	0.91
Incoming call (BGN/min., VAT incl.)	0.351	0.351	0.35
<b>Euro-SMS tariff</b>			
SMS	0.252	0.25*	0.252
Mobile Internet 100KB	1.29	1.79**	0.49**
Way of charging	Incoming calls are billed per second, while the initial interval for billing of outgoing calls is 30 seconds, and then billing is per second. The way of charging is the same for subscribers and for clients of the prepaid service and applies for both incoming and outgoing calls. The Internet charging interval is 100KB.		

\* For users of prepaid services, the price is BGN 0.258 per SMS, VAT incl.

\*\* For users of prepaid services, there is no price announced.

**Source:** The official websites of BTC, "COSMO BULGARIA MOBILE" EAD and "MOBILTEL" EAD.

Along with the Eurotariff, "MOBILTEL" EAD offers special roaming tariffs: "M-Tel WORLD TRAVELLER" – tariff effective as of 01.06.2009, and M-TEL FREE2GO, effective as of 15.06.2010, including voice calls, SMS messages and data, with prices and way of charging different from those displayed in Table 11.

Mobile undertakings also offer tariff plans including only voice, only data, bundles of minutes for voice or of volume for data, as well combinations of the above. At the end of 2010, the total number of different alternative tariff plans and bundles offered was 26.

In accordance with the provisions of the regulation, CRC prepares and regularly presents to the EC reports on the abidance with the price requirements for international roaming.

#### **2.4. Cooperation with the Competition Protection Commission**

On the grounds of the Rules for interaction and coordination adopted in 2008, which aim at creating conditions for effective cooperation and coordination between both institutions when exercising their legally delegated powers and implementing national and European electronic communications and competition law, the Competition Protection Commission (CPC) and CRC continued their active cooperation.

In 2010, CRC assisted CPC in carrying out investigations concerning potential breaches of the Competition Protection Act (CPA), and evaluations of economic concentration cases involving operators offering electronic communications services.

On its part, CPC provided statements on the draft market analyses developed by CRC.

### 3. Radio equipment and terminal electronic communication equipment

In accordance with Art. 269 of LEC and in connection with the application of Art. 6, Para 4 of Directive 1999/5/EC of the European Parliament and the Council concerning the radio equipment and the terminal telecommunication equipment and mutual recognition of their conformity, during the past year CRC received by e-mail, timely stored and reviewed, 820 notifications for radio equipment placed on the market, from which 814 were received through the European portal OSN (One Stop Notification) for electronic services at the Directorate-General for Enterprise and Industry of the European Commission. After an analysis of the received notifications concerning the ability to use frequency bands from the relevant radio equipment with technical parameters indicated in them and applied standards, 157 letters were sent. Thus, CRC informed about the inability of a device to be put into operation in the territory of the Republic of Bulgaria or about the ability of some devices to be put into operation in line with the conditions and the relevant technical parameters specified in the Bulgarian secondary legislation.

### 4. Standardization

The Commission successfully performed the functions of the National Standardization Organization before the European Telecommunications Standards Institute (ETSI) by organizing a public survey in the Republic of Bulgaria on ETSI standards projects.

In 2010, CRC took part in the ETSI procedures, as follows:

**Table 16.**

<b>2010</b>	<b>Number of processed documents</b>	<b>Number of procedures</b>
<b>PE – Public survey</b>	36	15
<b>Vote – Voting</b>	49	15
<b>OAP – One-phase procedure</b>	46	20
<b>MV – Member voting</b>	37	22
<b>PUB – Weekly received documents</b>	3024	

On its website, CRC maintained and updated on an ongoing basis the ETSI documents on the public survey and voting, which gained the statute of a European standard (EN).

The Commission actively participated in the work of four technical committees (TCs) for standardization to the BIS, which dealt with electronic communications.

For the past year, the number of ETSI standards and standardization documents introduced and recognized as valid in Bulgaria totalled 184, of which 118 were adopted by TC 47 and 66 by TC 57. CRC funded the introduction with identical translation of the text of 11 standards and 2 standardization documents.

During the year, all translations of headlines for standard harmonization projects were prepared and coordinated at the TC of BIS by way of correspondence. Information about the national standards published by the Bulgarian Institute for Standardization (BIS), with the help of which ETSI standards were introduced, is periodically entered into the ETSI database. By the end of 2010, all harmonized standards published by ETSI were introduced as valid in Bulgaria.

CRC prepared a statement concerning a draft amendment to the Rules for work under the national standardization of BIS.

In order to improve the joint activity in the field of standardization, during a meeting of the chairmen of the Commission and BIS aimed at solving issues of mutual interest, a proposal

for signing a cooperation agreement was extended. Taking into account the obligations of both organizations as NSO, respectively for ETSI and CEN/CENELEC, a draft agreement was prepared by the regulator and coordinated with BIS.

Representatives of CRC took part in the 56th General Assembly of ETSI.

## **5. Interconnection and access**

The Commission's activity related to interconnection and access focused on the approval of drafts submitted by BTC for reference offers, disputes resolution and controversial issues arising among undertakings upon implementation of some of the regulation requirements.

### **I. Settlement of controversial issues arising among undertakings upon execution of Decision No. 236/17.03.2009 and Decision No. 237/17.03.2009**

CRC continued to monitor the undertakings' abidance with the specific obligations imposed by Decision No. 236/17.03.2009 and Decision No. 237/17.03.2009, with a focus on the actual application of the termination rates fixed by the Commission. Up to the middle of the year, most undertakings signed additional agreements to the interconnection contracts and introduced the imposed price caps.

In the process of reflecting price caps in interconnection contracts between "BTC" AD (mobile network) and two of the alternative undertakings - "Cabletel" EAD and "Spectrum Net" AD, a dispute arose regarding the prices applied by the alternative undertakings for termination to non-geographic numbers of range 700 for provision of the "*Personal number*" service. Subject of the consultation was whether the termination prices determined by the Commission (with Decision No. 237/17.03.2009) must also apply in terms of termination to non-geographic numbers, or termination prices to these numbers are determined by the principle of the free commercial negotiation.

On this particular case, CRC came up with a statement reading that with Decision No. 237/17.03.2009 it has not imposed an obligation for a change to the conditions for implementation of the interconnection with regard to the access to non-geographic numbers from ranges 700, 800 and 90. Regardless of the fact that calls to non-geographic numbers from ranges 700, 800, 90 are included in the product and geographic market for call origination and termination on individual public telephone networks provided at a fixed location, the price caps for origination and termination stipulated in Decision No. 237/17.03.2009 refer only to origination/termination from/to geographic numbers. The origination/termination prices of calls to non-geographic numbers in the event of interconnection remain subject to free commercial negotiation.

As a result, an agreement was reached on termination prices for non-geographic numbers from range 700, and annexes signed between BTC and the two undertakings were submitted to the Commission.

Another issue, which occurred upon execution of Decision No. 237/17.03.2009, was related to the application of reciprocal termination prices in the fixed networks of BTC and "Cabletel" EAD for the period 01.04.2009 - 01.10.2009.

After performing a thorough analysis and an investigation of the case, the Commission informed BTC of its statement reading that the signing of an additional agreement to the contract for interconnection of the fixed networks of BTC and "CABLETEL" EAD, which settles the application of the specific obligations imposed on the undertakings with Decision No. 237/17.03.2009, represents a practical implementation of the specific obligations imposed on the undertakings as such with significant power on the relevant market. Respectively, BTC needs to extend a proposal to "CABLETEL" EAD with a draft supplementary agreement to the interconnection contract, which must be in compliance with Decision No. 237/17.03.2009, interpretation Decision No. 385/16.04.2009 and the Memorandum signed between BTC and the Electronic Communications Association (ECA) which also includes "CABLETEL" EAD. The termination prices in the networks of both undertakings should be determined as:

- for the period from 01.04.2009 to 30.09.2009, BTC pays "CABLETEL" EAD the applicable price for termination in a double segment, in accordance with Decision No. 237/17.03.2009, in relation to Decision No. 385/ 16.04.2009 of CRC.

- for the period after 30.09.2009, prices are applied by segments, in accordance with what has been agreed in the Memorandum signed by BTC and ECA.

At the same time, "EVROKOM CABLE MANAGEMENT BULGARIA" EOOD informed CRC of a performed incorporation of "CABLETEL" EAD into "EVROKOM CABLE MANAGEMENT BULGARIA" EOOD, and as a consequence, "EVROKOM CABLE MANAGEMENT BULGARIA" EOOD became the universal assignee of "CABLETEL" EAD as of 13.09.2010. "EVROKOM CABLE MANAGEMENT BULGARIA" EOOD did not persist in maintaining the claim lodged by "CABLETEL" EAD.

## **II. Disputes resolution between undertakings**

During the year, the Commission exercised its regulatory powers in terms of dispute resolution, as it reviewed two claims, respectively for mediation, and for giving binding decision, lodged by "VARNA NET" OOD and "WIND Hellas Telecommunications S.A." (Wind Hellas).

### **1. Mediation**

CRC was approached for mediation regarding conclusion of an interconnection contract between an undertaking, defined as one with significant power on the market for termination on mobile networks - BTC (mobile network) and a new undertaking entering the market - "VARNA NET" OOD, which is not an addressee of Decision No. 237/ 17.03.2009.

Subject of the dispute between the parties were the termination rates that should be applied by "VARNA NET" OOD. BTC did not agree with the prices proposed by the undertaking, as they were higher than the prices determined in Decision No. 237/17.03.2009.

Following an analysis of the documents provided, the Commission found that since "VARNA NET" OOD was not an addressee of Decision No. 237/17.03.2009 of CRC, there were no legal and factual grounds for "BTC" AD to require the application of prices under the above decision.

In performing market analysis and imposing the measures, CRC took into account the undertakings which were active at the time of the market analysis. Taking into consideration that the market is dynamic and there is always the possibility for the appearance of new players, and regardless of the opportunity to carry out the required market analysis and to define "VARNA NET" OOD as an undertaking with significant power on the market, until the adoption of this decision, the undertaking may freely set prices for traffic termination on its own network. As a result of the Commission's intervenience, the two undertakings reached an agreement and signed an interconnection contract in September.

### **2. Giving binding decision**

In 2010, a request for giving binding decision was filed with CRC, as the procedure was initiated by an undertaking which does not carry out any activity on the territory of the Republic of Bulgaria - "Wind Hellas Communications" AD (Wind Hellas). Subject of the request was "MOBILTEL" EAD (Mobiltel), "COSMO BULGARIA MOBILE" EAD (GLOBUL) and BTC (mobile network) to be obliged to apply the price for termination to national numbers, as determined by CRC at that time, for traffic generated outside the Republic of Bulgaria, in particular, in the network of Wind Hellas, and for GLOBUL to be obliged to negotiate in good faith with Wind Hellas for a direct interconnection of the two undertakings' networks under mutually favourable terms and a guaranteed provision of quality services.

The Communications Regulation Commission ruled on this request with Decision No. 978 of 2.09.2010. With this decision, it found that there were no grounds for giving binding instructions based on the motives detailed in the decision<sup>6</sup>.

### **III. Approval of Reference Interconnection Offer**

#### **1. Reference Interconnection Offer (RIO)**

CRC continued the preparation of its position on the draft RIO submitted by BTC in 2010, by processing the statements of the undertakings and analysing the information provided by BTC. The changes in the network hierarchy made by BTC, as well as the omissions and inconsistencies of the document with the applicable regulations and the specific obligations imposed on the undertaking, predetermined the need of significant amendments to be introduced to the RIO conditions. In the course of work, some controversial issues occurred related to the provision of the service "carrier pre-selection (CPS)", which called for an amendment to Art. 6 of the Rules for the terms and procedures of providing the "carrier selection (CS)" service (prom., SG, issue 98 of 14.11.2008).

In this respect, at the end of the year, with Decision No. 1601/09.12.2010, the Commission adopted a draft decision for amendment of the Rules for the terms and procedures of providing the CS service and launched a procedure of public consultations with the uninterested parties. In addition, with Decision 1600/09.12.2010, CRC accepted the results of public consultations launched by Decision No. 1477 of 17.12.2009 and adopted a draft decision for giving binding instructions for amendments of the draft RIO submitted by BTC by launching a procedure for public consultations with the stakeholders.

The summarization of results will continue in 2011.

#### **2. Reference offer for wholesale line rental (Reference offer for WLR)**

In 2010, the work on the draft Reference offer for WLR (the Reference offer), submitted by BTC, was concluded.

By Decision No. 712 of 29.06.2010, CRC approved a draft Reference offer and gave binding instructions for its amendment. With this decision, the regulator imposed price caps on the prices proposed by BTC, and obliged the undertaking to ensure actuality and public accessibility of the Reference offer, by revising it in accordance with the binding instructions given.

Until the end of the year, no signed contracts for wholesale line rental were filed with the Commission.

#### **3. Reference unbundling offer**

In 2010, continued the review of the Reference unbundling offer (RUO, Reference offer), which BTC submitted in 2009. With Decision No. 121 of 21.01.2010, CRC terminated the procedure of reviewing the draft Reference offer, submitted by BTC, based on the motives detailed in the decision. With the above decision, the regulator obliged BTC to submit a draft amendment to the RUO, in accordance with the provisions of Ordinance No. 1.

In March, BTC presented an amendment to the RUO, complying with the change in the regulatory requirements and containing description and prices of the services backhaul, distant co-location, and sub-loop. Meanwhile, a complaint was filed by "COSMO BULGARIA MOBILE" EAD against Decision No. 121/21.01.2010 of CRC.

The presence of a lawsuit prevents the Commission from ruling on the draft amendment to the RUO. With its final deed dated 21.10.2010, the Supreme Administrative Court disallowed the complaint filed by "COSMO BULGARIA MOBILE" EAD against Decision No. 121/21.01.2010

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<sup>6</sup> <http://crc.bg/decisions.php?id=23&lang=bg>

of CRC.

Along with the above actions, with Decision No.1119/18.10.2010, the regulator adopted a Draft Decision, by which it defines as relevant markets, susceptible to ex-ante regulation, the markets for (physical) wholesale network infrastructure access (including full and shared unbundled access) at a fixed location, as well as the market for wholesale broadband access. BTC was designated as undertaking with significant power on each of the relevant markets. With respect to the market for wholesale network infrastructure access, the draft measures include prolongation of the obligation assigned to BTC to ensure full and shared unbundled access to a subscriber line, including to a sub-loop. With a view to the above, and considering the need of providing a single and operating Reference offer, CRC deemed the launch of two procedures for reviewing amendments to the Reference offer to be inexpedient. In this relation, the amendments to the Reference offer submitted by BTC in terms of the services backhaul, distant co-location and sub-loop, will be reviewed along with the amendments arising from the change in the specific obligations of BTC.

## **6. Bitstream access**

BTC carried on with the performance of its obligations, namely, when providing new services on the retail market of broadband access, it also makes offers to the alternative undertakings providing broadband services through bitstream access. The offers mainly came down to promotional offers for profile configuration.

During the period, the number of subscribers of alternative undertakings providing broadband services through bitstream access remained relatively small, as two of them took advantage of the more favourable price conditions of BTC.

As it was mentioned above, with Decision No. 1119/18.10.2010, CRC adopted a Draft Decision, by which it defines as relevant markets, susceptible to ex-ante regulation, the markets for (physical) wholesale network infrastructure access (including full and shared unbundled access) at a fixed location, as well as the market for wholesale broadband access. With a view to the timely provision of conditions for competition development, the Commission obliged BTC to provide xDSL bitstream access to other undertakings providing electronic communication networks and/or services, at all access levels. The bitstream access will be implemented through determining point of presence directly after the DSLAM, at the core network (at level parent/distant switch) and at IP (managed) level, including the provision of backhaul at level parent/distant switch and at IP (managed) level. Except for the provision of xDSL bitstream access to IP (managed) level, BTC determines the access points so as to provide possibility for the other undertakings to control the technical parameters with which services are provided to end users.

## **7. Duct network access**

With its Decision No. 1220/11.11.2010, CRC gave binding instructions for amendment of certain provisions of the General conditions for shared use of premises, equipment and towers, and the General conditions for the use of the duct network of the "BULGARIAN TELECOMMUNICATIONS COMPANY" AD. With the above decision, CRC exercised its regulatory powers regarding the control over the specific obligations imposed on BTC under TA and which continued to be in effect on the grounds of §7 of the Transitional and Final Provisions of LEC. The above clause of the TFP of LEC aims at ensuring a transition from one regulatory framework to another, by giving CRC the opportunity to regulate the execution of already imposed specific obligations until the performance of the relevant market analysis. The practical application of §7 of the TFP of LEC is secured with the effect of the relevant CRC decisions by which the specific obligations have been assigned. With a view to the above, CRC found that a regulatory interference in the assignment for use of the incumbent operator's

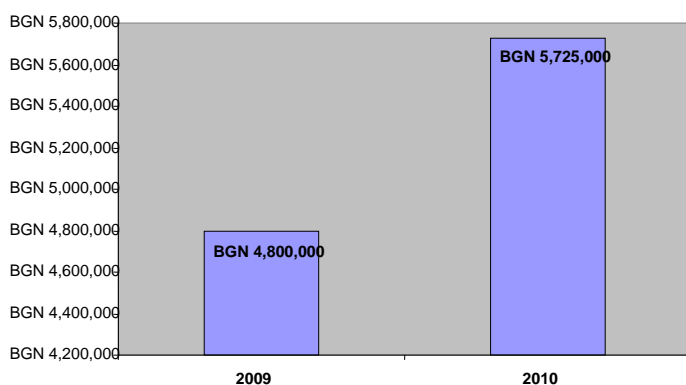
infrastructure is justified, and with the above decision, introduced price caps and changes to the procedure of shared use in order to make it easier, thus guaranteeing the interests of electronic communication services users and the efficient competition among undertakings.

## 8. Electronic signature

The fast development of information technologies is related to the broad entering of electronic communication devices to all spheres of the public life. Electronic connections, a part of which is Internet, find application in different sectors, such as the state administration, communications, postal services, radio and television, finance, banking, trade, stock exchange, justice, education. The number of services, including those in the public sector, which citizens and the business can use on-line, is continually growing. An important part of the provision of on-line services is the secure and reliable identification of the user who purchases, sells or performs his public duties through the Internet. With reference to the electronic signature as a means for creation of security and trust in the electronic data transfer, the electronic trade and open networks in general are finding a wider application and gaining greater popularity, both in the world and in our country. This is the reason for the growing number of issued electronic signature certificates in our country for the last several years, and for the increasing revenue of certification service providers (CSP) generated from this activity.

In 2010, the number of electronic signature certificates issued to natural persons and legal entities increased respectively by 6.4 % and 34.5 % compared to 2009. As the figure shows, an increase in the revenue of CSP was also observed.

**Revenue from CSP activities**



This allowed the registered CSP to extend the range of offered services. Apart from electronic signature certificates, they also offered Time Stamp services, generation of a pair of cryptographic keys, provision of environment for a guaranteed data exchange, development and introduction of software for management of the public key infrastructure, etc.

In order to guarantee the maximum level of security and reliability of the provided certification services, and with a view to the CRC powers arising from the Law on Electronic Document and Electronic Signature (LEDES), in 2010 the Commission continued to carry out control and monitoring over the activity of the five registered CSP. In this respect, a scheduled inspection of "SEP BULGARIA" AD was performed. The inspection covered the entire environment for the provision of certification services, issuance of electronic signature certificates, administration of keys and control of the certificates' life cycle. Special attention was paid to the provision and observance of measures guaranteeing the security and ensuring the continuity of the provider's work. The results of the inspection were satisfactory.

In the past year, the Commission also approved a change in the circumstances and update

of the public documentation of "SPECTRUM" AD and "INFORMATION SERVICES" AD. The changes were made due to expiry of validity terms for the operational certificate of a universal electronic signature of "SPECTRUM" AD and the basic and operational certificate of "INFORMATION SERVICES" AD.

In relation to the merger of the joint-stock companies "BANKSERVICE" and "BORICA", approved were a new certification hierarchy and a new documentation for the newly incorporated legal entity "BORICA – BANKSERVICE" AD, which is a universal assignee of the merging companies, including in terms of their activity on provision of certification services.

An important part of the CRC activity, related to the electronic signature, was the active participation of experts from the Commission in the preparation of amendment and supplement to LEDES. The law for amendment and supplement to the Law on Electronic Document and Electronic Signature was promulgated on 21 December 2010.

## **9. Communications control**

The monitoring activity was entirely subject to fulfilling the CRC's mission related to monitoring the electronic communications in conditions of equality, transparency and protection of the end users in the Republic of Bulgaria. Special attention was paid to the regulations in the electronic communications field and to the observance of the LEC requirements. The control functions of CRC are performed by the General Directorate Communications Control in the capital and by its five regional units in the cities of Plovdiv, Burgas, Varna, Veliko Tarnovo and Vratsa.

### ***9.1. Monitoring and control of the frequency spectrum for civil needs***

The increasing use of the radio frequency spectrum by a growing number of users required this scarce natural resource to be effectively managed, which in turn imposed continuous monitoring and supervision in order to guarantee the normal work of the constructed networks without any harmful interference. The quick localization and elimination of sources of interference and illegal broadcasting equipment was achieved through persistence. In 2010, CRC, through the RFS control activities, continued to raise the role of its functions with the goal to ensure equality among the legal users of the spectrum and guarantee a certain quality of the electronic communication services provided to end users. A special role was given to the monitoring of television broadcasting ranges in relation to creation of conditions for digitization of the terrestrial television broadcasting.

In this period, the main RFS monitoring and control activities were as follows:

- monitoring for **estimation of the actual occupation** of radio frequency spectrum and the free capacity for assignment of new frequencies – in relation to the digitization of the television broadcasting, 658 television channels in 58 settlements all over the country were examined; observations and measurements were performed on the territory of 45 settlements in the country in the FM range for radio broadcasting 87.5-108.0 MHz; measurements were also performed for estimation of the actual occupation of frequency bands: 411.0- 414.0 MHz, 421.0 – 424.0 MHz, 452.7 – 455.85 MHz and 462.7 – 465.85 MHz;
- monitoring and control of **the established broadcasting stations** for analogue terrestrial broadcasting of radio and television signals for compliance with the approved technical characteristics - the role of preventive control for the creation of conditions for the normal work of lawful spectrum users and for the guarantee of a certain quality of offered services, as well as for prevention of the occurrence of interfering or illegal broadcasting, continued to rise; in 2010, the electronic provision to undertakings of the results of conducted scheduled monitoring and measurements continued (data was provided from over 5000 measurements of basic technical parameters); the trend was preserved towards maintaining the parameters of broadcasted radio and television signals within norms and reducing the generated out-of-band and intermodulation emissions, incl. in the range of the aeronautical service; with regard to the established deviations from the technical parameters, recommendations for



corrections were given to the undertakings with a fixed period of up to 1 month for their elimination, after which the required administrative and punitive measures according to LEC were undertaken;

- control over **conformity with the rules for the use of radio frequencies and frequency bands** for civil needs; implementation of the policy for management of the radio frequency spectrum and the conditions of authorizations issued – a scheduled daily monitoring was carried out in frequency bands 20-3000 MHz through fixed (manned and unmanned) stations for radio monitoring by the National system for RFS monitoring;

- monitoring for **evaluation of the electromagnetic environment**;

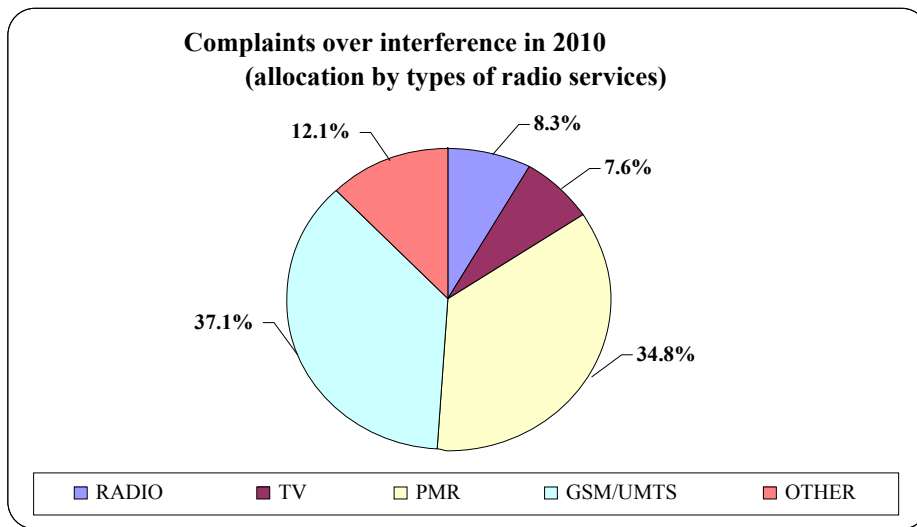
- monitoring for evaluation of **the cross-border harmful interference** in the frequency bands of radio and television broadcasting – 152 measurement protocols carried out on the territory of 44 settlements were summarized and analysed, concerning the intensity of the electromagnetic field and for determination of registered broadcasts in the borderline areas of the country; special attention was paid to the evaluation of the electromagnetic environment and cross-border harmful interference in the summer months on the Bulgarian Black Sea coast; a bilateral working group was created comprising experts of CRC and the Information and Communication Technologies Authority (ICTA) of the Republic of Turkey, which works on solving the problem;

- monitoring for evaluation of the **electromagnetic compatibility** of FM radio broadcasting stations in band 87.5–108.0 MHz and the radio navigation and communication equipment of aeronautical services using the 109–137 MHz frequency band - according to the *Methodology for measurement of A1 intermodulation products obtained during the operation of closely located FM radio broadcasting stations* (under item 2.5. of Appendix 1 to the *Technical requirements for the operation of the electronic communication networks from Broadcasting radio service and the related equipment*), measurements were carried out of radio broadcasting sites in the area outskirts of the towns of Stara Zagora, Ahtopol, Kavarna, Svilengrad and Velingrad;

- monitoring and control over the quality of provided services with a view to the **protection of public and consumer interest**:

- monitoring over received **complaints and signals** from lawful spectrum users, citizens, organizations and institutions – 132 cases of radio interference were examined in 2010, as this year the prevailing number of complaints continued to be over interference in mobile network ranges of the PMR type and the GSM standard; the necessary measures for quick localization and elimination of interfering sources were timely undertaken; interfering impacts of the radio equipment of the Ministry of Defence on the mobile networks of the PMR type in range 160 MHz continued to be a problem;

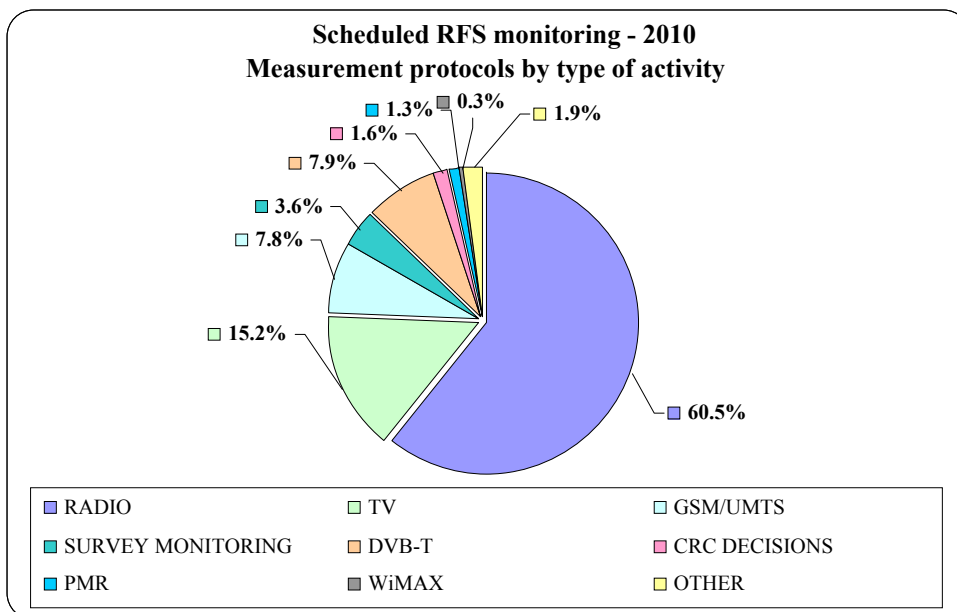
- monitoring for inspection of the **coverage and quality of services provided in the GSM standard mobile networks** – measurements were carried out alongside 13 routes from the main national road network of the country and in 204 settlements for the three mobile operators providing services from mobile networks using the GSM standard; results were summarized in 637 measurement protocols; for determination of the minimum required level of signals for coverage and ascertainment of the admissible correlation between coverage level and quality of offered services, measurements were carried out in the towns of Ihtiman, Aytos, Chirpan, Elin Pelin and Devnya;



*Source: CRC*

**Fig. 63**

The results of the RFS monitoring and control, performed in this period, were summarized in over **9000 measurement protocols**.



*Source: CRC*

**Fig. 64**

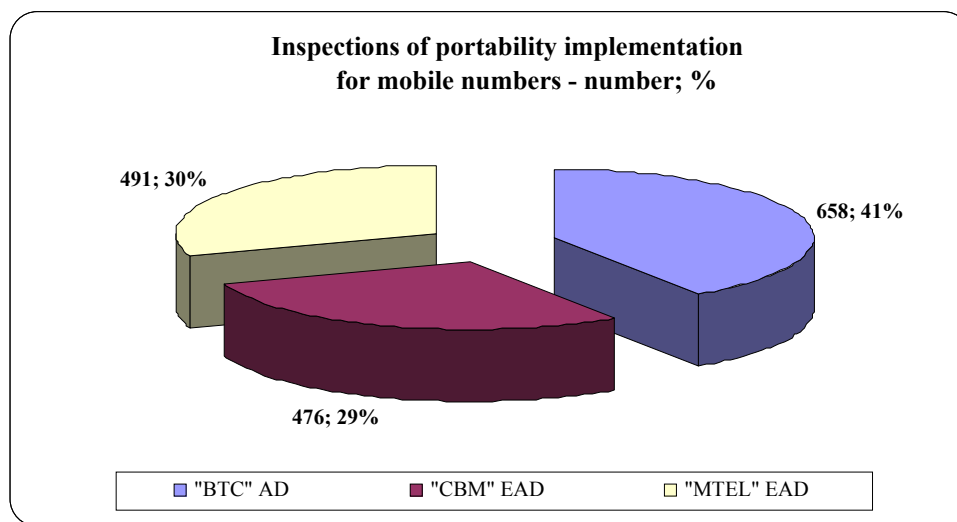
The undertakings providing analogue terrestrial broadcasting of radio and television signals were furnished with information in an electronic way about over 5000 control measurements of the basic parameters of their broadcasting stations.

## 9.2. Inspection activity

In connection with the CRC functions related to the control of electronic communications provision pursuant to LEC and in compliance with the requirements of LEDES, the following main control activities were carried out in 2010:

### 9.2.1. Control activity over electronic communications provision pursuant to LEC:

- inspections of **mobile terrestrial networks of GSM standard** – 1625 inspections were carried out of the three undertakings providing mobile services using the GSM standard: "MOBILTEL" EAD, "COSMO BULGARIA MOBILE" EAD and BTC; the introduction of new technological platforms and the launched procedure of number portability in mobile networks increased the number of complaints submitted by end users; 244 administrative offence acts (AOA) were drawn up to mobile operators for violations of the Functional specifications for implementing portability of national significant numbers in the event of change of the provider of public mobile telephony service;



Source: CRC

Fig. 65

- inspections, related to solving problems in the **portability implementation** at "two-stop-shop", and as of 6 August 2010 at "one-stop-shop" of numbers in the event of change of the provider – 1971 inspections were carried out for the observance of the Functional specifications for portability of geographic, non-geographic and mobile numbers, based on filed complaints and signals on the territory of the entire country;

- inspections of electronic communication networks for **terrestrial analogue radio and television broadcasting** were carried out to monitor for compliance with the conditions of the issued authorizations, of the *Technical requirements for operation of the electronic communications networks of the terrestrial broadcasting service and the related equipment*, as well as the compliance of the broadcasting stations with the technical parameters approved by CRC - in 2010, 309 inspections were carried out showing that the good trend for the undertakings' complying with the requirements laid down in the secondary legislation of LEC and the conditions of issued licenses persisted; the preventive control continued with the application of Art. 313, Para 1, item 9 of LEC; with regard to the implementation of the main parameters deviation, off-set and created intensity of the electromagnetic field of transmitting stations for radio and television broadcasting, no significant breaches were found; 21 AOA were drawn up for offences found during the inspections of this kind of networks;

- inspections of electronic communication networks from the **mobile PMR radio**

**service** - in relation to the efficient use of the scarce resource - radio frequency spectrum, 49 inspections were performed for compliance with the conditions of the issued authorizations for providing electronic communications for private needs via electronic communication network from the mobile radio service – PMR; 2 AOA were drawn up for offence found;

- inspections on **cable electronic communication networks** for transmission and/or distribution of radio and television programs – 75 inspections were carried out; the Ministry of Culture and CEM were provided with statements of findings from inspections performed on the basis of complaints concerning the Law on Copyright and Related Rights in terms of broadcasted radio and television programs, in connection to the Memorandum of cooperation for the protection of copyright and related rights signed between the Ministry of Culture, CEM and CRC;

- inspections on **cable data transfer networks** without use of scarce resource - 25 inspections were carried out of undertakings performing public electronic communications via cable data transfer networks without use of scarce resource; 11 AOA were drawn up, mainly related to non-fulfilled obligations to furnish the Commission with information on the broadband access provided by them;

- inspections on the **compliance with Art. 286 of LEC** - the inspections that started in 2009 concerning the aerial construction of cable electronic communication networks, and also the sanctioning of violators in case of any stated offence continued; in the period under review, 32 inspections were performed and 8 AOA were drawn up for aerial construction of cable networks found; CRC does not have the powers to remove the aerial cable electronic communication networks already built; meetings were held with the Directorate for National Construction Supervision (DNCS) and the Association of Municipalities - regarding coordinated actions in accordance with the powers and competences granted by law;

- inspections for **the provision of the universal service** - in 2010, authorized employees of CRC carried out 69 inspections, in performance of their duties to control the compliance with the requirements for the provision of the universal service, as well as to consider complaints of end users; the highest percent of complaints was over the portability of geographic numbers, as well as complaints over the quality of service, including those that are related to the optimization of the analogue network of the undertaking - the ANO system (Analog network optimization); 4 AOA were drawn up for the stated violations of LEC.

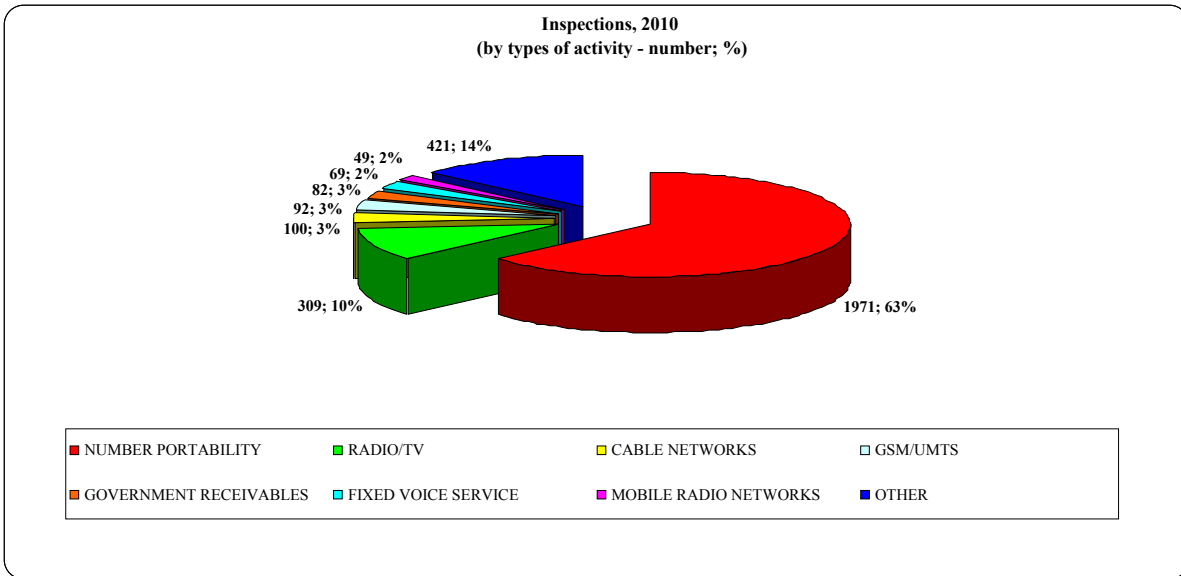
### ***9.2.2. Control activity of the compliance with the requirements of LEDES:***

In accordance with the *Methodology for control over the certification services provider*, inspections of "SEP BULGARIA" AD and "INFORMATION SERVICES" AD were carried out with regard to the compliance with the LEDES requirements. No significant breaches of regulatory requirements in terms of the activity performed by the two certification service providers were found. "SEP BULGARIA" AD was given the necessary recommendations.

In 2010, **over 3100 inspections were carried out** by CRC employees authorized under Art. 312 of LEC.

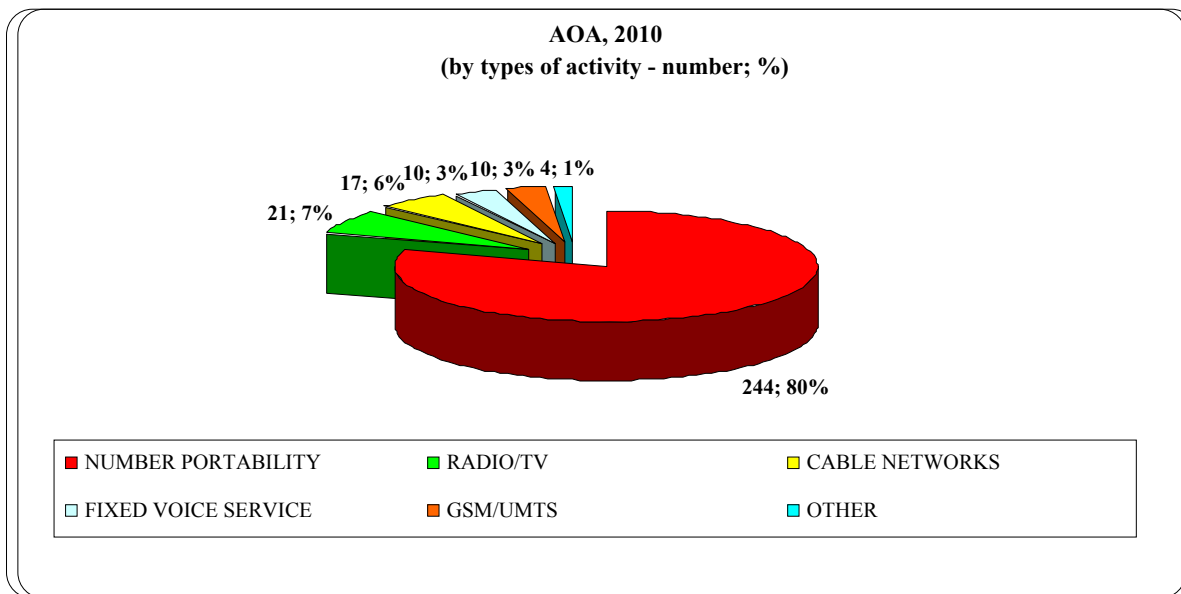
As a result of the performed inspections, **306 acts were drawn up and delivered** for the administrative law breaches.

The summarized data for the performed control activity and the engaged administrative and punitive liability in offences of LEC and secondary regulations, are displayed on Fig. 66 and Fig. 67.



Source: CRC

Fig. 66



Source: CRC

Fig. 67

### 9.3. Development and technical support of the National Radio Frequency Spectrum Monitoring System

Regarding the technical and technological support of the work on controlling the electronic communication networks, the focus was laid on:

- development of the National RFS monitoring system for civil needs (NMS);
- technical support and introduction of measurement devices for RFS monitoring and control;
- examination of technological hardware and software equipment for control and

monitoring of new networks and technologies - special attention was paid to the examination of equipment for measurement of DVB-T networks;

- technical support of the specialized technological equipment (fixed, mobile and transportable monitoring stations, portable measurement devices and communication networks of NMS) - configuration, settings and administration.

During the period, the development of NMS continued according to the adopted regional principle aiming at the creation of a unified monitoring system. In order to ensure an efficient RFS control on the entire territory of the country, the building of new unmanned remote monitoring stations (RMS) persisted.

In 2010, measurement devices were delivered for another two stations.

The activities related to legalization and putting into operation of four new RMS were completed.

- RMS "Stalevo", near the village of Stalevo, district of Haskovo (see Fig. 68)



**RMS "Stalevo"**

**Fig. 68**

- RMS "Botevo", near the village of Botevo, district of Yambol (see Fig. 69);



**RMS "Botevo"**

**Fig. 69**

- RMS "Chernogorovo", near the village of Chernogorovo, district of Pazardzhik (see Fig. 70)



**RMS Chernogorovo” Fig.70**

- RMS "Vidin", town of Vidin (see Fig. 71).



**RMS "Vidin” Fig. 71**

With the newly built stations starting to operate, CRC raised its capability to exercise an effective control over the radio frequency spectrum in the bands from 20 MHz to 3000 MHz on the territory of four new districts: Vidin, Yambol, Haskovo and Pazardzhik.

During the year, the main construction and fitting works were performed as well aiming at the building of one more RMS on the territory of the capital – RMS "Lokorsko", located in the village of Lokorsko, Sofia Municipality (see Fig. 72).



**RMS "Lokorsko"**

**Fig. 72**

Measures were undertaken for the provision of a site with the required statute and location for the construction of two new RMS in North and North-East Bulgaria. Determined and legalized was the site for the building of RMS "Razgrad" in the village of Radingrad, district of Razgrad.

At the end of 2010, for the implementation of its control functions, CRC had at its disposal the following measurement systems:

- 13 fixed stations for RFS monitoring (4 manned and 9 unmanned remote monitoring) in the bands from 20 to 3000 MHz;
- 8 mobile stations for RFS monitoring;
- specialized mobile station GSM 900/1800 and DVB-T;
- 6 transportable measurements systems – up to 26,5 GHz;
- supplementary transportable/portable equipment - 9 kHz ÷ 3 GHz.

#### **10. CRC administrative-punitive activity**

In 2010, 340 punitive decrees (PD) and 71 resolutions for administrative-punitive proceedings suspension were issued.

As far as collection of fines and property sanctions for administrative violations imposed by punitive decrees are concerned, it should be pointed out that undertakings which have failed to voluntarily pay the due amounts were sent invitations for voluntary performance, by which they were given the opportunity to settle their liabilities within 7 days. Whenever the amounts due were not paid, correspondence on the enforced punitive decrees was timely sent to the State Receivables Collection Agency for a forced collection. Some 21 correspondence sets on empowered punitive decrees for forced performance were sent during the year.

In 2010, CRC has considered and ruled on over 3,600 complaints related to problems and irregularities in the process of receiving electronic communication services. Out of the number of complaints stated above, 800 were over number portability, as CRC has carried out inspection and ruled on each one of them.



## **11. Procedural representation**

### *Before the Supreme Administrative Court*

In 2010, the CRC lawyers took part in the preparation and procedural representation in over 70 lawsuits before the Supreme Administrative Court.

### *Before regional and administrative courts*

CRC opened 2 procedures for the implementation of sanctions under Chapter 17 of the Administrative Procedural Code to undertakings which do not observe decisions of the Commission with allowed preliminary execution.

In 2010, 247 lawsuits were instituted before regional courts on claims against punitive decrees of the CRC chairman. The number of lawsuits instituted before administrative courts (as a second institution) was nearly the same.

## **12. CRC international activity in 2010**

CRC strives to implement and apply effectively the current European and international standards and best practices in order to guarantee the end users' rights and to ensure the provision of high-quality services, by taking into account the dynamic market development and the technological innovations. The Commission follows up and actively participates in the process of improving the regulatory framework, both at national and European level. In the context of targets and priorities set, CRC continued to actively strengthen the interaction with the national regulators of the EU member states, as well as to reinforce its positions in the international structures in terms of the decision-making process and in developing common positions. In the meantime, deepening the cooperation and interaction with regulators from the neighbouring countries aims at achieving a leading role for the Commission in the region.

The establishment of CRC's active presence as a national regulator and factor for the development of the market for electronic communications networks and/or services and postal services is a main goal at regional, European and international level.

The Commission participates in the activities of governmental and specialized organizations in the area of communications both at international and European level and performs regular exchange of information and experience with the European Commission and the national regulatory bodies of the EU member states for a long-term efficient implementation of the European regulatory framework.

### ***12.1. Communication with the European Commission***

In 2010, active dialogue with EC was maintained, whereby regular information was provided about CRC's regulatory activities in priority fields such as market analyses, number portability, effective management of the spectrum, transition to terrestrial digital video broadcasting, etc.

In November, EC representatives conducted yet another mission in connection with the preparation of the 16<sup>th</sup> report on the implementation of the European Regulatory Framework for electronic communications. The Commission presented information about the main regulatory developments – organization of the national regulatory body, decision making; market development – broadband access, fixed services market, mobile services market; broadcasting; user interests – universal service, telephone directories and enquiry services, emergency services (112); number portability, user complaints and dispute resolution; data protection, etc.

In relation to the conducted market analyses, some pre-notification and consultative meetings were held with EC representatives.

## ***12.2. Participation in the work of European structures***

CRC continued to actively participate in the General assembly of the Independent Regulators Group (IRG) and the Plenary sessions of the Body of European Regulators for Electronic Communications (BEREC), the work of the Contact network, as well as of expert working groups level. The forums represent a platform for exchange of information and practices on issues related to the regulatory activities in the sphere of electronic communications, for forming positions on the challenges facing national regulators like the revised regulatory framework, next-generation networks, convergence, measure coordination and adequate monitoring, roaming, regulatory accountancy, etc.

By European Commission Decision (2010/C 217/07 of 10 August 2010), the European Regulators Group for Postal Services (ERGP) was founded. It comprises the national regulatory authorities (NRA) in the area of postal services, which in turn shall be represented by their heads or, as an exception, by other representatives of these organisations. Each country shall nominate one representative. The Bulgarian member of ERGP, according to an annex to the EC Decision of 10 August 2010, is the Communications Regulation Commission.

CRC participates as a full member in the sessions of the EC working committees:

- Committee on communications (COCOM),
- Radio Spectrum Committee (RSC),
- Radio Spectrum Policy Group (RSPG).

## ***12.3. Projects related to the adequate and timely implementation of the European regulatory framework***

In May, a twinning-light contract was completed for institutional partnership BG2007/IB/TE01/UE/TwL – "Further effective development of the electronic communications markets (follow-up)", with a total budget of EUR 173 thousand. Institutional partner was the Commission on the telecommunications market in Spain. The goal of the project was to facilitate the exchange of best practices and the application of coordinated approaches in the analyses of the relevant electronic communications markets. The contract comprised a thorough review of the legislation and practices related to the market analyses and the imposition of specific obligations, as well as recommendations for analyses of the market for "Wholesale terminating segments of leased lines", according to Recommendation 2007/879/EC (Market 6), market for "Transit services in the fixed public telephone networks", according to Recommendation 2003/311/EC (Market 10) and the market for "Access and call origination on public mobile telephone networks", according to Recommendation 2003/311/EC (Market 15).

In July, twinning light contract BG2007/IB/TE02/UE/TwL – "The CRC role within a liberalized postal market" was finished as well. Institutional partner was the General Directorate "Postal System" to the Ministry of Transport and Public Works in Spain. The total budget was EUR 100 thousand. The program achieved its goal to create an effective framework for further development of regulations when providing postal services in the context of a liberalized postal market, in compliance with the European postal legislation.

## ***12.4. CRC participation in significant international events***

CRC took part in significant events organized by governmental and specialized organizations in the area of communications both at international and European level.

- 2010 was a key year for the world of telecommunications, considering the ITU

Plenipotentiary Conference held in October in Guadalajara, Mexico, where the Republic of Bulgaria was re-elected for the sixth consecutive time for another 4-year term as a member of the Council of ITU. There is no doubt that this will reinforce the high prestige of the country and will enable it to assist in the development and broadening of the reforms in the sphere of telecommunications and information society, and to further influence the formation of the Union's policies and strategies, which will result in the strengthening of its leading position at a regional level. The numerous bilateral high-level meetings held by the CRC representatives have undoubtedly contributed to the wide support received for the Bulgarian candidature and the high election result achieved. With a view to the prestige obtained through the membership of our country in the Council of ITU, and the opportunities it provides for the implementation of the national priorities in the sphere of telecommunications and information technologies, the dynamic participation of the Republic of Bulgaria, including CRC, in its capacity of a "related administration" in the Union's activities, is of great importance. At the same time, the Conference provided opportunity for conducting numerous bilateral talks and deepening the Commission's cooperation with regulators at regional, European and global level;

- Conference on Network Neutrality organized within the Network of Regulators from the member states of the International Francophone Organization (FRATEL) in April 2010 in Tunis, where CRC was elected as a member of the managing Coordination Committee and occupied the position of the first deputy chairman of the network; the 8<sup>th</sup> annual meeting of FRATEL held in December 2010 in Ouagadougou, Burkina Faso, where the Commission officially took the chairmanship of the network for 2011. Besides recognition for the active presence of our regulator in the network, its joining the managing Coordination Committee ensured a balanced representation of the different regions covered by FRATEL. Moreover, the FRATEL members demonstrated an excellent solidarity during the elections of the ITU Plenipotentiary Conference in Mexico;
- The 25<sup>th</sup> and 26<sup>th</sup> meeting of the Electronic Communications Committee (ECC), in March in Montpellier, France, and in June 2010 in Baden, Switzerland;
- The 42<sup>nd</sup> and 43<sup>rd</sup> plenary session of the European Committee for Postal Regulation (CERP), in May 2010 in Krakow, Poland, and in November 2010 in Istanbul, Turkey;
- International exhibition and seminar of ITU on issues related to the radio frequency spectrum monitoring in September 2010, Kiev, Ukraine;
- The 6<sup>th</sup> meeting of the European Conference Preparatory Group for the World Radiocommunication Conference CPG-12 in September 2010, Berlin, Germany;
- European Workshop on spectrum auctions, October 2010, Mainz, Germany;
- Meeting of the International Telecommunication Union (ITU) on development indicators of telecommunications and information and communication technologies in a global scale, November 2010, Geneva, Switzerland;
- 56th general assembly of the European Telecommunications Standards Institute (ETSI) and NSO meeting held in November 2010;
- Working meeting "First European ARGUS User Conference" in November 2010 in Munich, Germany;
- Plenary meeting of the Postal Directive Committee, December 2010, Brussels, Belgium;
- World Radiocommunication Seminar of the International Telecommunications Union (ITU) in December 2010 in Geneva, Switzerland, etc.

### ***12.5. Bilateral and regional cooperation***

CRC consistently develops its relations with the countries from the South East European region, as it aims at deepening the regional cooperation, according to the common European policy. An agreement for bilateral partnership was signed with the National

Communications Regulation Commission of Ukraine in 2010. Bilateral meetings were also held with the Turkish regulator aiming at solving the radio interference problems.

**Some of the important events in which CRC took part in 2010, were:**

- Bilateral meeting on radio interference issues and conference organized by the Romanian regulator ANCOM, dedicated to the digital dividend, March 2010, Bucharest, Romania;
- Eurasia Com 2010, March 2010, Istanbul, Turkey;
- International Scientific Conference "Current Regulatory Issues in the Area of Telecommunications and Radio Frequency Resource Usage", May 2010, Kiev, Ukraine;
- South-East Europe Ministerial Summit on the Digital Dividend, June 2010, Belgrade, Serbia;
- Visit of CRC delegation to the National Communications Regulation Commission of Ukraine, July 2010, Kiev, Ukraine, during which the bilateral cooperation agreement was signed;
- Seminar on "Tariff Policies and Interconnection of Telecommunication Operators' Networks", September 2010, Odessa, Ukraine;
- Visit of CRC delegation to the Turkish regulator, September 2010;
- Joint consultations with the Macedonian regulatory body on subject "Accounting Separation", November 2010, Skopje, Macedonia.

In relation to these numerous activities, CRC strives to use all possible tools and international events in order to further increase the administrative capacity of its experts.