

## INTRODUCTION

In 2010, the Communications Regulation Commission (CRC, the Commission), as a specialized independent state body, carried on with the efficient execution of its mission and main goal as a regulatory authority. Its activity was focused on the creation of conditions for the development of effective competition on the electronic communication networks and/or services market, allowing the users to make an informed choice and satisfying their needs of diverse, quality, modern and affordable communication services. In executing its powers, CRC strictly observed the standards and good practices of the European Union (EU) and its member states, complying with the principles of transparency, publicity, predictability and consultancy, maintaining an active dialogue with undertakings, branch organizations, competent institutions and users of electronic communications services in Bulgaria.

In the 2010 Annual Report, which was prepared according to the provisions of Art. 38 of the Law on Electronic Communications<sup>1</sup> (LEC), CRC overviews its activity and processes concerning the electronic communication networks and services, which outline the situation in the sector for the respective year. As a national body authorized to also regulate the postal services market in the Republic of Bulgaria, CRC prepared an Annual Postal Services Report for 2010, drafted as a separate document.

In 2010, CRC concentrated its work on executing the priorities set for its activity, in accordance with the requirements contained in the 2009 Progress Report on the Single European Electronic Communications Market (15-th Report).

In that connection, the Commission continued to work on the completion of the first round of analyses of the relevant electronic communication networks and/or services markets, in accordance with the Recommendation 2007/879/EC and Recommendation 2003/311/EC (where applicable). It achieved another progress in defining, analysing and assessing the relevant electronic communication networks and services markets. In the spring of 2010, CRC, following the approval of the European 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 subject to regulation. With this decision, CRC withdrew the obligations imposed under the Telecommunications Act (repealed) to "Bulgarian Telecommunications Company" AD, concerning the provision of national transit services.

In 2010, the activity of defining, analysing and assessing the exceptionally important markets for providing 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 for provision of wholesale broadband access (Market 12 of Recommendation 2003, respectively Market 5 of Recommendation 2007). Following a public consultation, at the end of December 2010 the draft decision was sent for approval to the European Commission and the regulatory bodies of the European Union member states. The notification procedure was successfully completed in January 2011, and consequently, CRC adopted its final decision to approve these analyses.

Meanwhile, aiming at consistency and maximum efficiency of the CRC regulatory actions, the Commission gave binding instructions for amending the General conditions for the shared use of premises, equipment and towers, and the General conditions for the use of the duct network of "Bulgarian Telecommunications Company" AD, and for imposing price caps. The final position of the regulatory body complied with the European Union's recommendation on the access to next-generation networks, as well as with the opinions provided by all stakeholders.

Another main priority of the CRC's work in 2010 was related to finalizing the introduction and optimization of number portability. In this regard, on the basis of the best

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<sup>1</sup> Promulgated in the State Gazette. issue 41 of 22.05.2007, last amended in issue 97 of 10.12.2010.

European practices and recommendations, amendments were adopted and published to the functional specifications of geographic, non-geographic numbers and mobile network numbers, thus achieving a better efficiency and making the number portability easier for the users. The main amendments are related to the transition to the administrative procedure of "one-stop-shop" service; reduction of the portability deadlines; removal of the restriction for the type of service - prepaid or post paid, which may be used with the recipient provider; providing opportunity for porting subscribers' numbers which are serviced by analogue or by digital exchanges whose characteristics do not allow portability.

Following the priority of efficient management of the scarce resource of numbers by solving the problems in the regions with insufficient number resource and carrying out analysis of the need from preparation of a new National Numbering Plan, CRC conducted public consultations resulting in the adoption of a decision to change the way of dialling geographic numbers in the Republic of Bulgaria. As a result, a closed dialling was introduced as of 10 March 2011. Thus, opportunity was provided for the use of additional number capacity of geographic numbers within the existing geographic codes and for portability of geographic numbers in regions serviced by analogue exchanges.

With a view to the commitment undertaken by Bulgaria for transition from analogue to digital video broadcasting and in performance of the obligations set forth in the legislative provisions, CRC carried out a procedure for the issuance of authorization for use of an individually assigned scarce resource - frequency spectrum for carrying out electronic communications through electronic communications network for terrestrial digital broadcasting with national coverage intended for broadcasting of public operators' programs.

With a view to executing the priorities related to the efficient management of the scarce resource - frequency spectrum, the Commission took the necessary measures to liberalize the use of frequency spectrum in bands 900 MHz and 1800 MHz in accordance with Decision 009/766/EC of the European Commission regarding the harmonization of frequency bands 900 MHz and 1800 MHz for terrestrial systems for the provision of pan-European electronic communications services in the Community. Technical conditions were also harmonized in terms of accessibility and efficient use of band 1800 MHz by systems providing mobile communications services on board of vessels in the European Union territorial seas. Conditions were also provided for free circulation and use of terrestrial stations on board of aircraft in frequency bands 14-14.5 GHz, 10.7-11.7 GHz and 12.5-12.75 GHz. In 2010, CRC carried out public consultations regarding the prospects for use of the available resource of frequency bands 420 MHz, 460 MHz, 1800 MHz and 2 GHz. Not least important was the requirement introduced by the regulatory body for undertakings to ensure continuity of the broadcasting of radio and television signals in order to promote the efficient use and management of the radio frequency spectrum and to guarantee the opportunity of receiving services by the end users.

The Commission's monitoring activity in 2010 was entirely subject to fulfilling the CRC's mission related to monitoring the provision of electronic communications in conditions of equality and protection of the end users in the Republic of Bulgaria. Special attention was paid to the application of the enactments in the area of electronic communications and compliance with the LEC requirements, as priority was given to the number portability. The construction of the National radio frequency spectrum monitoring system continued in 2010, and four new remote monitoring stations were put into operation.

At an international level, CRC continued to work actively for intensifying the interaction with national regulators within the EU and reinforcing its position in the international structures. □At the end of 2010, the regulator took the chair of the Network of Regulators of the member states of the Francophone International Organization (FRATEL) for 2011. Special attention was also paid to intensifying the relations of regulators with neighbouring countries, with a view to CRC's achieving a leading role in the region.