

## INTRODUCTION

In 2009, the Communications Regulation Commission (CRC, the Commission) faced a number of challenges in the process of executing its functions of regulation and oversight of the electronic communications sector and postal services in the Republic of Bulgaria. In its work, the CRC strictly obeyed the European regulations and sector policy within the European Community, which strives to establish a single European market. In that regard, the mission and the main goal of the CRC as a specialized independent state institution focused on the creation of conditions for the development of effective competition on the electronic communications and postal services markets. In performing this activity, the CRC worked in mutual cooperation with the undertakings, professional organizations and national and international institutions involved in the development of electronic communications and postal services.

In the 2009 Annual Report, which was prepared according to the provisions of Art. 38 of the Law on Electronic Communications<sup>1</sup>, the CRC overviews its activities and processes concerning the electronic communication networks and services, which outline the situation in the sector for the previous year. As a national body authorized to regulate the postal services market in Bulgaria, the CRC prepared a 2009 Annual Postal Services Report, drafted as a separate document.

As to electronic communication networks and services, the CRC concentrated its work on heeding the recommendations given on the 2008 Progress Report on the Single European Electronic Communications Market (14<sup>th</sup> Report).

In that connection, the Commission continued to work hard to define, analyze and evaluate the respective electronic communications markets and services, which were the subject of the Recommendation of the European Commission ( 2007/879/EC, as well as 2003/311/EC, where applicable) and it achieved significant progress in the responsible and arduous process of completion of the first cycle of analyses of the respective markets, all subject to ‘ex-ante’ regulation. As a result, in the beginning of 2009 the European Commission (EC) approved of the first three market analyses, which the CRC notified of at the end of 2008: voice call termination in individual mobile networks, call origination from a fixed location within public telephone networks and call termination in a certain location within individual public telephone networks. The Commission took into account the EC recommendations, issued further to a notification of the three market analyses, and decided to immediately establish match wholesale prices for fixed-to-mobile network calls with the mobile-to-mobile network ones, and approved of a new, accelerated plan for a glide-path reduction of wholesale prices for call termination for the mobile and fixed networks. Already before the end of the first half of the year, the CRC endorsed the analyses of the respective six retail markets for home and business users’ access to a public telephone network and publicly accessible telephone services in a fixed location, as well as identified an undertaking with significant power on the markets. Based on the identified competition problems, the CRC imposed specific obligations on the respective undertaking with significant power on the market; namely, it was obliged to deliver the services: “carrier selection” and “wholesale subscribers line rental”, including the preparation and publication of a Reference Offer for wholesale subscriber line rental, equality and transparency obligations, price caps, cost-orientated rates included.

With decision 1440/10.12.2009, the CRC approved of a draft decision for exempting the market for transit services within public fixed telephone networks from ‘ex-ante’

---

<sup>1</sup> Amended , SG, issue 41 from 22.05.2007, last amended in issue 27 from 09.04.2010

regulation and opened a procedure for public consultation according to Art. 151, para. 2 from the Law on Electronic Communications.

The activity of defining, analyzing and evaluating the respective markets in the electronic communications sector will continue just as intensively in 2010, where the specific obligations of undertakings with significant power on the market will be imposed, prolonged, changed or cancelled with a view to achieve effective competition among all players in the sector, encourage investments and protect end users' interests.

In 2009, the CRC realized another of its priorities – it introduced geographic numbers portability and improved the conditions for provision of portability within mobile networks.

In the meantime in September 2009, the CRC put up for public consultation drafts for the amendment and supplement of the functional specifications for number portability within mobile networks, as well as for geographic and non geographic numbers. The proposals that were made facilitated the portability process and protected the interests of subscribers and electronic communication services users better.

In the middle of the year, the practical base was laid for a start for real of the transition from terrestrial analog to digital broadcasting. According to the First stage of the Plan for introduction of digital video broadcasting – terrestrial (DVB-T) in Bulgaria, on 9 June 2009, after a non-attendant competition, the CRC issued one authorization for the use of an individually assigned scarce resource – radio frequency spectrum for carrying out electronic communications through two national electronic communications networks for terrestrial digital broadcasting with national coverage, in line with the Second stage of the Plan.

In 2009, the CRC continued the activities of allocation, planning, assignment and procurement of conditions for the effective use of the radio frequency spectrum. As a result in 2009, the Technical requirements for operating mobile terrestrial networks and related equipment, as well as the Technical requirements for operating electronic communication networks of the fixed radio service and the related facilities were supplemented with definitions of the conditions for the use of the radio frequency spectrum including the technical parameters and characteristics of the radio equipment from Broadband Wireless Access System (BWAS), both for fixed and mobile applications. With this, Decision 2008/411/EC of the EC on the harmonization of the 3400-3800 MHz radio frequency band for terrestrial systems, which allowed the provision of electronic communication services in the Community and with which flexible and neutral use of the frequency resource of the 3400-3800 MHz range was ensured, was transposed into Bulgarian legislation.

Again with the aim of transposing the regulations of the respective European directive, the Commission launched a new procedure to amend and supplement the Technical requirements for the operation of mobile terrestrial networks and the related equipment. The CRC amended and supplemented the Technical requirements for operating electronic communication networks from the mobile radio service and the related equipment.

During the year, an amendment to the National Numbering Plan of the Republic of Bulgaria was made, which reflects the release of ranges “83” and “85” and reserving them for future use. The alignment with the ECA of the issued licenses, which were substituted by authorizations for the use of individual assigned scarce resource, on the grounds of Art. 107 of the LEC, was completed.

The Commission continued to raise the profile of its oversight functions to ensure equality among the legal users of the spectrum and to guarantee a certain quality level of the provided electronic communications services to the end users. A special role was given to the

monitoring of the additional frequency ranges' adoption, in light of the introduction of new technologies in the electronic communications sphere and the creation of conditions for digital terrestrial television broadcasting.

In 2009, the international activity of the CRC was characterized by participation in the activities of governmental and professional organizations in the field of communications both on international and European level. In this way, a regular interchange of information and experience with the EC and member states' national regulators is performed for the further effective application of the European regulatory framework.

The results achieved in the past year laid down a stable foundation for the subsequent fulfillment of goals set as CRC priority tasks for 2010.