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**NEGOTIATING POSITION
ON CHAPTER 19
TELECOMMUNICATIONS AND INFORMATION TECHNOLOGIES**

OVERALL POSITION

The Republic of Bulgaria accepts and will implement in full the *acquis* in the field of Telecommunications and Information Technologies.

As a working hypothesis, the Bulgarian Government considers that Bulgaria will become a member of the EU on 01.01.2007.

No derogations in this area will be requested.

ACQUIS ADOPTION AND IMPLEMENTATION

The appropriate basic policy and legislative framework in the field of telecommunications has already been established in the spirit of the *acquis communautaire*. This framework is not as yet in full conformity with the *acquis* in this Chapter.

The main policy and legal instruments are:

- “Telecommunications Sector Policy of the Republic of Bulgaria”;
- “Telecommunications Law”;
- “Strategy for the Development of the Information Society in the Republic of Bulgaria”;
- “National Programme for the Development of the Information Society in the Republic of Bulgaria”.

The drafts of the Postal Services Act and Postal Policy have been finalised and their adoption is planned for the year 2000.

The Policy papers are subject to annual review and amendments, the Telecommunications Law will be thoroughly revised and consequently amended in 2002, prior to full liberalisation.

Telecommunications and Information Technologies

Opening the Markets

The terminal equipment, telecommunication networks and services market is liberalised, except for:

- fixed public voice telephony until the end of 2002;
- provision of leased lines until the end of 2002.

Until the end of 2002 public telecommunications operators will build their networks, leasing transmission capacity from the incumbent.

Open Network Provision

ONP Framework requirements are provided for in the Telecommunications Law. All TBRs and CTRs for analogue and structured or non-structured digital leased lines within the set of the incumbent's leased lines are implemented.

Leased lines ONP requirements are implemented with the exception of cost oriented prices. The incumbent has an obligation to provide the service on a non-discriminatory basis according to a predetermined schedule, required capacity and quality. The incumbent observes the requirements for advance publication of the price list for a set of leased lines. Prices are regulated under a price cap formula.

Voice telephony ONP requirements are implemented in the incumbent's licence, conditioned by the level of digitalisation of the network.

At present the USO in Bulgaria is defined as "ordinary voice telephony" over the fixed network. The incumbent operator has the obligation to provide this service. A mechanism of funding the USO shall be put in place prior to full liberalisation.

Interconnection harmonised framework principles are implemented. Cost oriented interconnection pricing shall be established after the year 2003.

Licensing

There is no limitation as to the number of licenses, save in the case of scarce resources.

The Telecommunications Law allows for a deregulation process which has already started.

Mobile and Satellite Communications

Mobile communications

There are two mobile operators in Bulgaria: one analogue NMT 450i and one GSM 900.

Spectrum has been allocated for a second GSM operator.

Mobile operators may interconnect directly. However, until the end of 2002 mobile operators are restricted to:

- build their own transmission capacity, subject to timely provision of the requested capacity by the incumbent;
- establish direct international interconnection.

DCS 1800 frequencies shall be available after year 2004.

The introduction of ERMES is subject to the availability of frequencies in the 169.4 to 169.8 MHz band. Similar frequency related problems could become an obstacle to UMTS introduction before 2007.

Satellite communications

There are no special or exclusive rights for the provision of satellite services and equipment

Still a relatively high volume of the spectrum has not been allocated for civil needs, which impedes the introduction of some pan-European and satellite services and networks.

Protection of Personal Data and Privacy

A draft of a general "Data Protection and Privacy Rights" Law is under preparation . Provisional data protection conditions are incorporated in the licenses issued. The security of information and confidentiality conditions are provided for in the Telecommunications Law.

The right of subscribers not to appear in public directories and the malicious call tracing conditions are laid down in the "General Conditions" of licensed operators.

TRANSITIONAL PERIODS

The Republic of Bulgaria requests transitional periods in two areas in telecommunications:

- The coordinated introduction of a third generation mobile and wireless communications system (UMTS) (Decision 128/1999/EC) – 1 year transitional period until 31.12.2007¹;
- The implementation of Directive 98/61/EC for operator number portability and carrier pre-selection – 1 year transitional period until 31.12.2007*.

¹ See justifications in Annex
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POSTAL SERVICES

Postal Market and Market Players

The draft Postal Services law is in compliance with the *acquis*. The draft will be adopted during year 2000.

One state-owned postal operator and several private courier services providers operate on the territory of the country.

According to the draft Postal Services Act a reserved sector will be temporarily established in relation to universal service provision and the financial stabilisation of the main postal operator.

The draft law provides for full liberalisation of the postal market on the 01.01.2003.

Licensing

The draft Postal Services Act provides for a licensing regime for postal operators.

The provision of services within the scope of the universal postal service will be subject to individual licensing. Non-universal postal services will be provided upon registration.

INSTITUTIONAL FRAMEWORK

All necessary institutional infrastructures for the implementation of the EU legislation in the area of Telecommunications and Information Technologies are in place and will be functioning in full conformity with the *acquis* by the date of accession of Bulgaria to the EU.

The capacity to implement the *acquis* is ensured by the following entities:

- Ministry of Transport and Communications (MTC) as policy-maker;
- State Telecommunications Commission (STC) as National Regulatory Authority;
- National Radio Frequency Spectrum Council (NRFSC);
- Information Society Coordination Council.

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The Bulgarian government proposes the negotiations on this chapter to be provisionally closed on the basis of the existing *acquis*.

Should new elements of the *acquis* make it necessary, Bulgaria recognizes the possibility of opening supplementary negotiations before the end of the Intergovernmental

conference.

ANNEX

Justifications

1. The coordinated introduction of a third generation mobile and wireless communications system (UMTS) (Decision 128/1999/EC) – 1 year transitional period until 31.12.2007.

The allocation of the core bands for the introduction of UMTS (1885 - 2025 MHz, 2110-2200 MHz) is in conflict with the usage of large bands in these frequencies by the government. Their release for civil use would require considerable funding for new governmental communications systems.

2. The implementation of Directive 98/61/EC for operator number portability and carrier pre-selection – 1 year transitional period until 31.12.2007.

Carrier pre-selection requirements will be implemented in 2003 and 2005. The possible unsatisfactory level of digitalisation of the incumbent's network may hamper the introduction of number portability.