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Basis for the postal sector is the Postal Services Act (PSA). In connection with the joining of Bulgaria to the European Union on 01.01.2007, amendments of the PSA have been adopted in the beginning of 2006, aimed at completing the transposition of the second postal services directive. One of the adopted amendments reduces as of 01.01.2006 the weight limits (up to 150 gr.) and price (not more than the triple of the price of the standard priority letter mail up to 20 gr.) of the services in the reserved sector, over which a state monopoly is established in favour of „Bulgarian posts” Plc (BP Plc) until 31 December 2008. From the beginning of 2007 a new reduction of the reserved sector is envisaged.

This amendment of the PSA gave rise to the emergence of rival operators for carrying out of the universal postal service (UPS). A comprehensive media coverage was devoted to the granting of an individual license to the first private post „Tip Top Courier” Plc, followed by „Econt Express” Ltd., which has also been granted a license for the whole of the universal postal service. It is worth noting that both companies are established operators on the market of non-universal postal services (NPS). Thus from 2007 the domestic users of UPS shall have the possibility to choose between the services of the Principal postal operator „Bulgarian Posts” Plc and two more alternative operators.

An individual license is also issued for part of the UPS – postal money orders. Seven operators have been registered as well for carrying out of non-universal postal services.

In 2006 the postal market in Bulgaria is estimated at nearly 166 millions BGN, which are formed by the traffic of approximately 161 millions of postal items.

Towards the end of the period 45 out of the total of 56 registered operators have actually provided non-universal postal services, four are the licensed operators for provision of part of the universal postal service - „postal money orders”, one of them still not having started its activity and only the principal postal operator has been providing all services from the scope of the UPS.

The volume of the internal postal market is calculated as an expert’s estimate on the basis of the data provided by 92% of the active licensed and registered postal operators towards 31.12.2006.

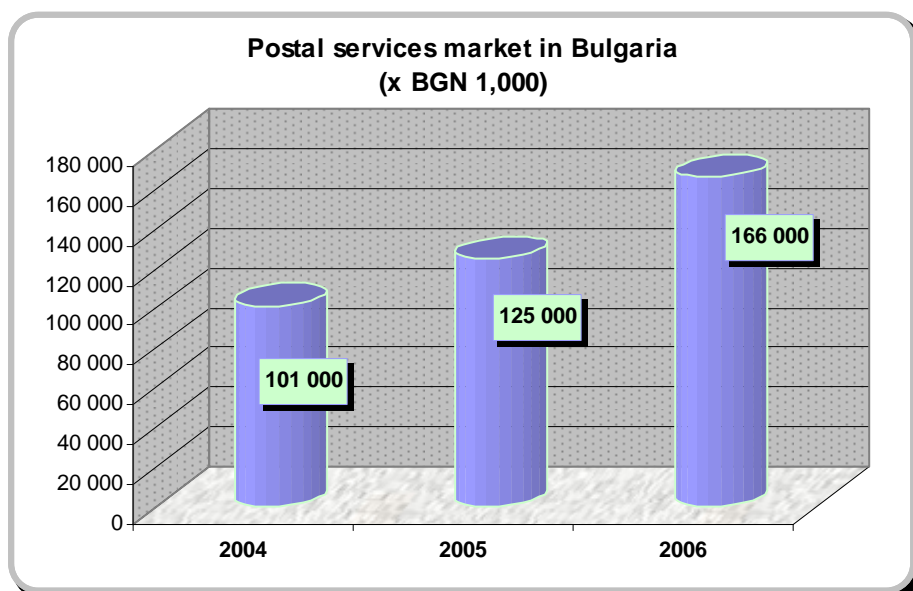


Fig. 90 *Source: Data submitted to CRC*

Compared to 2005 the provision of postal services during 2006 has increased with 33%.

Over the last three years a trend is observed for stable growth of the internal postal market.¹

Another amendment of PSA, having impact on the activity of the Communications Regulation Commission (CRC) in the direction of increasing its regulatory power to protect the consumer’s interests, concerns the approval of the General conditions of the contracts with the users, submitted by the postal services operators. “Recommended general conditions of the contract with the users for operators providing NPS” have been prepared, which gives on one hand the opportunity to the regulatory authority to protect the user’s interests and on the other hand to provide non-discrimination conditions for the operators. In order to streamline the work and to create clear rules, CRC has adopted Procedure for the terms and conditions for approval of the general conditions of the contracts with the users of postal services.

¹ The full text of the CRC report „Analysis of the postal services market for 2006” can be found on the CRC web site.

According to the adopted amendments of PSA, CRC has elaborated in 2006 the following pieces of secondary legislation:

- A system for the formation of postal codes for the networks of the operators providing UPS;
- Ordinance for the general rules for mutual access to the networks of the postal operators providing UPS or part of it;
- Procedure for the terms and conditions for approval of the systems for cost allocation according to the type of services, presented by the operators providing UPS or part of it;

General rules for the delivery conditions of postal items, postal parcels and payment of the postal money orders.

The changes which took place on the market of postal services with the licensing of the two new operators of universal postal service have forced the revision of the first two pieces of secondary legislation.

In order to fulfil the control functions of the regulator in the postal sphere a total of 49 inspections have been conducted by empowered CRC employees. The prevailing part of them is planned. Part of the inspections is conducted in relation with submitted signals and complaints but there are also cases of CRC acting on its own initiative. 33 statement records have been composed and 3 statements for establishment of administrative offences have been drawn up for established offences of PSA which imply imposition of administrative punitive measures. 10 complaints concerning the application of PSA have been administered.

In carrying out the commitments undertaken in the process of negotiations for accession of Bulgaria to the European Union, CRC has adopted Amendment and Supplement of the Standard Quality Levels for the UPS and service efficiency.

During the past year, in accordance with the provisions of Directive 97/67/EC, CRC has organized for the first time the carrying out of a “third party” measurement, independently from the regulatory authority and the postal operator (BP Plc), in order to assess the compliance of the quality of the provided universal service with the Standard Quality Levels for the UPS and service efficiency.

In February 2006 training has been conducted in cooperation with TAIEX under the project „Liberalization of the postal market”. During the training discussions have been held concerning aspects of consumer protection, competition on the market and quality of services under fully liberalized postal market, such as the market of postal services in the United Kingdom since 01.01.2006. Another significant topic of the discussion on the project concerned the degree of regulation of the postal market and exercising the competencies of the regulator when the Principal postal operator fails to meet its obligations, which has a negative influence on the users.

During 2006 CRC has participated again in the CERP plenary meetings. A presentation has been held by CRC during the 34th CERP plenary entitled „Hybrid post – practice and problems”, posing some problems the Bulgarian regulator is facing and a short study of the European regulatory practices has been presented.

In the end of 2005 and the beginning of 2006, the European Commission has conducted a public consultation for the state and development of the postal services in connection with the new community policy in the postal sector and Bulgaria has been invited to take part in it. CRC has organized the participation in the consultation of the Bulgarian consumers of postal services – natural persons and corporate clients, consumer associations, as well as operators of postal services, which had for the first time the opportunity to express their opinion along with the citizens of united Europe.