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VI. TECHNICAL REGULATION

1. Names and addresses

CRC is responsible for the management of the National Numbering Plan (NNP), which includes analysis of the use of all kinds of NNP numbers, preparation and implementation of policy, which ensures the effective use of the numbering resource, possibilities for determining of number ranges, intended for new services and networks etc. During the past year 166 000 geographical numbers and 155 addresses (national codes of signalling points) for provision of voice telephony service have been assigned to the alternative fixed telecommunications operators.

In the course of the year 13 000 non-geographical numbers have been identified in total for services from the ranges “700”, “800” and “90” (1 000 numbers of the range “700”, 3 000 numbers of the range “800” and 9 000 numbers of the range “90”) as well as one code for access to national telephone directory services - 118 XY.

The numbering resource provided to the alternative operators confirms the trend for development of the networks and increase in the number of subscribers, which is a prerequisite for expansion of the competition and gives potential for successful introduction of number portability for fixed networks. The numbers absorbed by the alternative operators at the end of 2006 are about 15% of the assigned (113 459), which shows that despite of their development their market share of the fixed voice services market is still a small one.

Table 11

| Year | Assigned | |
|------------------|----------------|------------|
| | numbers | addresses |
| 2003 | 145 000 | 12 |
| 2004 | 207 000 | 35 |
| 2005 | 242 000 | 179 |
| 2006 | 166 000 | 155 |
| In total: | 760 000 | 381 |

As a result of the digitalization of the fixed telephone network of BTC Plc a resource of 5 265 000 numbers in total has been released in different geographical areas of the country and 2 052 000 numbers have changed from incomplete to complete length of the nationally significant numbers. In connection with future digitalization projects a total of 426 000 numbers has been assigned to BTC Plc.

Meeting the demand for broadening the numbering space in Bansko, Borovec and Pamporovo the geographical codes of these settlements have changed in 2006 from four digits to three digits thus increasing the length of the subscriber numbers for them.

With a change in the NNP a range was set apart for networks of the type „point-to-multipoint” with national coverage.

The work for the implementation of the common European number for emergency calls „112” was started.

There is also an increase in the number of the million groups used by the mobile cellular network operators within the blocks of 10 000 000 nationally significant numbers assigned to them.

Table 12

| GSM operator | Numbers used at the end of 2006 |
|-----------------------------|---------------------------------|
| „MOBILTEL” Plc | 9 000 000 |
| „COSMO BULGARIA MOBILE” Plc | 10 000 000 |
| „BTC MOBILE” Plc | 5 000 000 |

| | |
|------------------|-------------------|
| In total: | 24 000 000 |
|------------------|-------------------|

The work started during the year on the introduction of number portability in the mobile networks. A working group with participants from the public mobile telecommunications network operators and CRC experts elaborated the functional specifications for the introduction of number portability envisaged by the Regulatory policy for numbers and addresses.

The functional specifications on implementing number portability for the subscribers of the public mobile telecommunications networks, adopted by a decision of the Commission, were published in the State Gazette (No. 71 / 01.09.2006).

The functional specifications and the Procedure for implementing number portability envisaged by them were appealed before the Supreme Administrative Court, which virtually blocked the process of implementing number portability in the mobile networks.

2. Standardization

The Commission executes the obligations of the National Standardization Body for Bulgaria before the European Telecommunications Standardization Institute (ETSI), organizing public consultations on the drafts of the ETSI standards and taking part in the member voting.

In 2006, 125 standards from the published new ETSI documents have been proposed to be implemented as Bulgarian standards by endorsement. Due to the forthcoming membership of Bulgaria in the EU a list has been prepared and coordinated with the BSI containing the titles in Bulgarian language of all harmonized ETSI standards from Directive 99/5/EC and has been provided to ETSI for publication in the EU Official Journal (OJ).

In connection with the change of status of the Bulgarian Standardization Institute (BSI), CRC participated in the Founding meeting of the institute, became a member of BSI and actively participates in the work of the four standardization Technical Committees (TC).

A series of standards related to number portability and interconnection have been studied during the past year and a list with the most important standards has been proposed to SAITC for financing their translation into Bulgarian.

3. Interconnection and access

During the past year the regulatory activity of CRC concerning interconnection and access was directed mainly towards:

1. Finalizing the public consultation procedure opened at the end of 2005 on the Reference Offer for concluding an interconnection agreement (RIO) and its approval.

With decision No. 572/30.03.2006 CRC approved the submitted by BTC AD draft of the Reference Interconnection Offer (RIO), giving respective mandatory instructions for amendment of some of its technical conditions as well as of conditions related to the ensuring of effective competition, provision of services and consumer protection, in order to observe the principle of non-discrimination and to ensure and stimulate effective competition. The mandatory instructions given in the Commission's decision include specification of concrete amount for the prices of the services for interconnection and shared use of premises and collocation of equipment.

Significant from a technical point of view are the mandatory instructions related to the introduction of principles for call routing and making calls to mobile networks through the service „carrier selection”.

Another important element of the mandatory instructions is in connection with the inclusion of „Access to information numbers of BTC – 144, 146, 180” and according to the instructions conditions should be included under which BTC provides access for the subscribers of another LPTO to the numbers 144, 146 and 180 for the respective moment.

The introduction of the respective mandatory instructions creates prerequisites to detail the conditions already included in the reference offer, which arrange the provision of access to the service “personal number” (0700) and services with free access (0800) and through their inclusion in the reference offer they become public, which is a guarantee for observing the principle of non-discrimination in the provision of access to these services.

BTC Plc appealed later the above decision and as a result there is no RIO in force for the time being. In the absence of approved RIO the conclusion of the contracts for interconnection is based on the principle of non-discrimination in regard to the contracts already in force.

Table 13. Concluded interconnection agreements which have entered into force:

| Type | 2004 | 2005 | 2006 | Total |
|--------------------------------------|------|------|------|-------|
| BTC – mobile | 0 | 1 | 2 | 3 |
| BTC – alternative fixed | 3 | 6 | 8 | 17 |
| Mobile – mobile | 0 | 3 | 0 | 3 |
| Mobile – alternative fixed | 6 | 6 | 12 | 24 |
| fixed – fixed (without BTC) | 0 | 1* | 1+5* | 1+6* |
| * the contract is according to H.323 | | | | |

In the sense of the normative regulation connecting telecommunications networks by means of protocol H.323 is not considered interconnection and it is arranged through free commercial negotiations.

The Communications Regulation Commission monitors also the observance of the non-discrimination principle in the case of conclusion of contracts between the operators with significant market power on the mobile networks and services market, for which there is no requirement for development of reference interconnection offer according to the TA.

2. Approval of Reference Unbundling Offer

According to the provision of Article 133, paragraph 1 of TA the operators with significant market power for the fixed telephone networks market, providing fixed voice telephony services, prepare a reference offer for conclusion of contract for unbundled access to the subscriber's line.

CRC closed with decision 1459/11.07.2006 the procedure of public consultations of the draft reference offer submitted by BTC Plc, approved the offer and adopted a table with rejected comments from the public consultations, stating the motives for their rejection. The table is an inseparable part of the decision and is published on the internet site of the Commission.

With its decision CRC is giving mandatory instructions to BTC Plc for amendment of the reference offer and the more important of them from a technical point of view are:

2.1. BTC Plc is obliged to provide to the Commission every 6 (six) months information concerning the intentions and opportunities to introduce other DSL technologies for broadband data transfer, different from the ADSL technology indicated in the reference offer.

The aim is to guarantee that BTC will not use its significant market power position to provide services to end users, utilizing some of the other DSL technologies, which shall be a market advantage for the company with no such opportunity for the new operators.

2.2. BTC Plc is obliged within six months as from the approval of the Reference offer to submit to CRC the terms and prices for provision of the service collocation outside the main distributor and these terms should become part of the Reference offer (sub loop).

3.3. BTC Plc is obliged within one month from receipt of the present decision to submit a proposal for the terms and prices for provision of the services „backhaul” and „remote collocation” as well as documents proving the cost orientation of the proposed prices.

The mentioned services are essential condition for the complete provision of unbundled access. For example the service „backhaul” allows the operators to have access and connectivity between their networks and equipment of theirs, located in BTC's premises for shared use. „Remote collocation” allows the operators to use unbundled access at these exchanges, where there are no conditions for collocation.

Despite of the market liberalization, the policy for promoting competition, the presence of a reference unbundling offer and concluded contracts for unbundled access (between BTC Plc and ORBITEL Plc, SPECTRUM NET and NEXCOM), there was no real provision of services to end users in 2006 using the unbundled access to the subscriber's line.

3. Providing opportunity to the alternative operators for access to the BTC network for provision of broadband services (specific access - bitstream).

A request was submitted to CRC in 2004 by „ORBITEL" Plc and „NEXCOM BULGARIA" Plc for giving mandatory instructions to BTC Plc on the part of the commission (according to Article 136^b, paragraph 1 of TA) for provision of specific access to the ADSL structure of BTC Plc. The regulator refused to give mandatory instructions by a decision. The refusal is appealed by „ORBITEL" Plc and „NEXCOM BULGARIA" Plc before the SAC. In the middle of 2006 the SAC repealed the decision of CRC obliging the commission to continue with the execution of the procedure concerning the request of „ORBITEL" Plc and „NEXCOM BULGARIA" Plc.

That is why CRC obliged BTC with its decision 1579/ 27.07.2006 to submit description of the services for specific access provision, their prices, documents substantiating the incurred costs related to the submitted prices as well as documents for the cost allocation according to services.

At the end 2006 BTC submitted to CRC description of the services for provision of specific access and draft contract arranging the terms and conditions for this provision. The work for consideration of the indicated documents and completion of the procedure shall continue also in 2007.

4. Electronic document and electronic signature

In 2006 the Communications Regulation Commission continued its activity to carry out the obligations ensuing from the Law on Electronic Document and Electronic Signature (LEDES).

No new applications were submitted to CRC for registration of Certification Service Providers (CSP). The registered up to now electronic signature providers carried out their activity and the electronic signature market was vivified which led to a lower price for this service. In accordance with the requirements of the LEDES a permanent control and monitoring of the activity of the four registered in the country electronic signature providers was exercised.

There were regular meetings held during the year of the Consultative council on the electronic signature problems. At these meetings with representatives of CRC, specialists from the Centre on information and communications technologies law and representatives of all registered in the country electronic signature providers the most important issues were discussed regarding electronic documents and electronic signature in the light of the existing legislation and the execution of the e-government strategy. These meetings gained particular importance because of the discussions on the changes in the legislation and the draft for amendment and supplement of the LEDES as well as of the secondary legislation pertaining to it.

A representative of the commission participated also in the meetings of the Working group 3 “Free provision of services” at the Ministry of finance, where the degree of harmonization of the Bulgarian legislation with the European legislation in the sphere of electronic signature is watched and reported.