



REPORT I

ANNEX CROSS-COUNTRY TABLES

Supply of services in monitoring regulatory and market developments
for electronic communications and information society services in
Enlargement Countries

September 30, 2008

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A. Electronic communications market overview

1. General economic background

Any assessment of telecommunications markets has to be seen against the general performance of the economy, its level compared to other economies and the relative growth rates. This requires data on the size and growth of the economy and also the population. Additionally, it helps to consider the distribution of income within an economy, together with unemployment, poverty and literacy which might all be expected to be correlated with the adoption of ICTs.

a) Currencies, inflation, exchange rates and VAT

In order to compare the economies, markets prices and other indicators between the eight entities and with the EU-27 it is necessary to make adjustments for different exchange rates (see Table A.1).

Country	Currency	Code	Avg. exchange rate		Exchange rate
			2006	2007	April 1, 2008
Croatia	Croatian Kuna	HRK	7.24	7.30	7.26
FYROM	Macedonian Denar	MKD	61.19	61.17	61.21
Turkey	New Turkish Lira	TRY	2.02	1.76	2.10
Albania	Albanian Leke	ALL	123.27	122.20	121.11
Bosnia & Herzegovina	Bosnian Marka	BAM	1.96	1.96	1.97
Montenegro	Euro	EUR	1.00	1.00	1.00
Serbia	Serbian Dinar	RSD	85.00	78.67	81.66
Kosovo	Euro	EUR	1.00	1.00	1.00

Table A.1 - Exchange rates

Currency fluctuations can have significant effects when comparing prices, spending patterns and operator revenues. The decline in the value of New Turkish Lira and of the Serbian Dinar between 2006 and 2007, followed by their subsequent rise, had significant effects. As noted in the previous report, the apparent decline in value of the Turkish market was due to currency movements.

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In addition to converting other currencies into Euros, in order to facilitate comparisons, it is helpful to adjust prices using Purchasing Power Parities (PPPs). This is an indicator of the differences in price levels across countries. PPPs measure how many currency units a given quantity of goods and services will cost in different countries. It has been popularised by *The Economist* as the Big Mac Index, measuring its cost in many countries.¹

PPPs are derived by relatively complex processes. Work on determining PPPs in the Western Balkans has been supported by international collaboration between UNECE, OECD and Eurostat.² The PPPs for candidate and potential candidates are published by Eurostat (see Table A.2). In the absence of values for 2007 for Bosnia & Herzegovina and Serbia, 0.89 and 0.42 have been used as approximations. There are no plausible values or estimates for Kosovo.

Country	2005	2006	2007
Croatia	4.6523	4.6516	4.5292
FYROM	22.5333	22.8318	22.5470
Turkey	1.0265	1.0716	1.1033
Albania	57.4044	57.3171	56.0875
Bosnia & Herzegovina	0.8592	0.8900	0.89
Montenegro	0.4325	0.4227	0.42
Serbia	32.1667	35.1943	36.8923
Kosovo	-	-	-
EU-27	1.0000	1.0000	1.0000

Table A.2 - Purchasing Power Parities (PPPs)³

Note:

2007: Values for Bosnia & Herzegovina and for Serbia have been estimated.

Prices can vary because of the different levels of taxation. It is therefore important to be able to identify, compare and, if necessary, remove this element from any charges. Operators, service providers and business customers can usually reclaim VAT, so that this can be discounted from any charges.

¹ <http://www.economist.com/markets/bigmac/index.cfm>

² http://www.stat.si/radenci/program_2004/roberts-1.doc

³ European Commission > Eurostat home page > Economy and finance > Prices
http://epp.eurostat.ec.europa.eu/portal/page?_pageid=0,1136173,0_45570701&_dad=portal&_schema=PORTAL

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The rates of Value Added Tax (VAT) in South-East Europe range from 15 to 22% (see Figure 1). These are close to the general range of the EU-27. There are some additional retail taxes, notably the Special Communications Tax (SCT) of 15% on fixed network services in Turkey.

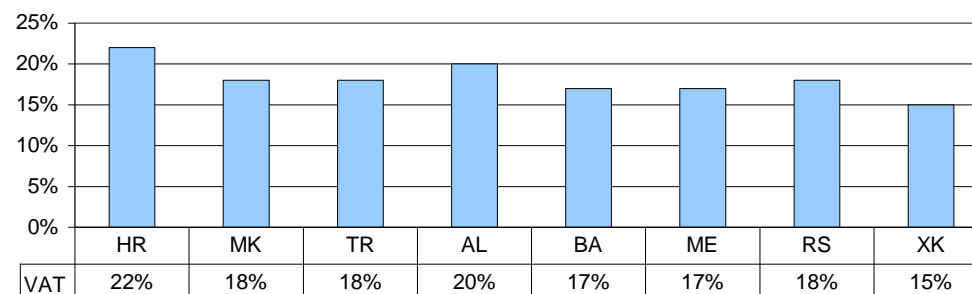


Figure 1 - Rates of Value Added Tax

b) Population and households

The three candidates and five potential candidates together represent 96 million people or about 19.5% of the EU-27 population (see Table A.3). The greatest part of that population is represented by Turkey, nearly ten times the size of Serbia, the next largest. Montenegro has much the smallest population, only 35 per cent larger than Luxembourg. Consequently, it is necessary to be careful when comparing the eight much smaller markets with Turkey. At the time of writing, population data for 2007 were not available from Eurostat.

Country	Population 2006	Inhabitants per sq km	Percentage of EU-27 total	Households 2006	Persons per household
Croatia	4.443	78.5	0.90%	1.477	3.0
FYROM	2.039	79.3	0.41%	0.564	3.6
Turkey	72.520	93.1	14.71%	18.492	3.9
Albania	3.149	109.8	0.64%	0.753	4.2
Bosnia & Herzegovina	3.843	75.1	0.78%	1.034	3.7
Montenegro	0.624	45.1	0.13%	0.191	3.3
Serbia	7.425	95.7	1.51%	2.521	2.9
Kosovo	2.070	188.8	0.42%	0.311	6.7
Total	96.113	95.67	19.50%	25.343	3.8
EU-27	492.965	113.8	100%	-	2.4

Table A.3 - Populations and households (millions)

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Notes:

Source: Eurostat Pocketbook on candidate and potential candidate countries 2008 edition. KS-PF-08-001-EN-N.

EU-27: Household composition is for the EU-25 in 2003.⁴

The population in the EU-27, as well as Turkey, Montenegro and FYROM have been increasing since 1996 as, since 2000, has Albania. While the EU-27 population grew by almost 3.3%, the growth of Turkey was 16.3%. Montenegro and FYROM grew slightly faster than the EU-27, while Albania was slightly slower. However, Serbia has seen a reduction in its population.

There has been considerable migration in recent years both within and beyond the region. These movements may not be fully reflected in the figures and the patterns may not yet be fully documented and understood.

The household composition is quite different from the existing EU member states, which have an average of 2.4 members per household. In South-East Europe, households are significantly larger, notably in Turkey and Albania respectively 3.9 and 4.2. The figure for Kosovo is extremely high, being 2.8 times the EU average, a level normally associated with some of the least developed countries. According to *Kosovo in figures in 2006* the average number of household members in rural areas was 7.8.⁵ Higher numbers of persons in a household would suggest that, cultural factors being equal, fixed telephone and broadband lines would be available to a larger number of people than in the EU-27.

c) Gross Domestic Product

The Gross Domestic Product (GDP) is defined as the total market value of all final goods and services produced within in country in a year.⁶ There is long-standing evidence that GDP and GDP growth correlate with telecommunications and telecommunications network growth.⁷ There are problems of determining the value of GDP accurately in some economies, given the existence of “informal” sectors that must be estimated.

The values shown in Table A.4 indicate the very different sizes of the economies of the region. At the time of writing, the actual GDP values for 2007 were not available.

Country	2001	2002	2003	2004	2005	2006	2007 (estimate)
Croatia	22,171	24,468	26,232	28,681	31,263	34,220	37,497
FYROM	3,839	4,001	4,105	4,325	4,676	4,957	5,155
Turkey	161,836	192,803	212,268	242,262	290,503	318,586	340,887
Albania	4,541	4,705	5,048	5,883	6,582	...	7,326
Bosnia & Herzegovina	5,930	6,559	7,416	8,071	8,655	9,769	10,257

⁴ <http://epp.eurostat.ec.europa.eu/tgm/printTable.do?tab=table&plugin=1&language=en&pcode=cdb10000&printPreview=true>

⁵ http://www.ks-gov.net/ESK/esk/pdf/english/general/kosovo_figures_06.pdf

⁶ <http://circa.europa.eu/irc/dsis/nfaccount/info/data/ESA95/ESA95-new.htm>

⁷ Lars-Hendrik Röller & Leonard Waverman (2001) “Telecommunications infrastructure and economic development: a simultaneous approach” *The American Economic Review* **91** (4) 909-923

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Country	2001	2002	2003	2004	2005	2006	2007 (estimate)
Montenegro	1,245	1,302	1,392	1,565	1,760
Serbia	13,186	16,811	18,007	19,723	21,113	25,499	27,029
Kosovo	1,624	1,735	1,797	1,895	2,207	2,273	2,378

Table A.4 - Gross domestic product (millions of Euros)⁸

Notes:

2007: Estimated on the basis of growth of 4.5%, 4.0%, 7.0%, 5.5%, 5.0%, 4.0%, 6.0% and 3.0% respectively.

In the period from 2000 to 2006 GDP growth in constant prices was considerably higher in most of the candidates and potential candidates than in the EU. The average growth in the EU-27 was 2.2%, less than half that achieved by Croatia. Other economies managed 5 or even 6 per cent. Figure 2 shows the GDP growth rates over recent years, compared to that of the EU-27. The data are incomplete, but give a clear sense of the patterns of growth.

⁸ Source: Table 5.1 in Eurostat Pocketbook on candidate and potential candidate countries 2008 edition. [KS-PF-08-001-EN-N](#).

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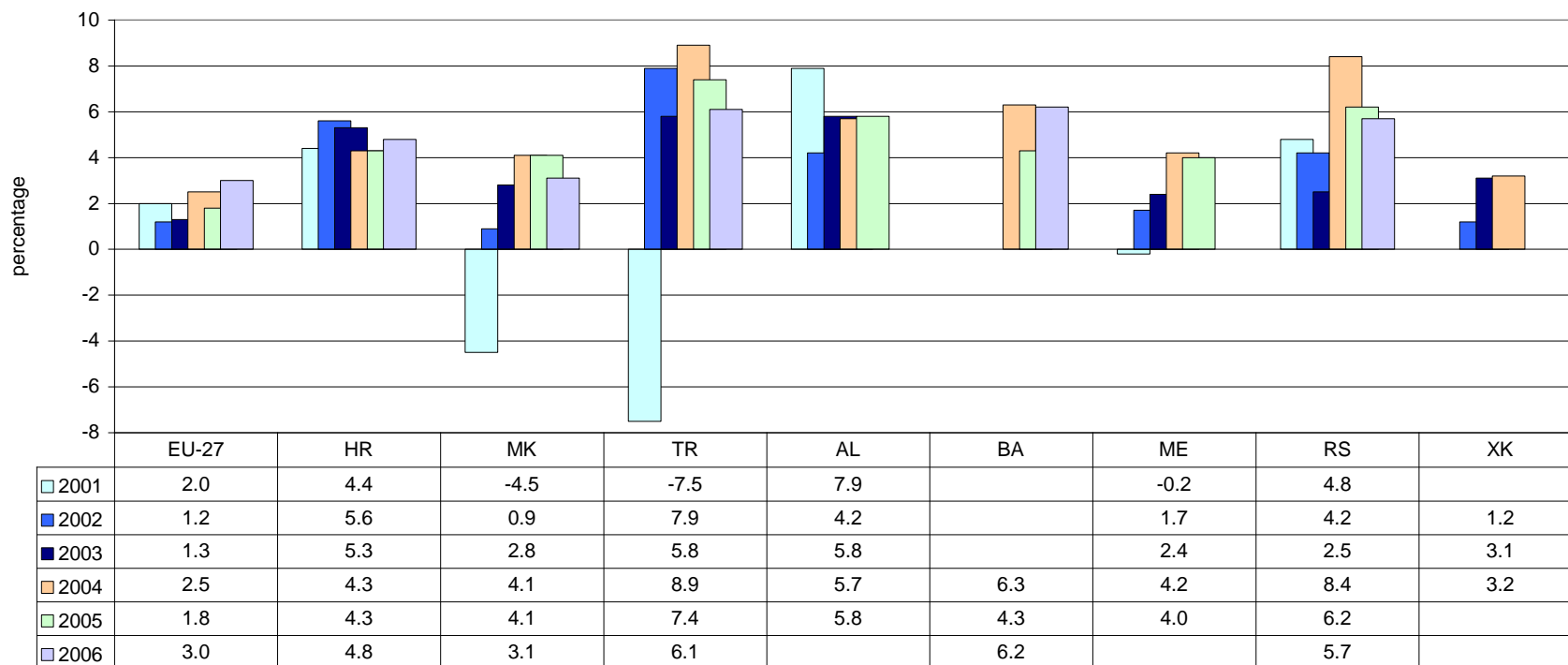


Figure 2 - GDP growth rates⁹

Comparing the GDP volume indices of South-East Europe with the existing member states, all are substantially below the average level of the EU-27 (see Figure 3). Some are around one quarter of that level and making only modest rates of improvement.

⁹ Source: Table 5.1 in Eurostat Pocketbook on candidate and potential candidate countries 2008 edition. [KS-PF-08-001-EN-N](#).

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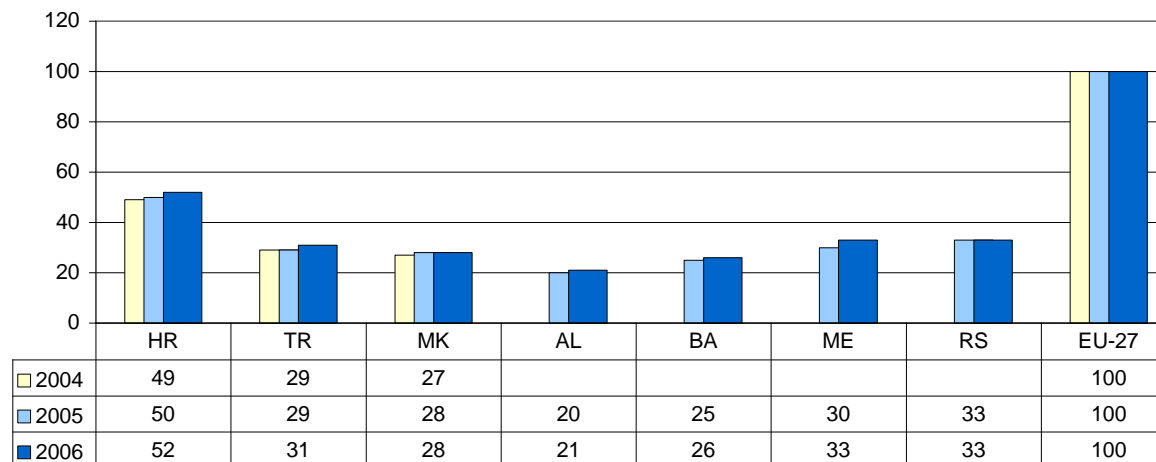


Figure 3 - Volume index of GDP¹⁰

There is a wide range of values for GDP per capita (see Figure 4). Croatia had the highest amongst the candidates and potential candidates at around one third of the EU-27 level. Turkey came next at around 57% of Croatia or 18% of the EU-27. Kosovo, not shown in the figure, had almost the lowest GDP per inhabitant of between €2,100 and €2,500, one-tenth of the EU-27 value.¹¹

¹⁰ Table 1 in Eurostat *Statistics in focus* 3/2008.

¹¹ Eurostat uses an IMF estimate for these numbers

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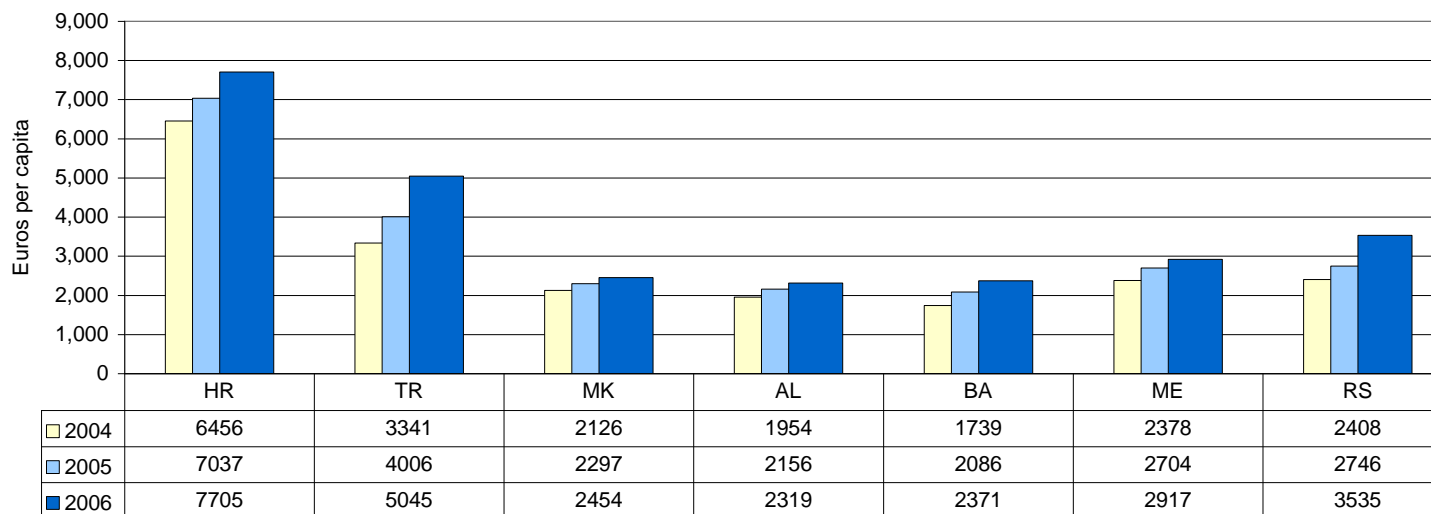


Figure 4 - GDP per capita¹²

The candidates and potential candidates all have significantly lower employment rates than the EU-27 (see Figure 5). Kosovo has consistently had the lowest level of employment, at less than half that of the EU-27, though it has shown some improvement. Part of the explanation for the low levels of employment is due to involvement with the ‘grey’ or ‘unofficial’ economy. This is expected to decline with the growth of the official economy and with the continuing fight against corruption.

¹² Taken from the previous CI report.

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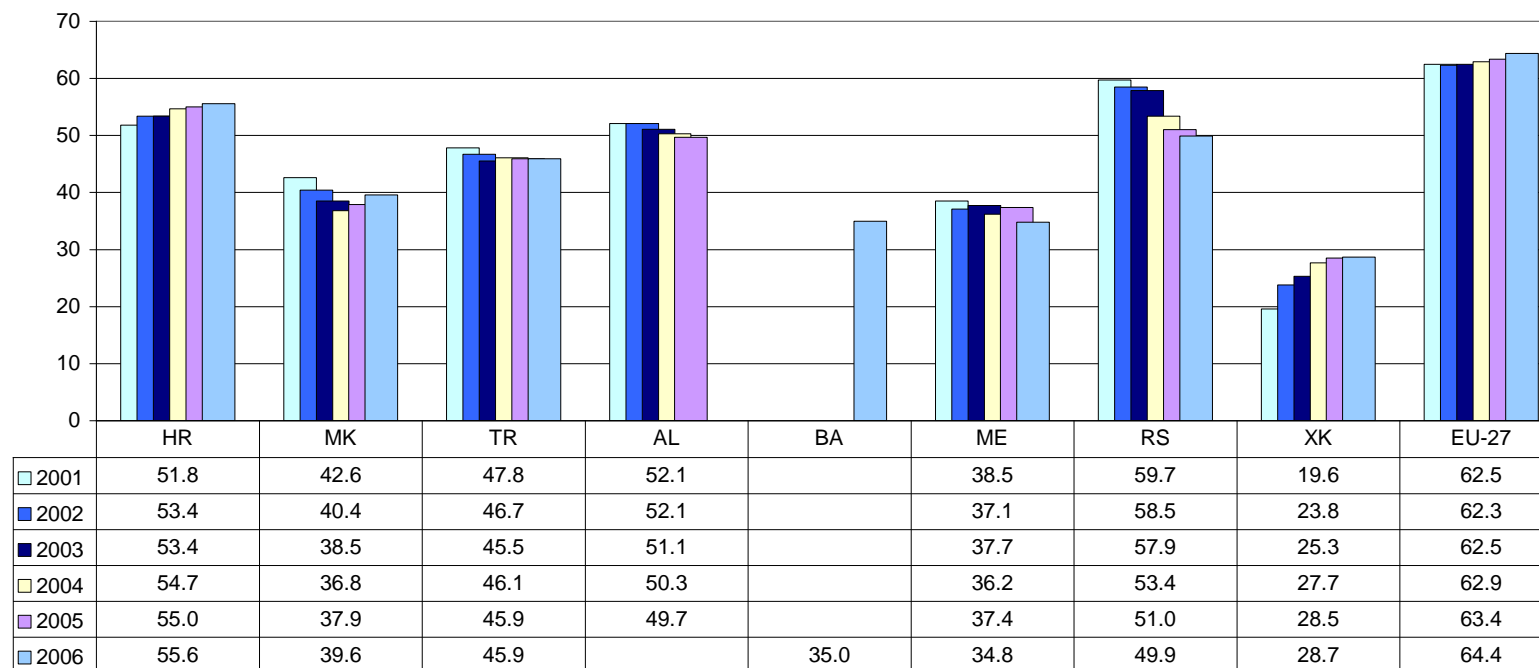


Figure 5 - Percentage of the population aged 15-64 in employment¹³

The unemployment rate in the EU-27 in 2006 was 7.9%. In the candidates and potential candidates, unemployment rates were relatively high, with values of 45% in Kosovo, 36% in FYROM and 31% in Bosnia & Herzegovina in 2006, while in Croatia and Turkey the rates were closer to the EU at 11% and 10% respectively. In the EU-27, the youth unemployment rate was more than double the general unemployment rate, while a range of similar multipliers, from 1.7 in FYROM and Kosovo to 2.6 in Croatia.

The Gini index is a measure of dispersion used to represent inequality of income distribution. A low Gini index indicates more equal income distribution, while a high index indicates more unequal distribution. 0 corresponds to perfect equality and 100 corresponds to perfect inequality. For the EU-15, Eurostat has reported relatively constant values of the Gini Index at around 29 and 30 over the first half of this decade, while for the ten new member states, the figure has risen from 29 to 32. There is only limited evaluation of the Gini index in South-East Europe, in part because of the complex

¹³ Source: Table 4.1 in Eurostat Pocketbook on candidate and potential candidate countries 2008 edition. [KS-PF-08-001-EN-N](#).

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processes involved. Eurostat reported Croatia in 2003 having 29, while Turkey had 46 and 45 in 2002 and 2003 respectively. The UNDP for 2007-08 reported data for five entities, confirming the high value for Turkey, but also suggesting a relatively high value for FYROM (see Table A.5). With the exception of Turkey, the literacy rates are quite high.

Country	Gini Index	Adult literacy rate
Croatia	29.0	98.1
FYROM	39.0	96.1
Turkey	43.6	87.4
Albania	31.1	98.7
Bosnia & Herzegovina	26.2	96.7
Montenegro	...	...
Serbia	...	...
Kosovo	30.0	94.3

Table A.5 - Gini and literacy rates¹⁴

The price levels of consumer electronic goods within Europe are very closely grouped, with the index numbers for 27 of 37 countries in the range 90 to 110, reflecting their easy tradability across borders. South-East Europe is mostly within the same range, though Montenegro has a significantly lower price level (see Figure 6).

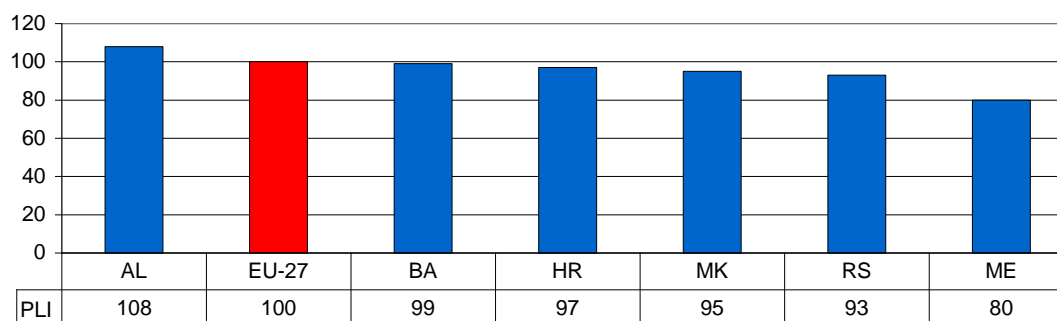


Figure 6 - Price level index for consumer electronic goods (2007)¹⁵

¹⁴ <http://hdrstats.undp.org/indicators/147.html>

However, the price level indices in 2006 for communications show much greater variation than for goods (see Figure 7). The countries of the Western Balkans show some substantially lower prices than the EU-27 average.



Figure 7 - Price level index for communications (2006)¹⁶

Cultural and economic factors lead to considerable variations in household spending patterns (see

Figure 8). Communications (the topmost segment) account for anywhere from 2.3% of household spending in Kosovo to 5.7% in Montenegro. For comparison, in the EU-27 communications represent 2.8% of an average household spending.

¹⁵ Eurostat *Statistics in focus* 63/2008.

¹⁶ Eurostat *Statistics in focus* 36/2008.

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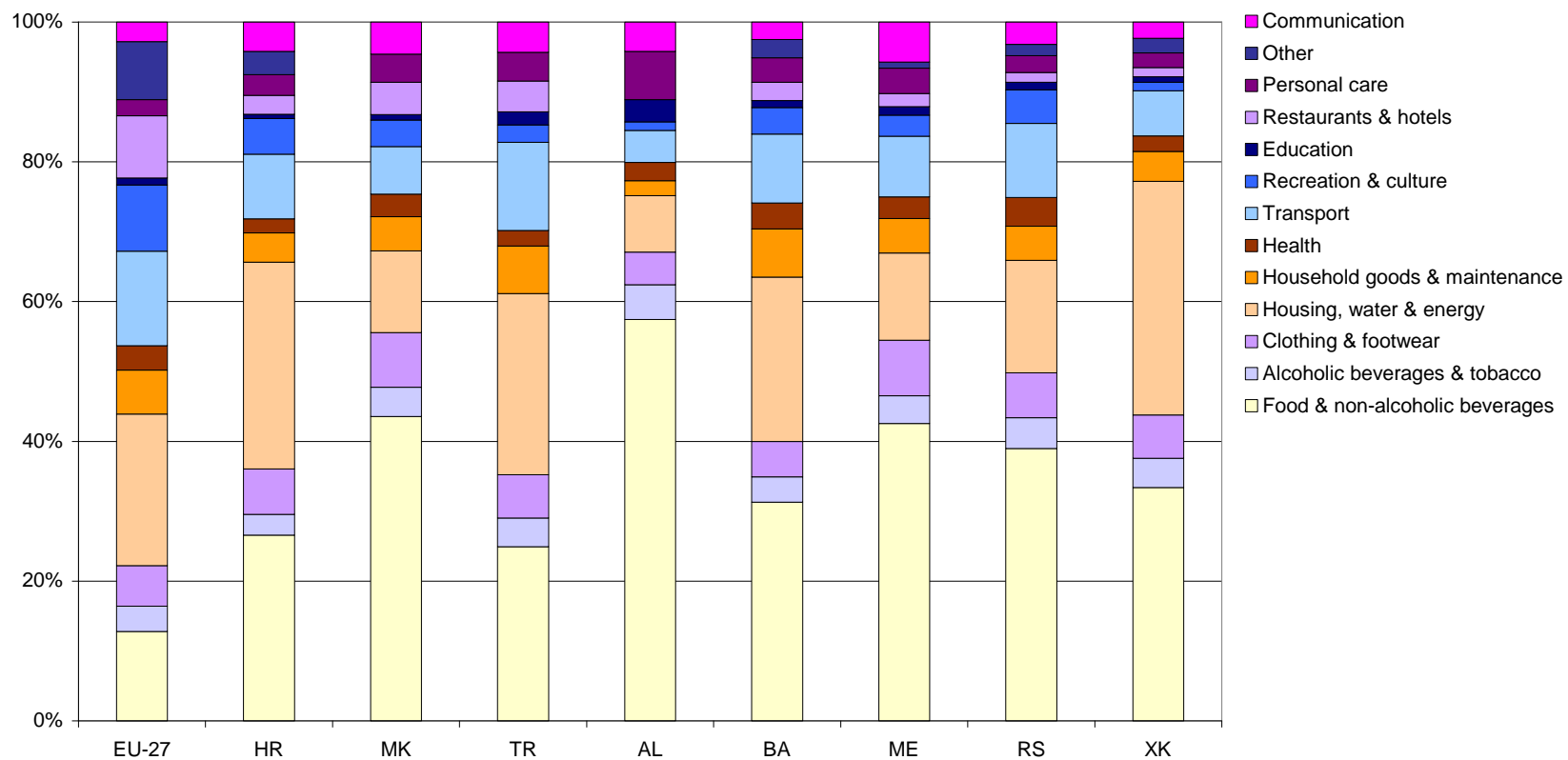


Figure 8 - Breakdown of household expenditure (2006)¹⁷

¹⁷ Table 3.3 of Eurostat Pocketbook on candidate and potential candidate countries 2008 edition. [KS-PF-08-001-EN-N](#).

2. Electronic communications market value

The total value of the electronic communications market is estimated at €15.8 billion in 2007, a substantial increase from the previous year (see Table A.6). The strong growth of mobile and Internet services over recent years have continued and seem likely to do so into the future.

	2006	2007	2006-07 growth
Fixed voice telephony	5,063,455,024	5,394,233,619	6.53%
Internet services	686,811,535	963,492,108	40.28%
Mobile telecommunications	6,986,614,747	9,001,313,454	28.84%
Data communications	377,447,015	394,970,576	4.64%
Cable TV (excl. Internet)	91,440,462	90,819,534	-0.68%
Total	13,205,768,783	15,844,829,291	19.98%

Table A.6 - Total electronic communications markets revenues (Euro)

The greatest share of the market is represented by mobile telecommunications (see Figure 9). The next largest part is fixed voice, with much smaller shares for the Internet, data communications and cable television.

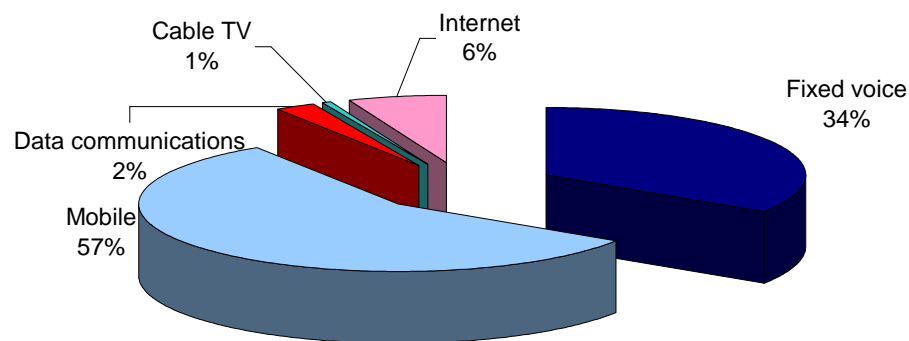


Figure 9 - Electronic communications market in 2007

Electronic communications represents quite different proportions of the various economies (see Figure 10). While this reflects different levels and patterns of spending and of production and supply within an economy it may also be affected by the accuracy of the measurement of the GDP.

The high values for Montenegro may indicate underestimation of the GDP though it does match the high household spending on communications (see

Figure 8).

Taking the individual GDPs from Table A.4 gives a total of €430 billion, which at €15.8 billion for electronic communications gives an average value of 3.7%. This is heavily weighted by the lower Turkish value, excluding which the average is 5.2%.

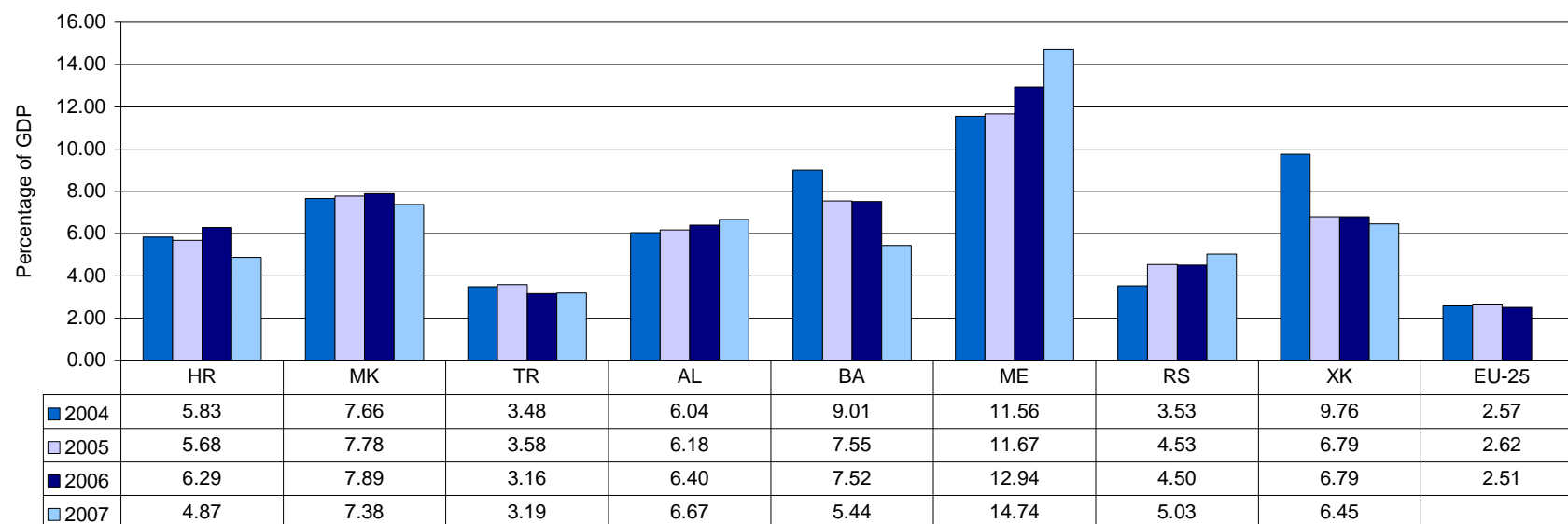


Figure 10 - Electronic communications as a percentage of GDP

Breaking down the markets by economies and sectors, the patterns are inevitably dominated by the size of the Turkish markets (see Figure 11). To remove the effect of the different sizes, the same data are presented as percentages in Figure 12.

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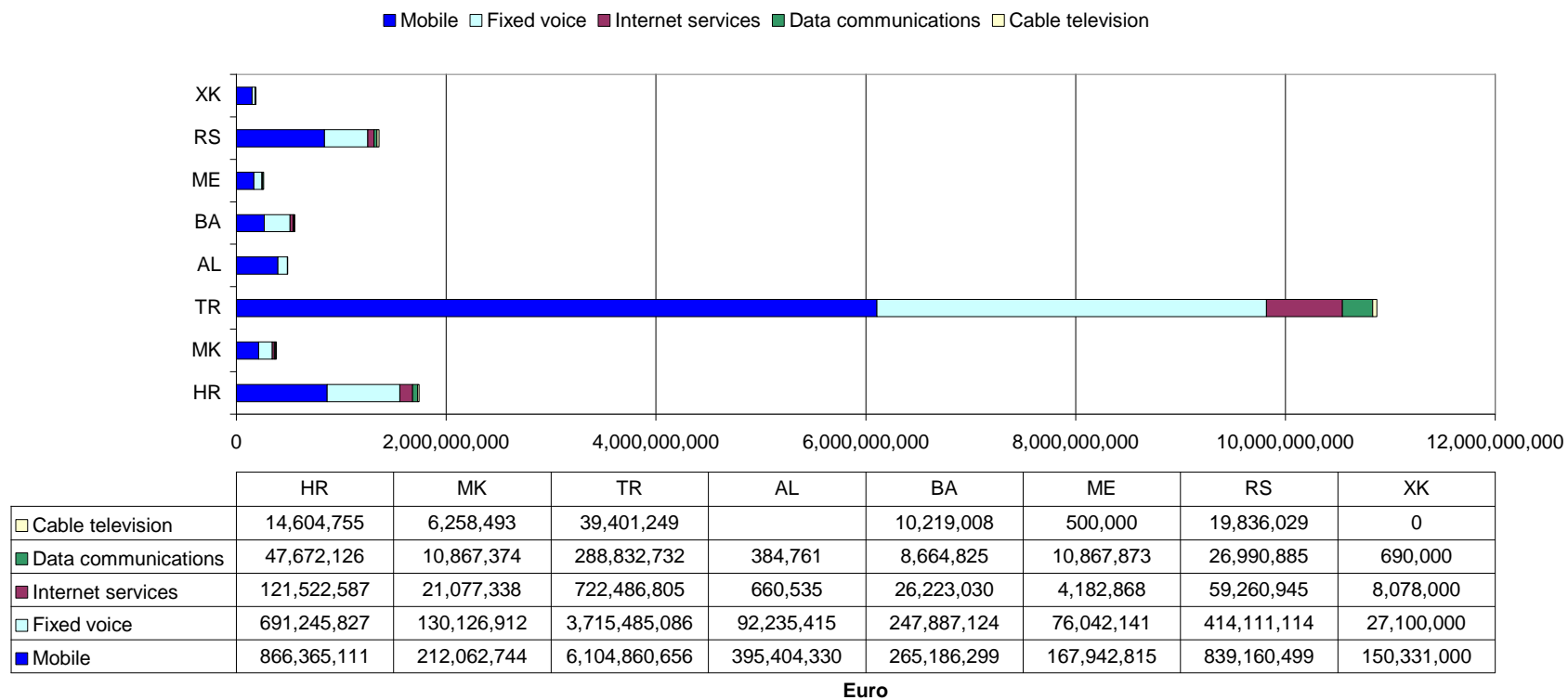


Figure 11 - Telecommunication markets in 2007

Note:

Albania:

No revenue data reported for cable TV services.

Montenegro:

Actual revenue data for 2007 are not available. The stated figures are estimated by Cullen International.

Kosovo:

No revenue data reported for cable TV services.

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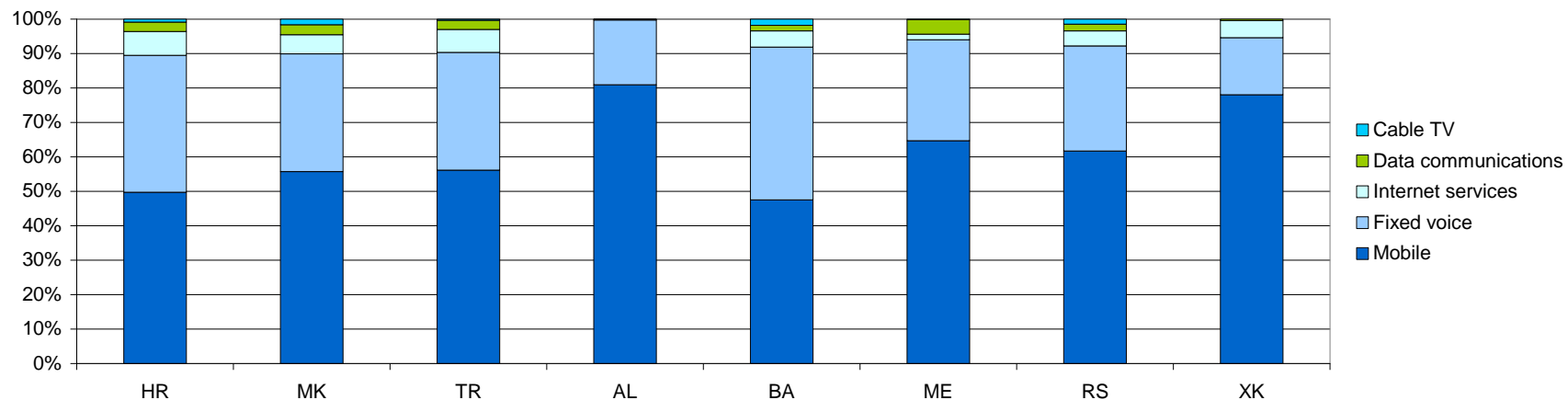


Figure 12 – Composition of telecommunications markets in 2007

Looking at the same data calculated as per capita revenues (see Figure 13), gives yet another view of the markets. Turkey drops down to an average level, while it is Croatia that shows the much larger size of market per capita. Again, it is Kosovo that has the lowest value.

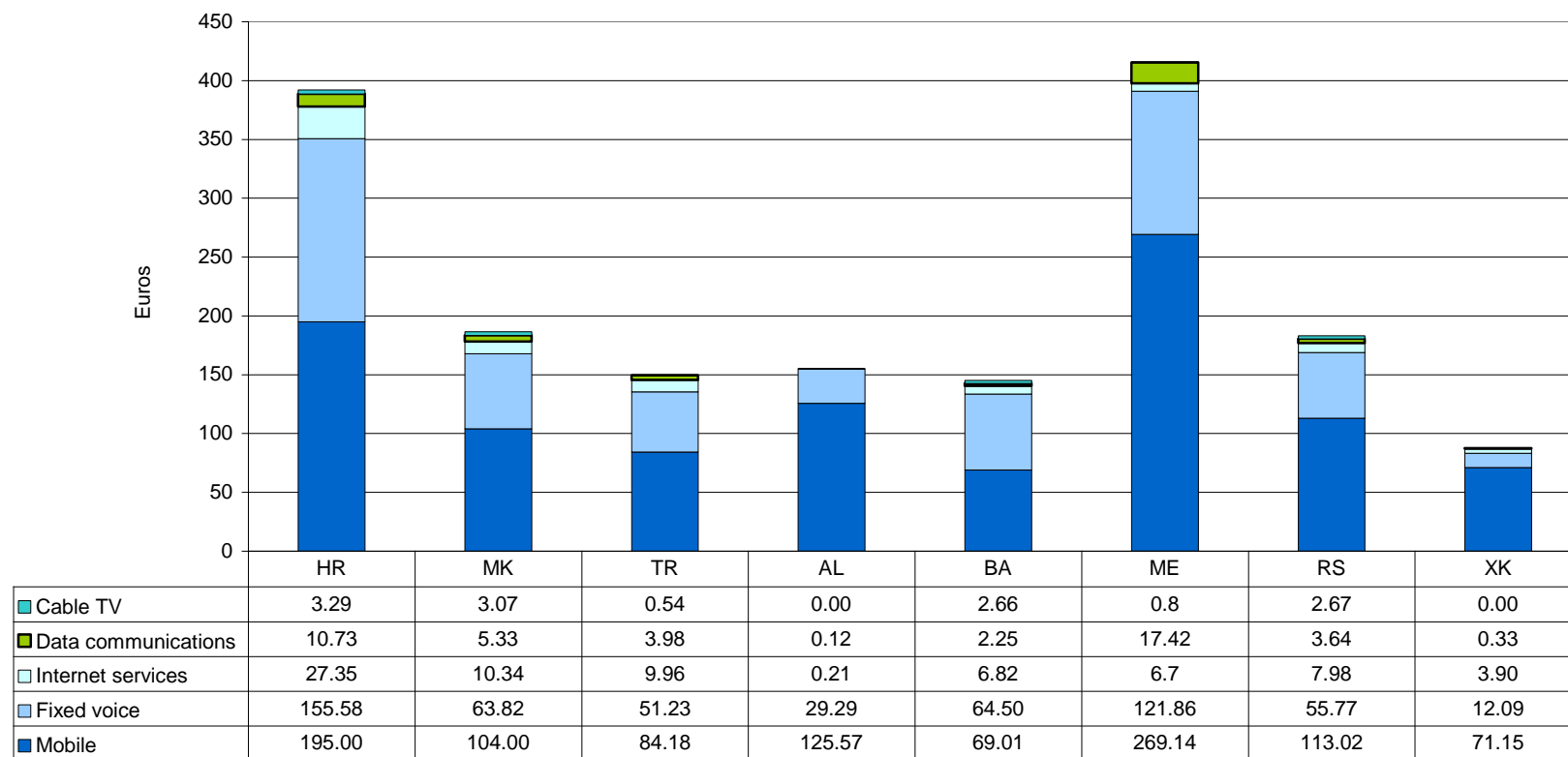


Figure 13 - Revenues per capita by sector

3. Fixed telephony market

a) Fixed network penetration and digitalisation rate

The numbers of active subscriber fixed lines are given in Table A.7, by technology and by type of customer. These are shown as penetration rates, i.e., as lines per 100 population, in Figure 14. Several fixed networks have shown declines in penetration rate as customers express a preference for GSM, which is more personal and offers more flexible use and payment schemes. There are considerable differences in the levels of penetration of the fixed network, with Albania and Kosovo at relatively low levels, while Croatia and Serbia have higher levels, but still substantially below the EU-27 average and well below those of the EU-15.

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Country	Total number of fixed lines	By technology		By user category	
		PSTN	ISDN	Residential	Business
Croatia	1,667,100	1,551,500	115,600	1,467,000	200,100
FYROM	463,597	441,249	15,703	407,453	49,499
Turkey	18,216,271	18,201,006	15,265	18,029,185	187,086
Albania	291,146	290,298	848	265,570	25,576
Bosnia & Herzegovina	1,024,942	993,544	30,741	877,366	146,919
Montenegro	176,289	157,393	18,896	154,059	22,230
Serbia	2,993,403	2,552,615	78,905	2,528,537	326,013
Kosovo	91,000	-	-	91,000	-
Total	24,923,748	24,187,605	275,958	23,820,170	957,423

Table A.7 - Fixed network lines by technology and by user category in 2007

Notes:

ISDN: ISDN is offered in two forms: Basic Rate Access (BRA) and Primary Rate Access (PRA). BRA lines allow two telephone numbers and two simultaneous calls, being used by households and smaller organisations. PRA lines enable 32 simultaneous calls and are normally used for larger organisations. The number of ISDN lines is weighted for BRA and PRA.

FYROM: The total includes 6,645 other lines representing public payphones, internal and test lines of the incumbent operator.

Montenegro: The number of ISDN subscriptions at the end of 2007 was 7,278. On December 31, 2007 the number of ISDN-BA lines was 7,123 and number of ISDN-PRA lines was 155. Thus, the total number of ISDN channels was $(2 \times 7,123) + (30 \times 155) = 18,896$.

Serbia: Fixed lines are given as "main lines".

Kosovo: Ipko, an alternative fixed network operator, was due to start its fixed telephony service in 2008, with only a few pilot projects in place during 2007.

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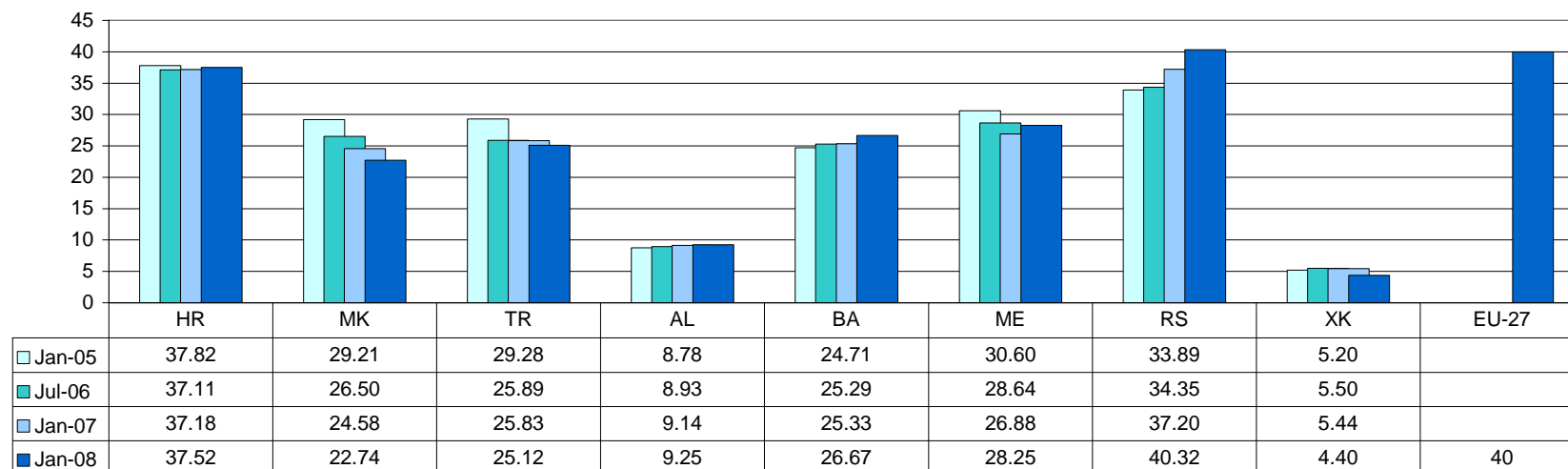


Figure 14 - Fixed lines per 100 population

The process of converting analogue networks to digital has been relatively slow, but should be completed within the period of the present monitoring project. Table A.8 shows the levels in 2006 and 2007. Croatia, Montenegro and FYROM have had fully digital networks since the start of the previous monitoring project in 2005. They were joined by Kosovo during that project, which had to rebuild its network and in doing so achieved full digitalisation. Turkey and Bosnia & Herzegovina have almost reached the target. Serbia, which had less than 70 per cent in 2005, has made significant progress and should reach 100 per cent by 2010.

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Country	2006	2007
Croatia	100.0	100.0
FYROM	100.0	100.0
Turkey	98.3	99.0
Albania	98.0	98.4
Bosnia & Herzegovina	98.4	99.0
Montenegro	100.0	100.0
Serbia	88.6	93.3
Kosovo	49.0	100.0

Table A.8 - Fixed network digitalisation rate (%)

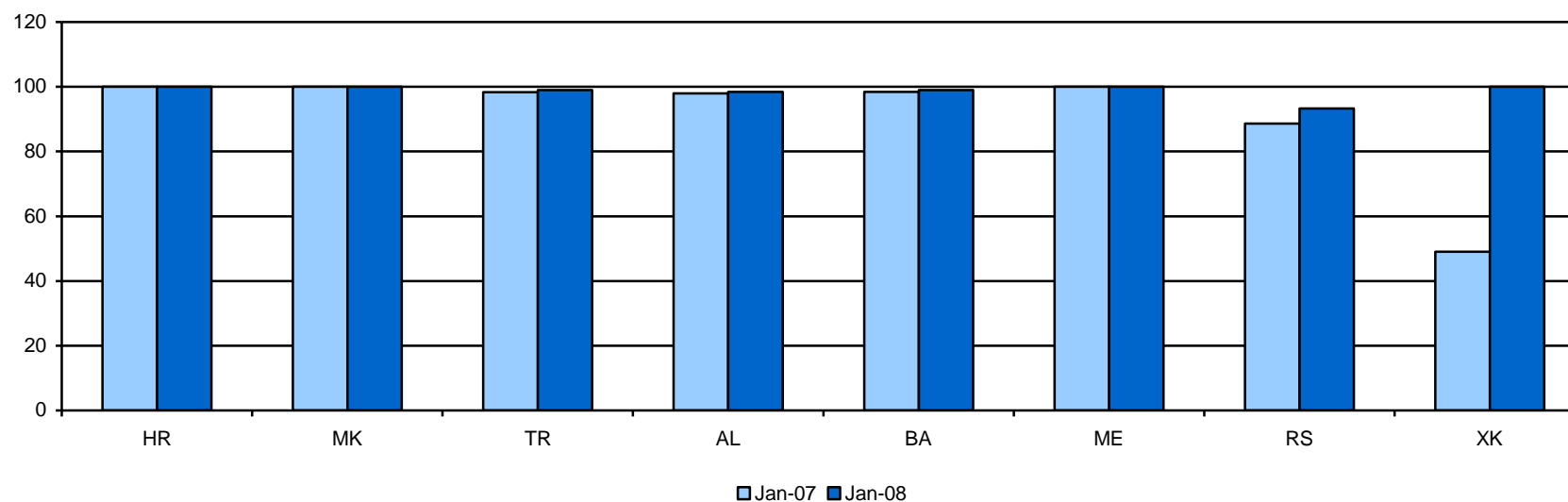


Figure 15 - Fixed network digitalisation rate (%)

Party or group lines serve two or more subscribers and remain a significant factor in the region (see Table A.9). These lines are a potential barrier to any intensive use of the telephone service, such as dial-up Internet access and value added services. They are also an obstacle to local loop unbundling and thus to broadband Internet access. Croatia, FYROM, Kosovo and Turkey now have no party lines. However, small but significant percentages are still found in Montenegro, Bosnia & Herzegovina and Albania. Serbia has much the highest level of party lines and will take some time to replace these.

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Country	Multiple party lines	
	Total number	As percentage of total fixed lines
Croatia	0	0.0
FYROM	0	0.0
Turkey	0	0.0
Albania	12,600	4.8
Bosnia & Herzegovina	41,002	4.0
Montenegro	3,244	1.8
Serbia	223,030	7.4
Kosovo	0	0.0

Table A.9 - Multiple party lines

b) Competition

The development of competition in fixed networks and services in each country has been determined by individual liberalisation processes. In some cases, it has been gradual, with local and domestic long distance services being opened to competition at different times. Consequently, it is necessary to consider separately the local and the national operators (see Table A.10). Public network operators are defined as those installing, managing and operating a telecommunications transmission network to provide public telephony services or public network services.

Albania and Turkey are examples where competition at the local and the national level was not introduced at the same time. In Albania, rural local networks and services were liberalised before national services. Currently there are 60 local or regional operators, but only the incumbent operator provides services nationally. In Turkey, on the other hand, national networks were liberalised before local. Therefore, there are 32 operators providing long distance services, but local services are only provided by the incumbent.

Country	Local/regional public network operators		National public network operators	
	Authorised operators	Operators active in the market	Authorised operators	Operators active in the market
Croatia	15	10	15	10
FYROM	35	1	8	6
Turkey	1	1	1	1
Albania	60	60	1	1
Bosnia & Herzegovina	64	64	15	15
Montenegro	2	2	2	2
Serbia	1	1	1	1
Kosovo	2	1	2	1

Table A.10 - Competition in fixed telephony - public network operators

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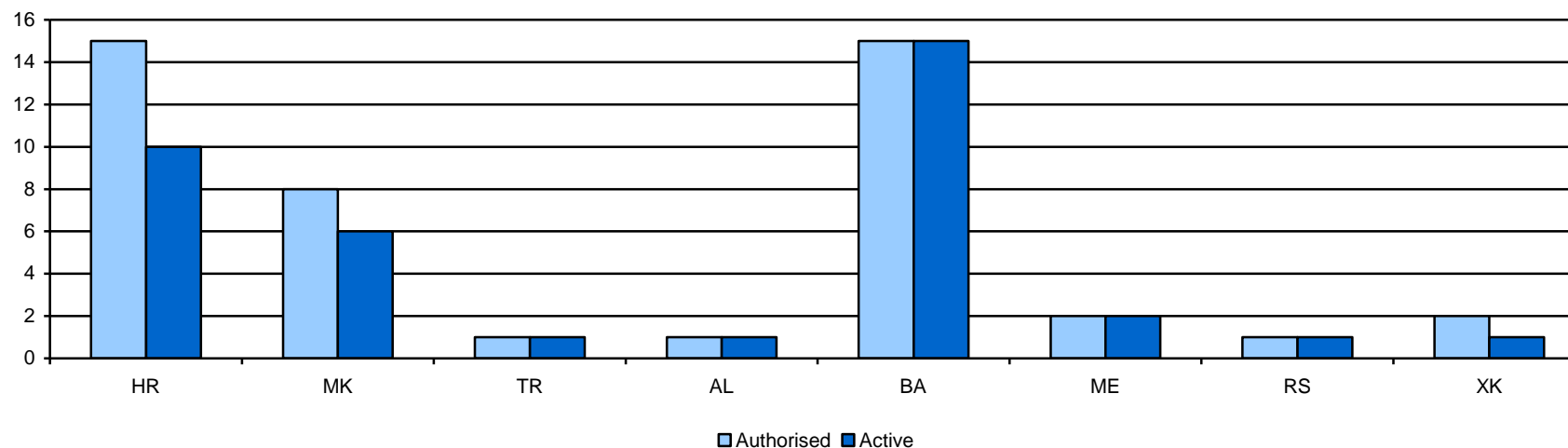


Figure 16 – National public fixed network operators

Notes:

Croatia: As at March 31, 2008.

FYROM: As at December 31, 2007.

Turkey: Only Türk Telekomünikasyon A.Ş. is authorised to provide these services. The only competitors are long distance operators using CS/CPS calls licensed under Type 2 licences (see Table A.11).

Montenegro: There are only two licensed fixed operators: T-Com Montenegro (formerly Telecom Montenegro), the incumbent, and M:Tel, a mobile operator that also provides fixed wireless access using WiMAX.

Serbia: Telekom Srbija is the only licensed fixed network operator on the market.

Kosovo: Ipko Telecommunications is the second authorised operator with a fixed telephony service due to commence commercial operations in 2008.

Country	Local/regional public fixed voice telephony providers		National public fixed voice telephony service providers	
	Total number of authorised service providers	Number of providers active in the market	Total number of authorised service providers	Number of providers active in the market
Croatia	52	40	52	40
FYROM	39	1	69	37
Turkey	1	1	32	32
Albania	60	6	1	1
Bosnia & Herzegovina	15	11	15	11
Montenegro	2	2	2	2

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Country	Local/regional public fixed voice telephony providers		National public fixed voice telephony service providers	
	Total number of authorised service providers	Number of providers active in the market	Total number of authorised service providers	Number of providers active in the market
Serbia	1	1	1	1
Kosovo	2	1	2	1

Table A.11 - Competition in fixed voice telephony – voice service providers

Notes:

Croatia: Status as of Q1 2008, includes licensed public fixed telephony network operators and authorised VoIP providers.

FYROM: Status as at December 31, 2007.

Bosnia & Herzegovina: There are three incumbent operators.

Montenegro: There are two licensed fixed operators: T-Com Montenegro (formerly Telecom Montenegro) the incumbent and M:Tel, a mobile operator that provides fixed wireless access using WiMax.

Serbia: Telekom Srbija is the only licensed fixed network operator.

Country	VoIP	Cable TV
Croatia	37	2
FYROM	29	...
Turkey	32	0
Albania	N/A	0
Bosnia & Herzegovina	8	-
Montenegro	8	1
Serbia	0	0
Kosovo	...	...

Table A.12 - Competition in fixed voice telephony - VoIP and Cable TV providers

Notes:

Croatia: As at Q1 2008.

FYROM: As at December 31, 2007.

Bosnia & Herzegovina: A fixed public telephone services can be deployed based on the principle of technology neutrality. All of the 8 licensed alternative voice telephony providers offer VoIP services.

Montenegro: PTT Inzenjering is the only cable television operator that provides VoIP services – it is included in the 8 licensed operators. The NRA granted 5 licences for VoIP in September 2007 and a further 3 in February 2008.

Table A.13 shows the proportion of fixed subscriber numbers allocated to incumbent and alternative operators. It is an important indicator of the state of competition in the fixed market, though it is not to suggest that all of the allocated numbers are in immediate use.

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Country	Fixed incumbent operator (%)	Alternative operators (%)
Croatia	91.7	8.3
FYROM	94.7	5.3
Turkey	100.0	0.0
Albania	57.7	42.3
Bosnia & Herzegovina	95.0	5.0
Montenegro	99.0	1.0
Serbia	100.0	0.0
Kosovo	95.4	4.6

Table A.13 - Competition in fixed telephony - numbers allocated by NRA

Figure 17 shows the trends over time of the numbers allocated to alternative providers.

The overall numbers given to alternative operators is still very small and in the cases of Turkey and Serbia no numbers has ever been allocated. By contrast, Albania has assigned almost half of its fixed numbers, indicating a very strong basis for competition.

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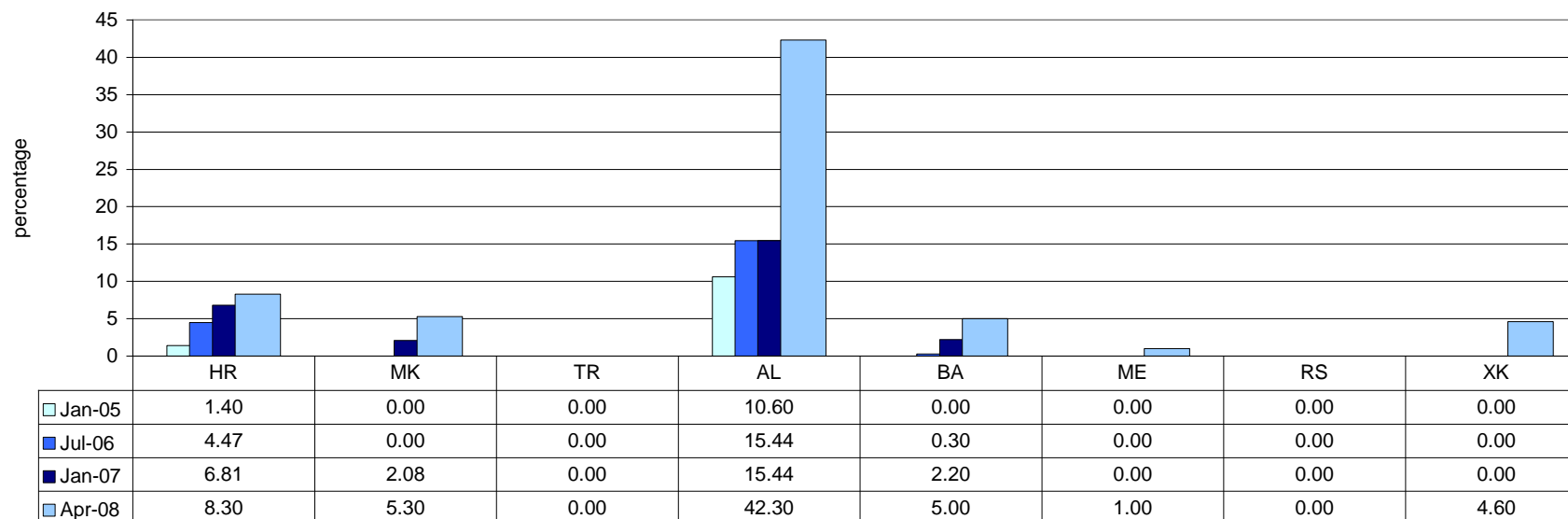


Figure 17 - Percentage of fixed numbers allocated to alternative operators

Market shares can be measured in many different ways, by numbers of lines, customers, minutes of traffic and revenues. Table A.14 show the market share of the respective incumbent operators by revenues and by minutes of traffic. It is given for both national calls and international calls, then as the overall figure, the sum of the two other markets.

The continued dominance of the incumbent operators is very clear in every case for which there are data. The high market shares for international traffic suggest that the basic measures to introduce competition, by opening international gateways have not been taken or have not been effective. Alternative operators using carrier selection or VoIP ought to be able to claim significant market shares with limited investment.

Country	Overall market share		National calls		International calls	
	By retail revenue	By minutes of traffic	By retail revenue	By minutes of traffic	By retail revenue	By minutes of traffic
Croatia	82.2	77.5	82.2	77.1	82.4	86.3
FYROM	99.8	99.9	100.0	100.0	97.6	99.4
Turkey	81.0	91.0	N/A	92.0	N/A	78.0
Albania	94.2	96.0	N/A	85.0	N/A	98.0

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Country	Overall market share		National calls		International calls	
	By retail revenue	By minutes of traffic	By retail revenue	By minutes of traffic	By retail revenue	By minutes of traffic
Bosnia & Herzegovina	99.0	99.0	100.0	100.0	98.0	98.0
Montenegro	N/A	99.0	N/A	N/A	N/A	N/A
Serbia	100.0	100.0	100.0	100.0	100.0	100.0
Kosovo	100.0	100.0	100.0	100.0	100.0	100.0

Table A.14 - Competition in fixed telephony - Incumbent operator's market share (%)

Notes:

Bosnia & Herzegovina: Four alternative operators began to provide fixed telephony services (mostly international calls) at the end of 2007.

Montenegro: The financial data for 2007 is not yet available, because annual reports of operators are not published until July 1 of the following fiscal year. Most of the operators had not yet adopted their annual reports at the time of data collection. The same is true for traffic data.

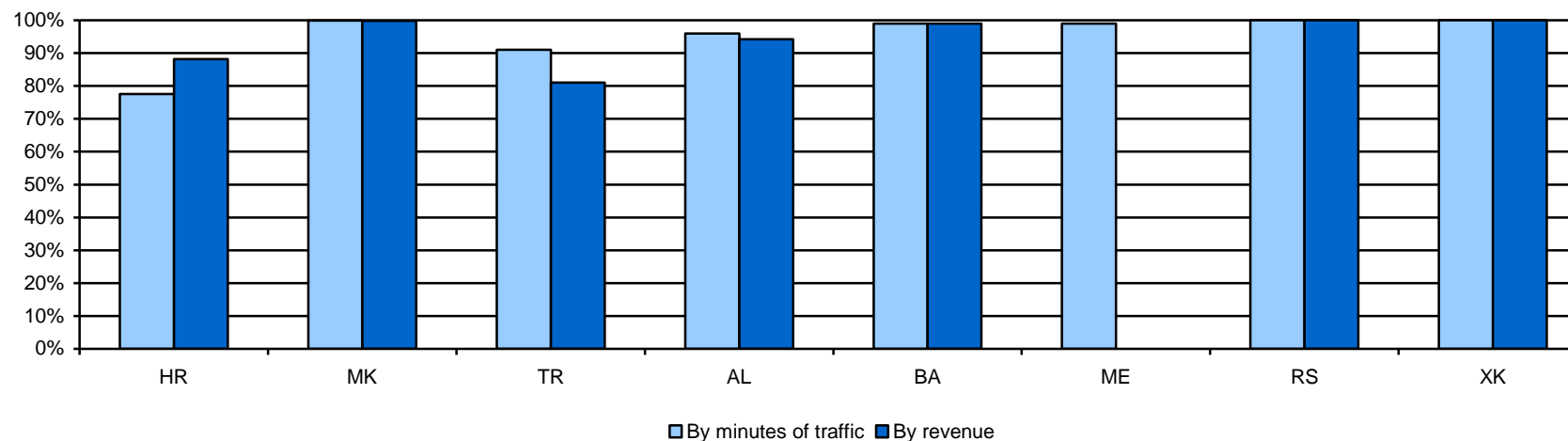


Figure 18 – Incumbent operators' market share in fixed telephony in 2007

Voice over Internet Protocol (VoIP) is now a well established service in the EU-27 and one frequently advertised in South-East Europe. Yet the market shares for operators using VoIP appear to be relatively small (see Table A.15). The differences between the columns reflect the unit prices, so that cheaper VoIP calls will show as a lower percentage of revenues than minutes of traffic. Unfortunately, there are no data for Bosnia and Herzegovina, Montenegro and Turkey.

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Country	By retail revenue	By minutes of traffic
Croatia	1.8	5.7
FYROM	0.357	12.3
Turkey	N/A	N/A
Albania	5.8	4.0
Bosnia & Herzegovina	N/A	N/A
Montenegro	N/A	N/A
Serbia	0.0	0.0
Kosovo	0.0	0.0

Table A.15 - Market share of VoIP operators (%)

Notes:

Croatia: Internet traffic is not included.

Turkey: Long distance service providers can provide VoIP services. There is no different licence type for VoIP services.

A cost-effective way for alternative carriers to take market share from incumbent operators is using carrier selection (CS) and carrier pre-selection (CPS). Table A.16 shows the levels of adoption of both, broken down by national and international call destinations.

Country	Subscribers using an alternative provider for voice telephony services through CS/CPS and/or direct access for national and international calls			Total fixed lines	Subscribers using an alternative provider as a percentage of total lines
	Total number of subscribers using an alternative provider	Subscribers using an alternative provider for national calls	Subscribers using an alternative provider for international calls		
Croatia	345,200	N/A	N/A	1,667,100	20.7%
FYROM	4,881	N/A	N/A	463,597	1.1%
Turkey	2,367,320	N/A	N/A	18,216,271	13.0%
Albania	...	...	...	291,146	...
Bosnia & Herzegovina	7,958	283	7,675	1,024,942	0.8%
Montenegro	1,707	1,707	1,707	176,289	1.0%
Serbia	...	...	...	2,993,403	0.0%
Kosovo	...	...	...	91,000	...

Table A.16 - Subscribers using alternative providers for voice telephony services

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Notes:

FYROM: The NRA asked for the total number of subscribers using carrier selection, without requiring that they be broken down by the destination of the call. In May 2008 a regulation was adopted introducing carrier selection for local calls.

Bosnia & Herzegovina: The reference date is February 2, 2008.

Montenegro: On December 31, 2007 alternative fixed operator M:Tel had 1,707 subscribers or 0.97% of total number of fixed subscribers.

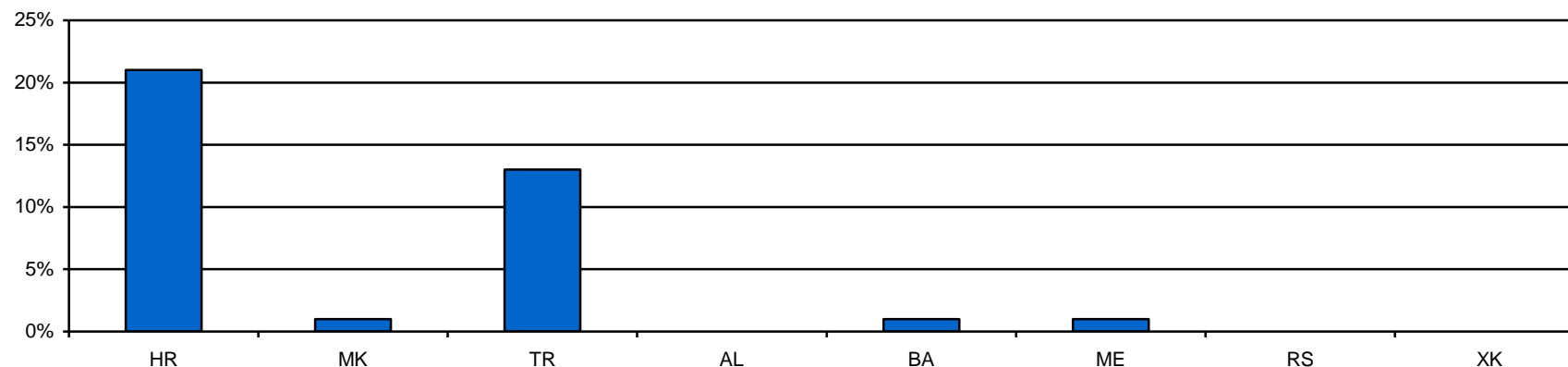


Figure 19 - Subscribers using alternative providers as percentage of total number of fixed lines

4. Mobile market

a) Mobile subscribers

At the end of 2007 there were 85 million subscribers of mobile services (see Table A.17). The rise in the levels of mobile penetration rates has been rapid and sometimes dramatic (see Figure 20). The most significant growth in the penetration rates in 2007 was observed in four countries where new operators entered the mobile market in 2007: Montenegro (by 65%), the FYROM (by 26%), Serbia (by 24%) and Kosovo (by 24%). Most of the entities will soon catch up with the EU-27 average and can be expected to exceed that level, joining Serbia and Montenegro.

However, these numbers are not to be taken to mean that everyone in South-East Europe has a mobile phone. There appear to be significant numbers of plastic roamers that is people with multiple SIM cards who switch to a local operator on moving between the entities or on moving into South-East Europe from the rest of the Europe. Some others may have multiple domestic SIM cards in order to exploit particularly attractive tariffs or to ensure network coverage.

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Country	Total number of active subscribers	Penetration rate (%)
Croatia	5,034,600	113.4
FYROM	1,946,716	96.2
Turkey	62,874,885	89.0
Albania	2,322,436	73.2
Bosnia & Herzegovina	2,450,425	63.8
Montenegro	1,045,981	168.7
Serbia	8,452,642	112.7
Kosovo	1,080,000	54.0

Table A.17 - Mobile subscribers

Notes:

Albania:

The definition of active subscribers is given for two mobile operators, based on the terms of use of recharging cards for pre-paid users. AMC: The ALBAKARTA service can be used for 12 months from activation. If the credit is used up before this period then a customer continues to receive calls for another 6 months.

Vodafone Albania: The subscriber can make as many phone calls as are allowed by the value of its credit, until 6 months after the activation of the SIM card. Airtime duration is for 6 months and cannot be transferred to another SIM card. If the credit of the SIM card has finished, the subscriber can still receive phone calls until 6 months from the card activation. If the SIM card credit has not been consumed within 6 months, the subscriber loses its right to use the remaining credit.

Montenegro:

As at January 1, 2008. Pre-paid card subscribers are dropped after 12 months of inactivity. The main tourist season is June to August when large numbers of pre-paid cards are sold. The penetration is calculated using the most recent official data on population: 620,145 at the end of 2003.

Serbia:

Telenor (formerly Mobi63) is for the territory of Serbia excluding the Kosovo and Metohia regions. Telekom Serbia includes a number of subscribers in the Kosovo and Metohia regions.

Kosovo:

Ipko has 250,000 mobile subscribers and Vala has 830,000 subscribers. Other unlicensed or "illegal" operators are not included.

Discrepancies also arise from different practices in defining an "active" pre-paid customer. For example, Telenor uses three months, while Vodafone uses thirteen months. In Bosnia & Herzegovina the periods are 90 days for BH Telecom and 9 months for m:tel, while in Kosovo they are one year for IPKO and four months for Vala. Promonte, in Montenegro, uses different periods depending on the tariff option, ranging from 90 days to almost one year.

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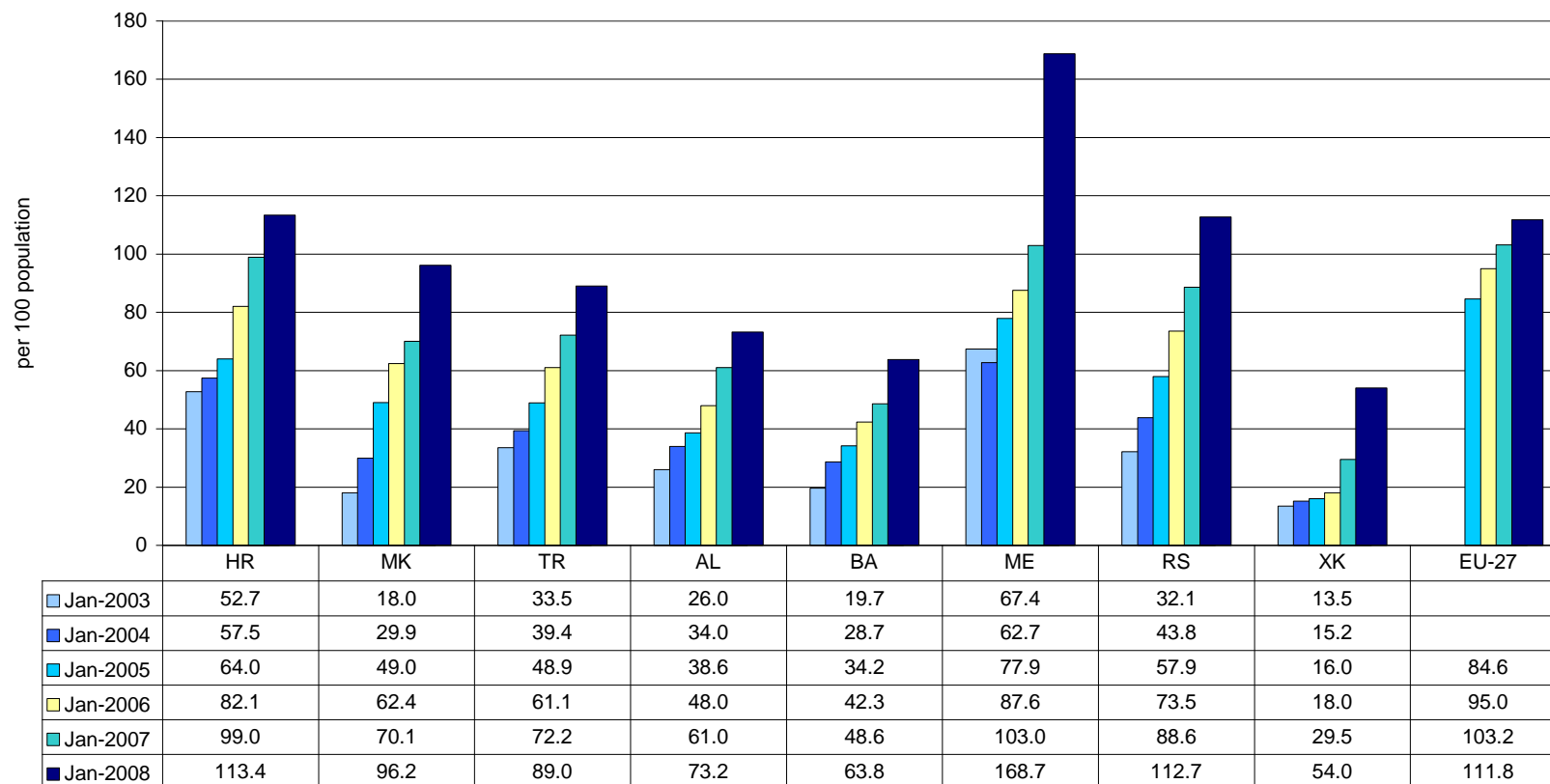


Figure 20 - The rise of mobile penetration

Note:

EU-27: The values are for October of the previous year, as reported in the annual EC implementation reports.

The great majority of customers use the prepaid service, rather than the subscription or postpaid service (see Table A.18). In Kosovo nearly all the customers are prepaid, with the second operator only recently launching a postpaid option. Albania has a slightly lower level at 94 percent.

The very high levels of pre-paid customers raises questions about the move to broadband and mobile value added services, where a different business model may be necessary.

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Country	Prepaid mobile subscribers (%)	Postpaid (monthly paid) mobile subscribers (%)
Croatia	75.96	24.04
FYROM	79.86	20.14
Turkey	79.90	20.09
Albania	93.84	6.16
Bosnia & Herzegovina	89.26	10.74
Montenegro	79.97	20.03
Serbia	80.00	20.00
Kosovo	98.46	1.54

Table A.18 - Mobile subscribers - prepaid and postpaid

Notes:

Croatia:

Information is for 2007.

Turkey:

50,237,153 prepaid mobile subscribers and 11,738,654 postpaid mobile subscribers.

Montenegro:

836,509 prepaid subscribers; 209,472 postpaid subscribers.

Kosovo:

PTK has 98% prepaid mobile subscribers and 2 % postpaid mobile subscribers. IPKO has 100% prepaid mobile subscribers. IPKO launched postpaid services on June 4, 2008.

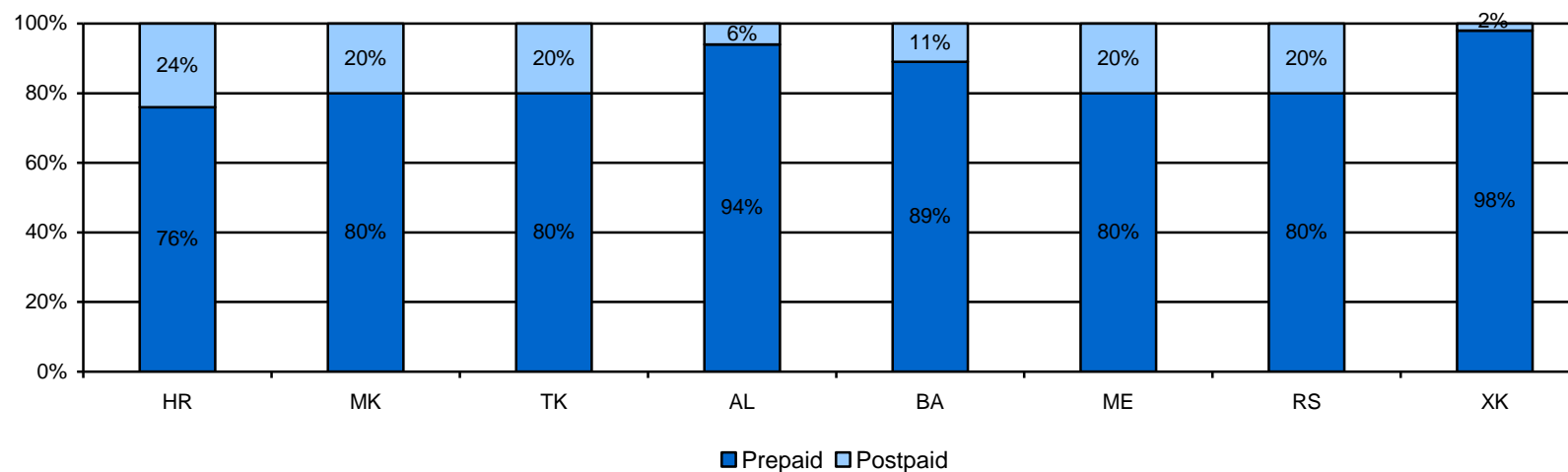


Figure 21 - Mobile subscribers - prepaid and postpaid

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b) Licensed mobile operators

With the exception of Kosovo, there are now three network operators licensed to serve each market (see Table A.19). In Serbia, FYROM and Montenegro the operators have also been assigned 1.9 and 2.1 GHz bands for use for 3G services. Turkey had attempted to license spectrum for 3G, but had generated little interest. Now that MNP will be available and with the Zain Group expressing an interest, a successful 3G auction should be possible, and the regulator announced plans to grant three 3G licences before the end of 2008.

Country	Operators licensed for provision of public mobile communications services				
	Operator	System/Technology	Spectrum (MHz)	Licence (date of issue)	Date of expiry
Croatia	T-Mobile Hrvatska	GSM	900 & 1800	September 16,1999	September 16, 2009
		UMTS	1900 & 2100	October 18, 2004	October 18, 2024
	VIPnet	GSM	900	July 1, 1999	July 1, 2009
		UMTS	1900 & 2100	October 18, 2004	October 18, 2024
	Tele2	GSM	1800	December 22, 2004	December 22, 2024
		UMTS	1900 & 2100	December 22, 2004	December 22, 2024
FYROM	T-Mobile (former Mobimak)	GSM	900	June 5, 2001	2018
	Cosmofon	GSM	900	November 22, 2001	2023
		UMTS	1900 & 2100	February 2008	2018
	VIP Operator (former Nov Operator)	GSM	900 & 1800	March 26, 2007	2017
Turkey	Turkcell Communications Services	GSM	900	April 27, 1998	2023
	Vodafone Communications Services	GSM	900	April 27, 1998	2023
	Avea Communications Services	GSM	1800	January 11, 2001	2026
Albania	Albanian Mobile Communications	GSM	900 & 1800	August 19,1999	2014
	Vodafone Albania	GSM	900 & 1800	June 9, 2001	2016
	Eagle Mobile	GSM	900 & 1800	March 1, 2004	2019
Bosnia & Herzegovina	BH Telecom (BH Mobile)	GSM	900 & 1800	October 12, 2004	2019
	Telekom Srpske (M:Tel)	GSM	900 & 1800	October 12, 2004	2019
	HT Mostar (HT Eronet)	GSM	900 &1800	October 12, 2004	2019
Montenegro	T-Mobile Montenegro	GSM	900 & 1800	January 1, 2002	2017
		UMTS	1900 & 2100	April 11, 2007	2022
	M:Tel	GSM	900 & 1800	April 21, 2007	2022
		UMTS	1900 & 2100	April 21, 2007	2022
	ProMonte	GSM	900 & 1800	January 1, 2002	2017
		UMTS	1900 & 2100	April 13, 2007	2022

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Country	Operators licensed for provision of public mobile communications services				
	Operator	System/Technology	Spectrum (MHz)	Licence (date of issue)	Date of expiry
Serbia	MTS – Mobilna Telefonija Srbije	GSM, UMTS	900 & 1800, 1900 & 2100	July 28, 2006	July 28, 2016
	Telenor	GSM, UMTS	900 & 1800, 1900 & 2100	August 31, 2006	August 31, 2016
	VIP	GSM, UMTS	900 & 1800, 1900 & 2100	December 1, 2007	December 1, 2017
Kosovo	Vala	GSM	900	July 30, 2004	2019
	IPKO	GSM	900 & 1800	March 6, 2007	2022

Table A.19 - Licensed mobile operators

Notes:

Albania: Eagle Mobile is currently using only 900 MHz but has the right to use 1800 MHz which it is expected to do during the course of 2008.

Croatia: <http://www.telekom.hr/Default.aspx?sec=22>

Serbia: All three operators can automatically extend the period of the validity of the licences for additional 10 years.

c) Market shares of mobile operators, by revenue and by subscribers

Measuring market shares for mobile networks is more difficult than for fixed, given the problems with accurate and comparable customer numbers. Table A.20 shows the various market shares, based on subscriber numbers and on revenues. There are considerable variations between the two columns, reflecting different types of customers, for example, high spending business customers and the rural poor. Operators later in entering the market struggle to get a proportionate share of higher spending customers.

Country	Operator	Mobile operators' market shares (%)	
		Based on subscribers	Based on revenues
Croatia	T-Mobile Hrvatska	43.37	51.98
	VIPnet	43.29	42.81
	Tele2	9.34	5.21
FYROM	T-mobile	62.29	72.09
	Cosmofon	30.46	27.20
	VIP	7.25	0.69
Turkey	Turkcell Communications Services	57.00	65.00
	Vodafone Communications Services	27.00	21.00
	Avea Communications Services	16.00	14.00
Albania	Albanian Mobile Communications	51.46	51.70
	Vodafone Albania	48.54	48.30
	Eagle Mobile	N/A	N/A

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Country	Operator	Mobile operators' market shares (%)	
		Based on subscribers	Based on revenues
Bosnia & Herzegovina	BH Telecom (BH Mobile)	43.64	45.74
	Telekom Srpske (M:tel)	35.92	33.57
	HT Mostar (HT Eronet)	20.44	20.69
Montenegro	T-Mobile Montenegro	33.81	38.03
	M:Tel	24.90	5.36
	ProMonte	41.30	56.61
Serbia	MTS – Mobilna Telefonija Srbije	59.39	55.24
	Telenor	34.58	43.07
	VIP mobile	6.03	1.69
Kosovo	Vala	76.85	99.39
	Ipko	23.15	0.61

Table A.20 - Market shares of mobile operators

Notes:

Albania: Eagle Mobile launched its service on March 13, 2008 so that its market share was very small. The latest number of users was about 1,000, compared to 2.3 million mobile users of the other networks in Albania.

Montenegro: On December 31, 2007 the number of mobile subscribers (pre-paid and post-paid) was: 353,606 for T-Mobile, 260,403 for M-Tel and 431,972 for ProMonte. The financial data for 2007 had not been available at the time of data collection, revenue based market shares estimated by Cullen International.

The level of concentration of a market can be measured in a number of different ways. The Herfindahl-Hirschmann Index (HHI), the sum of the squares of the market shares, is commonly used in assessing concentration in competition law. In any mobile market the value of the HHI will depend on the number of players licensed and operational, thereafter the value reflects to the degree of concentration or market power. In a market with three players with equal market shares the HHI would be $33.33^2 + 33.33^2 + 33.33^2 = 3333$, which is the lowest value possible for all the entities, except Kosovo where the lowest value possible would be 5000.

Figure 22 shows the HHIs for SE Europe using the operator revenues, where these are available. Only Bosnia comes close to an even distribution of market shares, with some of the other values relatively high. If, in the medium term, the HHIs do not decline, it would suggest the need to consider measures to increase competition.

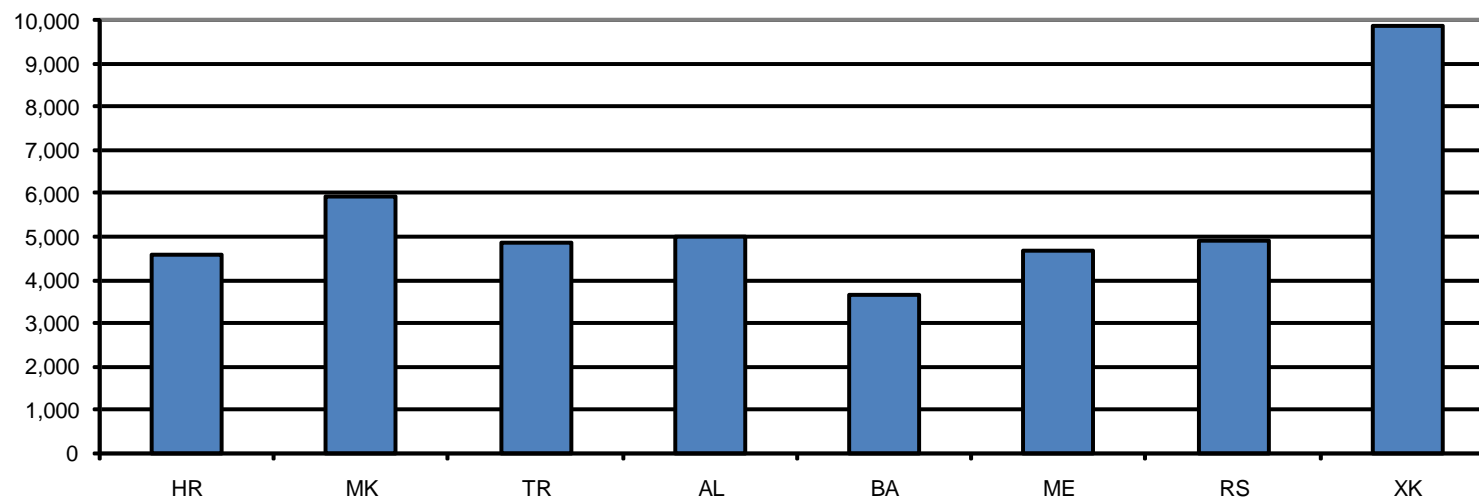


Figure 22 - Mobile market concentration levels

Table A.21 shows the fees and charges for the 3G/UMTS mobile network licences (that have been granted in Croatia, FYROM, Montenegro and Serbia), usually some sort of one-off fee, usually decided by auction, and annual fees, typically set as percentages of revenues.

Country	Licensees	One-off fees	Annual fees	Deadline for service launch	Coverage and roll-out obligations																	
Croatia	October 2004: <ul style="list-style-type: none"> T- Mobile Hrvatska VIPnet 	HRK 132m (€18m)	Spectrum fee of HRK 5m (€688,900) for 5 MHz frequency block 1% revenue from UMTS service	June 2005	<ul style="list-style-type: none"> 25% of population within two years 50% of population within five years 																	
	December 2004: Tele2	HRK 172m (€24m) for a combined 2G/3G concession	Spectrum fee of HRK 5m (€688,900) for 5 MHz frequency block 1% revenue from UMTS service	August 2005	<table border="1"> <thead> <tr> <th>year</th> <th>population</th> <th>territory</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>14%</td> <td>1%</td> </tr> <tr> <td>2</td> <td>33%</td> <td>7%</td> </tr> <tr> <td>3</td> <td>50%</td> <td>19%</td> </tr> <tr> <td>4</td> <td>65%</td> <td>36%</td> </tr> <tr> <td>5</td> <td>71%</td> <td>51%</td> </tr> </tbody> </table>	year	population	territory	1	14%	1%	2	33%	7%	3	50%	19%	4	65%	36%	5	71%
year	population	territory																				
1	14%	1%																				
2	33%	7%																				
3	50%	19%																				
4	65%	36%																				
5	71%	51%																				

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Country	Licensees	One-off fees	Annual fees	Deadline for service launch	Coverage and roll-out obligations
FYROM	February 11, 2008: Cosmofon	€10,050,000	€21,000 per 1 MHz	August 2008	<ul style="list-style-type: none"> 50% of population within one year 80% of population within three years
Turkey	No UMTS licences	-	-	-	-
Albania	No UMTS licences	-	-	-	-
Bosnia & Herzegovina	No UMTS licences	-	-	-	-
Montenegro	April 13, 2007: Promonte	€4.01m (offered in public tender procedure)	1% of annual revenue	July 1, 2007	By the end of each successive year: 40.0%, 60.0%, 75.0%, 87.0% and 97.0% of the population.
	April 11, 2007: T-Mobile Montenegro	€2.4m (offered in public tender procedure)	1% of annual revenue	November 1, 2007	By the end of each successive year: 11.0%, 20.0%, 28.0%, 37.0%, 53.0% of the population.
	April 21, 2007: M-Tel	€16m for combined GSM 900/1800 and UMTS licence (offered in public tender procedure)	1% of annual revenue	July 1, 2007	GSM - by the end of each successive year: 95.9%, 98.8%, 99.2%, 99.4% and 99.5% of the population. UMTS - by the end of each successive year: 75.2%, 80.5%, 83.9%, 86.3% and 89.1% of the population.
Serbia	July 2006: <ul style="list-style-type: none"> MTS 	MTS: €0 (replacement of the previously issued licence)	<ul style="list-style-type: none"> RSD 80m (€1m) for 2007 0.9% of annual revenue thereafter 	January 2007	<ul style="list-style-type: none"> 25% of population within 24 months 60% of population within 36 months
	August 2006: <ul style="list-style-type: none"> Telenor 	€1.54bn for a combined 2G/3G licence (including operations of the former Mobi 063)	<ul style="list-style-type: none"> RSD 55m (€720,000) for 2007 0.9% of annual revenue thereafter 	February 2007	<ul style="list-style-type: none"> 25% of population within 24 months 60% of population within 36 months
	December 2007: VIP mobile	€320m for a combined 2G/3G licence	0.9% of annual revenue, starting from 2008	May 2008	<ul style="list-style-type: none"> 25% of population within 24 months 60% of population within 36 months
Kosovo	No UMTS licences	-	-	-	-

Table A.21 - Mobile operators licensed to offer 3G/UMTS services

Notes:

Montenegro:

Licences were offered in public tender procedures. The first year of the coverage commitments started on the date the licence entered into force.
One-off fees: Determined by public tender procedure, minimum set by the Ministry of Maritime affairs, Transportation and Telecommunications to €2,000,000 for 3G and €6,000,000 for 2G/3G. Prices offered on tender are: €4,010,000 (ProMonte for 3G licence), €2,400,042 (T-Mobile for 3G licence) and €16,000,000 (M-Tel for 2G/3G licence).

5. Internet and broadband

a) Fixed broadband access

The division between broadband and narrowband connections is shown in Table A.22. In line with EC practice in recent Implementation Reports and statistics, broadband capacity is defined as equal to, or more than, 144 kbit/s.

Dial-up is still predominant in Bosnia & Herzegovina, Croatia, Montenegro and Serbia. FYROM has a majority of broadband, but still has significant numbers of dial-up lines. Turkey have few dial-up customers, possibly in areas where broadband is not accessible.

Country	Total number of Internet connections	
	Narrowband (dial-up) connections	Broadband connections (all technologies)
Croatia	793,300	387,000
FYROM	173,132	243,287
Turkey	20,917	4,616,296
Albania	25,000	2,056
Bosnia & Herzegovina	189,059	84,693
Montenegro	106,696	16,135
Serbia	685,397	325,730
Kosovo	-	76,370

Table A.22 - Total number of Internet connections

Notes:

Bosnia & Herzegovina: Dial up connections are connections to the Internet via analogue modem and connections via ISDN.

Montenegro: In 2007 the number of registered internet subscribers in Montenegro was 95,816 (T-Com Montenegro: 95,816; MontSky: 10,500 and MNNews: 380). Total number of ADSL lines was 14,428 = 10,863 residential + 3,565 business. There were also 1,707 WiMAX users (M:Tel).

Kosovo: All connections offered by all ISPs in Kosovo are broadband (only PTK-Dardanet still offers dial-up, although presumably a negligible proportion).

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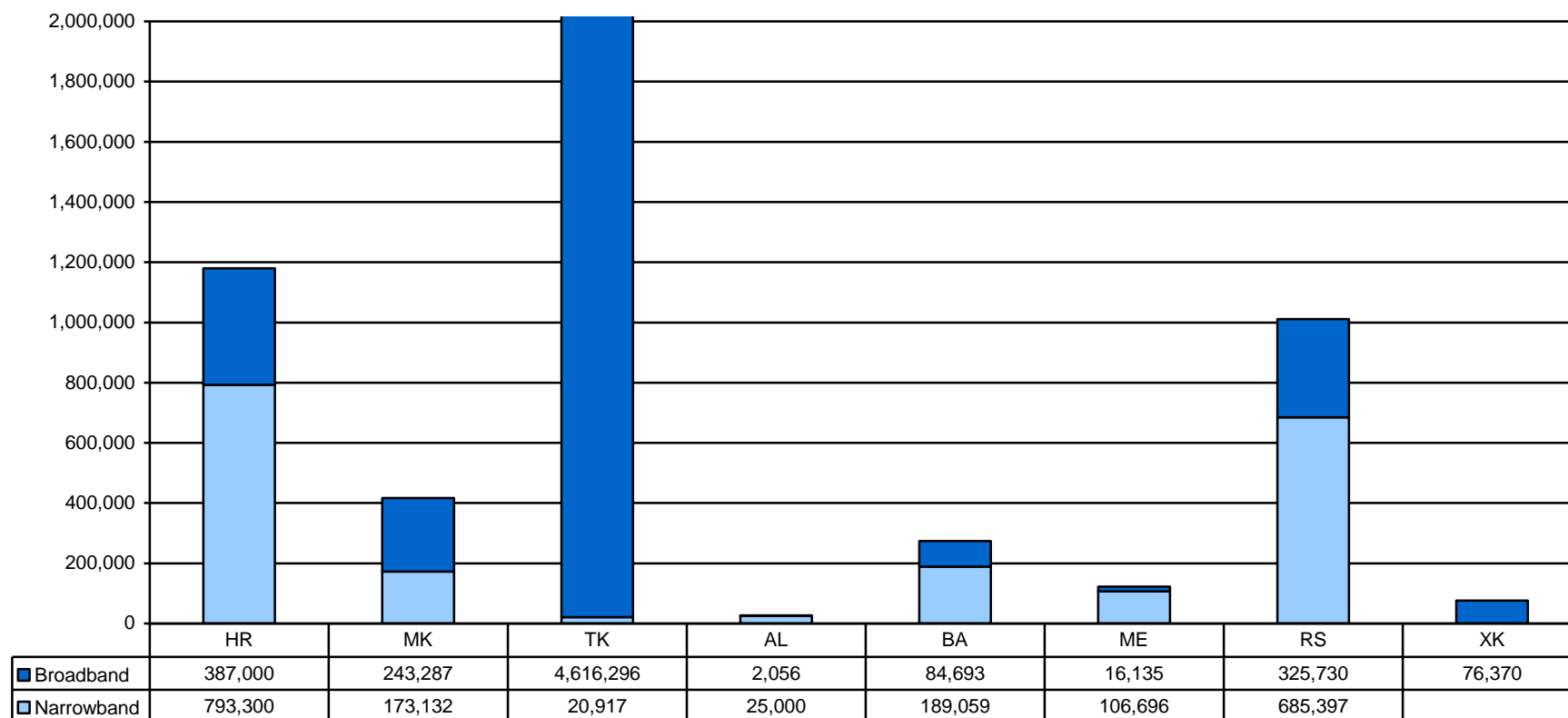


Figure 23 - Number of Internet connections

Table A.23 shows the number of ISPs active on the market. Although some of these numbers appear impressive, the market shares held by the incumbent operator, where available, suggest that these ISPs are not having an easy time. In almost all cases the incumbent operator has a majority of the market, sometimes with fewer connections, but invariably with higher revenues, suggesting it holds the higher spending customers.

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Country	Total number of ISPs	Incumbent ISP's market share	
		By revenue	By number of connections
Croatia	37	73.80%	88.66%
FYROM	99	57.83%	48.48%
Turkey	77	85.02%	94.46%
Albania	32	N/A	N/A
Bosnia & Herzegovina	60	65.81%	53.72%
Montenegro	6 active (13 licences issued)	N/A	N/A
Serbia	159	N/A	9.8%
Kosovo	9	N/A	12%

Table A.23 - Internet users and connections - ISPs

Notes:

FYROM:

Montenegro:

The number of companies which have submitted a notification to the NRA that they will provide data communications networks/services.

The first two licences were issued to Internet Crna Gora (now T-Com Montenegro) and MontSky. In July 2005 the NRA issued 3 licences for Wi-Fi operators, offering local services: Zirex in Kotor, Mina Infomont in Podgorica, Neboelectronic in Herceg Novi. In February 2006 the NRA licensed VIP Broadband Montenegro Ltd. Niksic. In December 2006 it licensed: Dasto Montel Ltd. Cetinje and Cabling d.o.o. Budva. In 2007 the NRA issued WiMAX licences to Broadband Montenegro Podgorica, T-Mobile Montenegro and M:Tel, then in 2008 to ProMonte and an ISP licence to PTT Inzenjering. Only 6 ISP provide internet services at this moment: T-Com Montenegro, MontSky, Mina Infomont, T-Mobile, ProMonte and M-Tel.

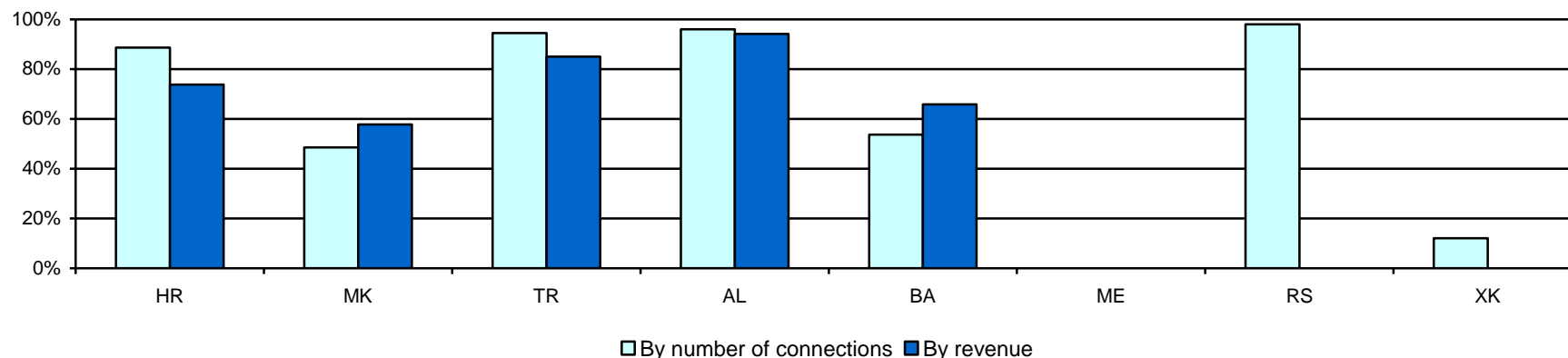


Figure 24 - Incumbent ISP's market share

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The following section provides information on the deployment of fixed broadband access lines by incumbent operators and their subsidiaries or partners and by new entrants (alternative telecommunication operators or ISPs) to end-users (see Table A.24). Mobile broadband connections, including UMTS and HSDPA cellular wireless data communications, are covered in a separate section.

Country	Operator	Total number of broadband connections (all technologies)	xDSL connections	Cable modem	Leased lines	FTTx	FWA	Other
Croatia	Incumbent	345,397	344,925	-	472	-	-	-
	Alternative operators	41,622	24,833	10,369	1,385	-	4,914	121
FYROM	Incumbent	48,214	48,214	-	149	-	-	-
	Alternative operators	50,892	7,818	27,565	206	-	15,509	-
Turkey	Incumbent	4,360,466	4,353,255	-	7,211	-	-	-
	Alternative operators	211,898	156,694	41,109	-	-	-	6,884
Albania	Incumbent	2,056	1,305	N/A	751	-	-	-
	Alternative operators	N/A	N/A	N/A	N/A	-	-	-
Bosnia & Herzegovina	Incumbent	38,584	37,635	-	949	-	-	-
	Alternative operators	46,109	-	29,412	191	-	16,448	58
Montenegro	Incumbent	14,428	14,428	0	167	0	64	0
	Alternative operators	1,707	0	0	0	0	1,707	0
Serbia	Incumbent	131,066	130,088	0	407	0	-	571
	Alternative operators	194,664	69,574	87,731	6,057	0	-	31,302
Kosovo	Incumbent	10,786	10,720	N/A	66	0	2,842	-
	Alternative operators	76,370	-	58,033	95	210	-	4,470

Table A.24 - Number of fixed broadband connections with breakdown by operator and technology

Notes:

FTTx: This includes Fibre To The Curb (FTTC), Fibre To The Home (FTTH), Fibre To The Premises (FTTP), etc.

Montenegro: In 2007 total number of ADSL was 14,428 (10,863 residential and 3,565 business users). M:Tel also had 1,707 WiMAX users.

Kosovo: Other technologies are represented by WiFi connections.

Broadband penetration rate, measured as the overall number of broadband lines divided by the national population, is significantly below the EU-27 average rate that in January 2008 was 20%. The average broadband penetration rate for eight countries was 5.80%. The highest broadband penetration level was observed in Croatia (8.71%) and Turkey (6.30%), which is comparable to the level of Romania and Bulgaria that joined the EU in 2007.

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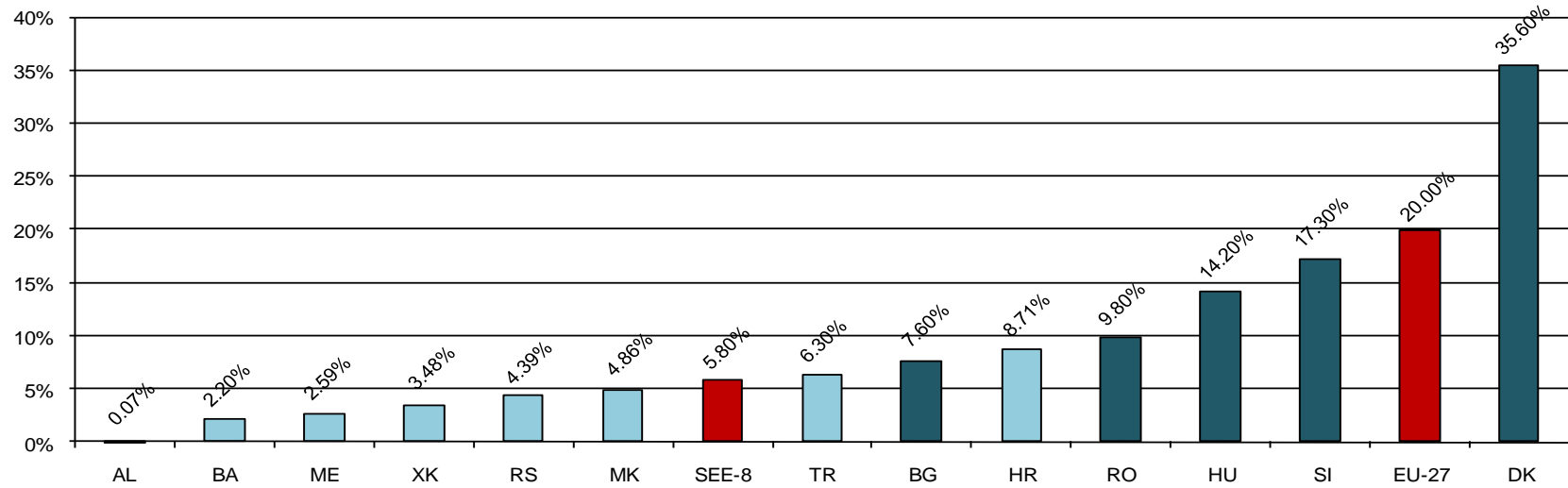


Figure 25 - Broadband penetration rate, January 2008

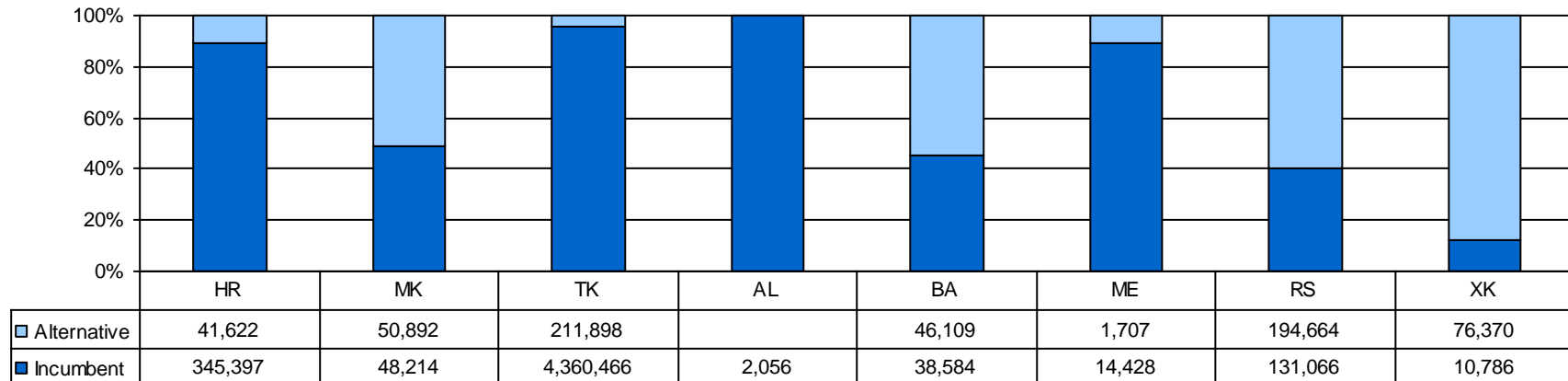


Figure 26 – Fixed retail broadband connections by incumbent and alternative operators

Broadband markets are dominated by fixed incumbent operators in Croatia, Turkey, Albania and Montenegro, where xDSL is the main access technology. A different situation is observed in FYROM, Bosnia and Herzegovina, Serbia and in particularly in Kosovo, where competitors are using alternative infrastructures – cable and to some extent also fixed wireless access networks.

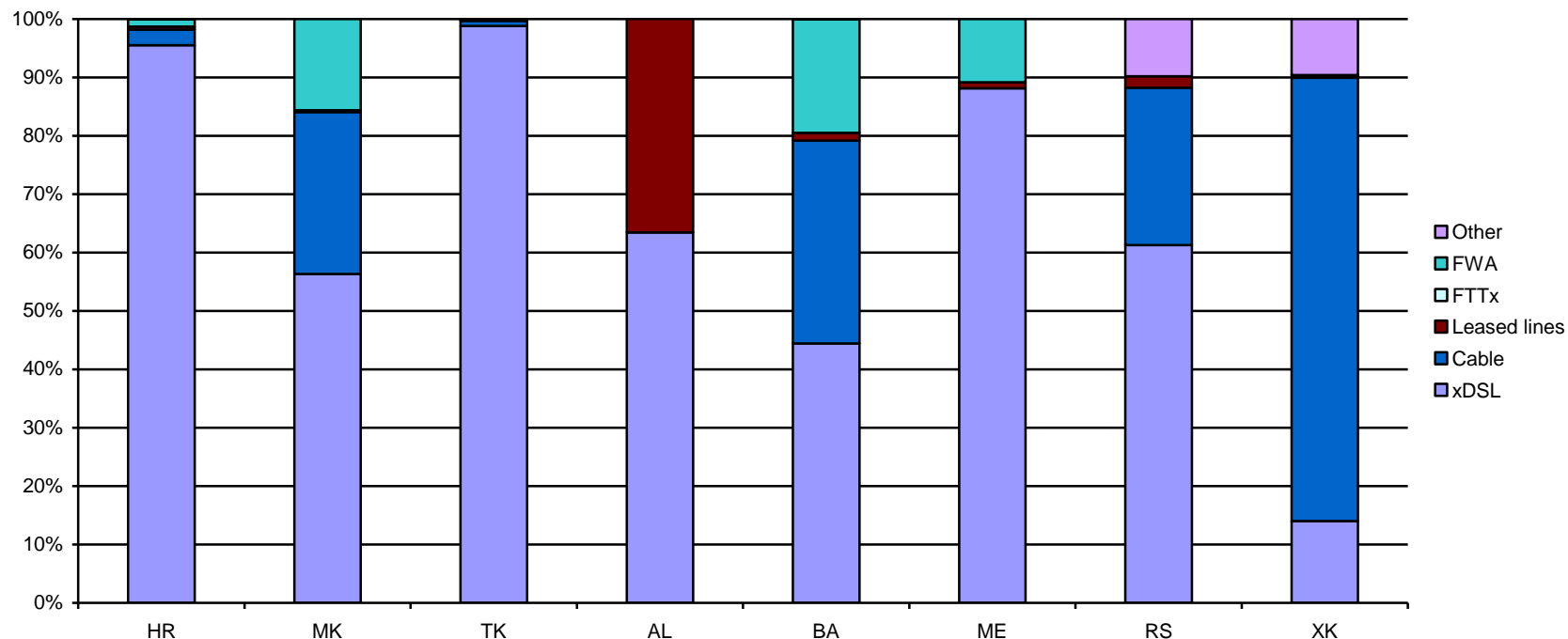


Figure 27 – Fixed retail broadband connections by technology

Table A.25 shows the retail DSL lines supplied by the incumbent operator and by an alternative operator. The lines from alternative operators are then broken down by those supplied using one of three types of wholesale offer from the incumbent operator and those delivered on its own network.

In Croatia, the position of the incumbent operator is extremely strong, with the alternative operators having only 6.7% of the market. Even then, most of those lines are supplied by the incumbent as a wholesale BSA product. By comparison, the position in Serbia is more equitable, with the incumbent having 51%, but then it has 100% of the wholesale market, as it supplied the BSA to the alternative operators.

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Country	Incumbent operator's retail xDSL lines	Total number of retail xDSL lines by alternative operators	Breakdown of alternative operators' xDSL lines by the type of access				
			Full LLU access	Shared access	Bitstream access	Resale	Own network
Croatia	344,925	24,833	2,671	355	16,842	-	4,965
FYROM	48,214	7,818	-	-	-	-	-
Turkey	5,000,000	250,000	-	-	8,206	250,000	-
Albania					-	-	-
Bosnia & Herzegovina	37,635	-	-	-	-	-	-
Montenegro	14,428	-	-	-	-	-	-
Serbia	62,783	58,732	-	-	58,732	-	-
Kosovo	10,720	-	-	-	-	-	-

Table A.25 – Competition in retail xDSL

Notes:

FYROM: The commercial launch of LLU was on May 12, 2008.

Turkey: The incumbent operator Turk Telekom (TT) does not provide DSL service at the retail level but only provide services for resale, including to its own ISP subsidiary, TTNNet . TTNNet has approximately 5 million subscribers as of July 08. The alternative operators have approximately 250 000 subscribers which have been acquired by resale method. The operators plan to migrate most of their subscribers from resale to BSA method during the next few months. LLU process has been initiated in January 2008 with a few hundred subscribers.

Bosnia & Herzegovina: The NRA adopted its LLU Rule in May 2008.

The figure below show the level of competition in xDSL broadband in Croatia, FYROM, Serbia and Turkey with the type of wholesale access offers used by the alternative operators. These are the four countries where there is an emerging competition in the provision of retail xDSL services on the basis of wholesale offers from the incumbent operators.

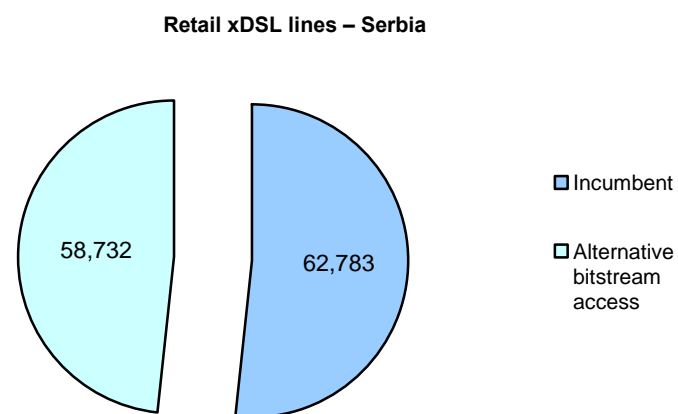
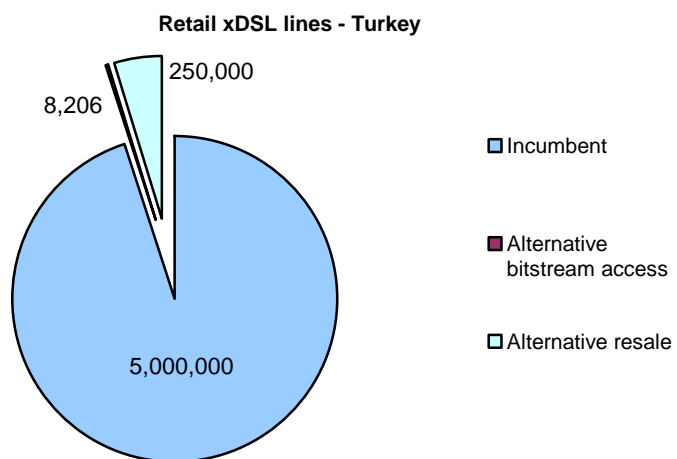
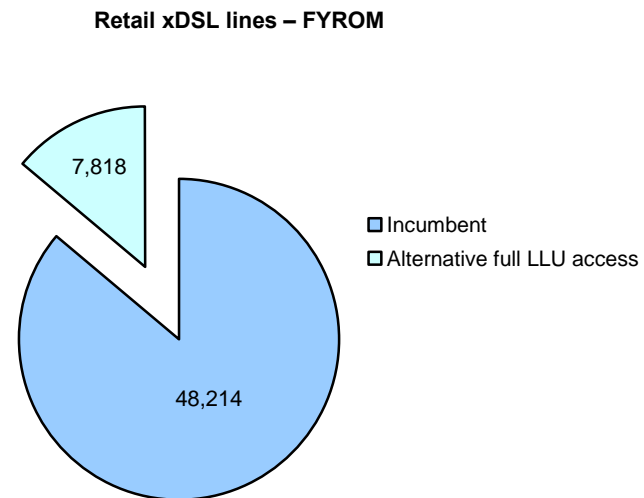
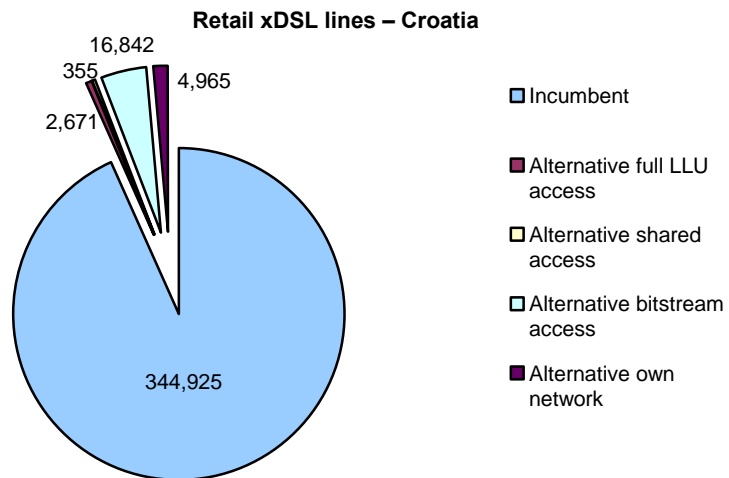


Figure 28 – Competition in retail xDSL in Croatia, FYROM, Serbia and Turkey

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Table A.26 shows the highest speeds available for broadband Internet access. Croatia is much the fastest, with offers of 16 Megabits per second to the customer on both DSL and cable, though with non-incumbent operators lagging significantly behind the incumbent operator.

Country	Incumbent operator over DSL		Largest alternative operator over DSL		Cable operator		FWA operator		FTTH operator	
	downstream	upstream	downstream	upstream	downstream	upstream	downstream	upstream	downstream	upstream
Croatia	16 Mbps	768 kbps	6 Mbps	640 kbps	16 Mbps	1 Mbps	3 Mbps	512 kbps	-	-
FYROM	4 Mbps	512 kbps	2 Mbps	512 kbps	4 Mbps	512 kbps	1.5 Mbps	384 kbps	-	-
Turkey	4 Mbps	1 Mbps	4 Mbps	1 Mbps	N/A	N/A	N/A	N/A	N/A	N/A
Albania	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bosnia & Herzegovina	4 Mbps	256 kbps	-	-	4 Mbps	384 kbps	4 Mbps	384 kbps	-	-
Montenegro	2 Mbps	256 kbps	-	-	-	-	2 Mbps	256 kbps	-	-
Serbia	1.5 Mbps	192 kbps	1.5 Mbps	192 kbps	1.5 Mbps	512 kbps	N/A	N/A	N/A	N/A
Kosovo	4 Mbps	512 kbps	-	-	8 Mbps	512 kbps	N/A	N/A	N/A	N/A

Table A.26 - Fastest advertised retail broadband connection

Notes:

FYROM: The providers are, from left to right: Makedonski Telekom, On.Net, Cabletel and Wi-Fi On.Net.

The OECD published data on speeds available from operators across its thirty members for October 2007 (see Figure 29).¹⁸ In order to make the figure readable, the value of 1 Gigabit per second, the fastest incumbent speed in Japan, has been excluded.

¹⁸ <http://www.oecd.org/sti/ict/broadband>

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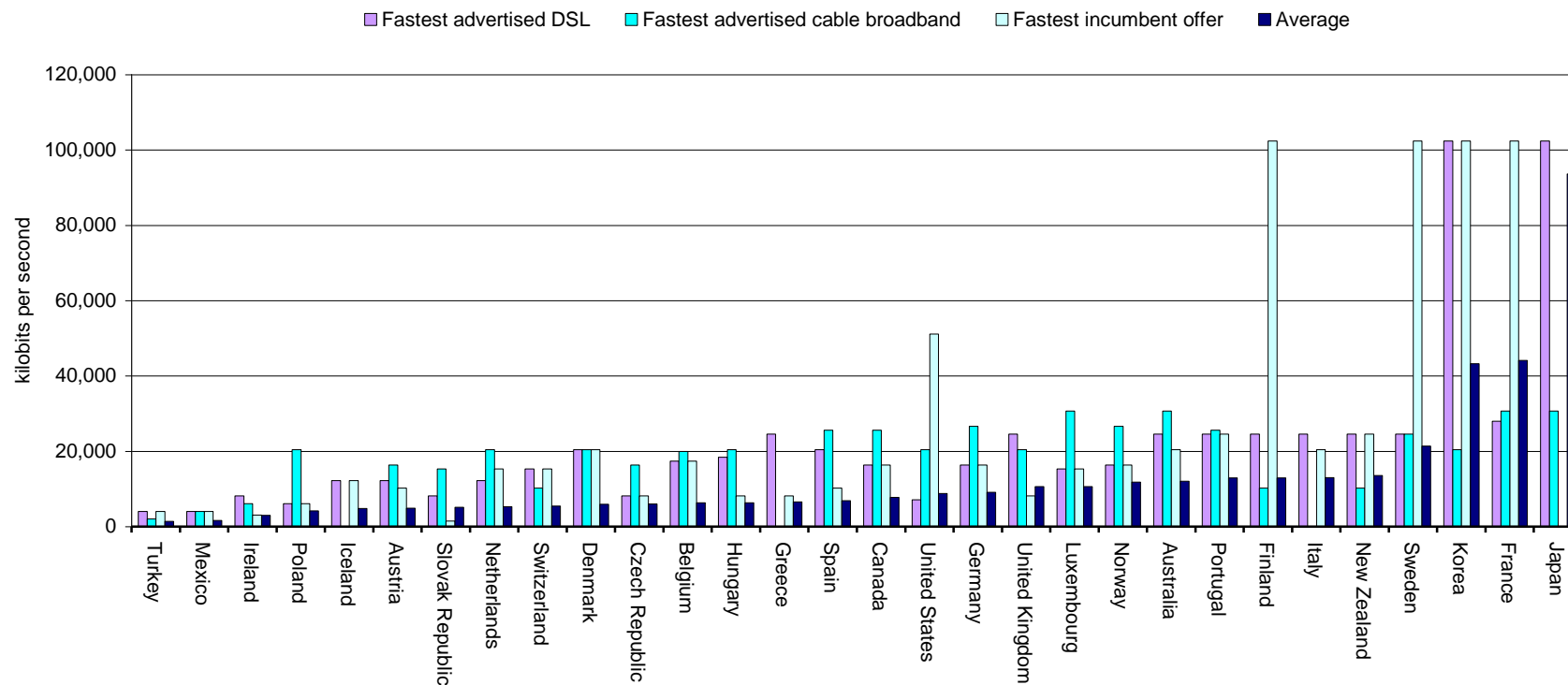


Figure 29 - Average and fastest broadband speeds in the OECD

Turkey has the slowest average speed in the OECD. By comparison, Croatia would be in the middle of the OECD range for DSL, while Serbia would be at the bottom, alongside Slovakia. However, the cable modem speeds are all at the slower end of the range, with 20-30 Megabits per second being typical top speeds.

b) Mobile broadband

As noted in Table A.19 a significant number of assignments of 3G licences have been made and more are likely to issued in the near future.

So far, spectrum licences for provision of 3G/UMTS services have been issued in Croatia, FYROM, Montenegro and Serbia. Further 3G spectrum assignments are expected to take place in the near future in FYROM and Bosnia and Herzegovina. Croatia has already achieved a significant number of 685,000 UMTS subscribers from all the three mobile operators, while Serbia has 250,000 active UMTS subscribers using services of two mobile operators, MTS and Telenor. In FYROM, Cosmofon has launched commercial UMTS services in August 2008. The information about the number of active UMTS subscribers in Montenegro is not available.

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c) Broadband wireless access (BWA) – licences

Table A.27 shows the status of BWA spectrum licensing (also referred to as wireless local loop). The table does not include Wi-Fi networks operated in the 2.4 GHz and 5 GHz frequency bands.

Country	Frequency bands (GHz)	Status and number of licences National/Regional	Size of the spectrum block	Period of licence	Restrictions on operators applying for BWA licences (e.g. fixed, mobile, nomadic)
Croatia	3.4-3.6	By April 2008, the NRA had issued 50 regional concessions for BWA in the 3.5 GHz band in 20 Croatian counties and the District of Zagreb. In each of 14 counties 3 concessions have been issued, 4 concessions have been issued for a region of 4 neighbouring counties, 2 concessions have been issued for a region of 2 neighbouring counties and 2 concessions in the District of Zagreb. 11 concession requests are currently being considered. One operator, Novi Net has launched commercial WiMAX services.	2 x 21 MHz or 2 x 14 MHz per licence For each licensing region, there are 3 blocks of 2 x 21 MHz and 1 block of 2 x 14 MHz.	Regional – 8 years County – 8 years	No
FYROM	3.4-3.6	By September 2007, the AEC had issued 20 frequency authorisations for BWA spectrum in the 3.5 GHz band: <ul style="list-style-type: none"> • 2 (two) of them are for national coverage • 18 (eighteen) are regional: 3 (three) frequency authorisations per each of 6 regions 	2 x 14 MHz per each frequency authorisation	10 years	Only fixed services should be provided through BWA.
Turkey	-	-	-	-	-
Albania	-	-	-	-	-
Bosnia & Herzegovina	-	-	-	-	-
Montenegro	3.4-3.6 3.6-3.8	3 national licences issued in April 2007 1 national licence issued in October 2007	2 blocks of 2 x 21 MHz and 1 block of 2 x 14 MHz 2 x 21 MHz	5 years	No
Serbia	3.4-3.6 3.6-3.8	No FWA license issued yet. Licensing process is under consideration. Number of licences has not been decided yet. The available spectrum blocks are defined in Official Gazette No. 17 of Feb. 13, 2008.	Proposed: 3 blocks of 2 x 21 MHz and 1 block of 2 x 24.5 MHz 4 blocks of 2 x 21 MHz and 1 block of 2 x 14 MHz	-	-

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Country	Frequency bands (GHz)	Status and number of licences National/Regional	Size of the spectrum block	Period of licence	Restrictions on operators applying for BWA licences (e.g. fixed, mobile, nomadic)
Kosovo	3.4-3.6	No FWA license issued yet. TRA has prepared Consultation on a national strategy for implementing FWA. The consultation was opened for comments from March 5 to April 5, 2008.	Proposed: 4 blocks of 2 x 21 MHz	-	-

Table A.27 - Broadband wireless access (BWA) – licences

Notes:

Montenegro: There are 4 national licences in the 3.4-3.6 GHz awarded (M-Tel, Broadband Montenegro, T-Com Montenegro, ProMonte). The Rulebook on the issuing and general register and special licences (Official Gazette No. 08/2002) describes in details the procedure and way of issuing the licenses. Frequency bands for WLL (FWA) are defined in Frequency Allocation Plan (Official Gazette No. 11/2005).

d) Public Wireless Local Area Networks (WLAN)

Country	Full frequency bands available		Licensing requirements for provision of access to public network	Availability of commercial services	
	2.4 GHz	5 GHz		Number of WiFi providers	Number of registered hotspots
Croatia	Yes	Yes	General authorisation with notification to the NRA	10	-
FYROM	Yes	Yes	General authorisation with notification to the NRA	14	N/A
Turkey	Yes	Yes (indoor only)	General authorisation for provision of Internet services	N/A	N/A
Albania	Yes	Yes	General (class) licence From July 1, 2008 under the new Law on Electronic Communications, general authorisation with notification to the NRA is foreseen	-	N/A
Bosnia & Herzegovina	Yes	No	General (class) licence for provision of Internet services	All providers with a general licence have the right to provide Wi-Fi.	N/A
Montenegro	Yes	Yes	Individual licence for provision of Internet services	2	29 (21+8)
Serbia	Yes	Yes	General authorisation without notification	N/A	659
Kosovo	Yes	Partially	Individual licence	>100	N/A

Table A.28 - Public Wireless Local Area Networks (WLAN/WiFi)

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Notes:

FYROM: Currently, the questionnaire used by the NRA does not request the number of hotspots deployed by WiFi providers.

Bosnia & Herzegovina: ISPs have no obligation to register hot spots, but the NRA estimates that there are about 1,000 hotspots.

Kosovo: Part of the 5 GHz spectrum is being used by KFOR, therefore it is only partially available.

6. Control of major operators by foreign investors

This table shows which key foreign strategic investors have a controlling interest in fixed and mobile operators, and ISPs, with the percentage of shares held, where available.

Country	Investor	Operators		
		Fixed	Mobile	ISP
Croatia	Deutsche Telekom	HT- Hrvatske Telekomunikacije - 51%	T-Mobile Hrvatska – 51%	HT- Hrvatske Telekomunikacije - 51% Iskon – 51% (100% owned by HT)
	Tele2 Sweden	-	Tele2 - 93%	-
	Telekom Austria/Mobilkom	VIPNet - 100%	VIPNet - 100%	VIPNet - 100%
FYROM	Deutsche Telekom	Makedonski Telekom – 33.60% (56.67% owned by Magyar Telekom)	T-Mobile – 33.60% (100% owned by Makedonski Telekom)	Makedonski Telekom – 33.60%
	Cosmote (OTE)		Cosmofon – 100%	
	Telekom Austria/Mobilkom		VIP mobile – 100%	
	Telekom Slovenia	On.Net - 83.38%		On.Net - 83.38%
	Akton Slovenia	Akton – 100%		
	Nexcom Telecommunications LLC USA	Nexcom Macedonia - 100%		
Turkey	Oger Telecom	Türk Telekomünikasyon A.Ş - 55%	Avea - 44.55%	
	TeliaSonera		Türkcell – 13.07%	
	Vodafone Group		Vodafone - 100%	
Albania	Cosmote (OTE)		AMC - 85%	
	Vodafone Group		Vodafone Albania - 100%	
	Calik Enerji Telecommunications (consortium of Calik Enerji and Turk Telecom)	Albtelecom – 76%	Eagle Mobile - 76%	
	Telecom Slovenije	Albania Online (AOL) - 75%		Albania Online (AOL) - 75% Albanian Fibre Backbone (AFB) - 66% (through AOL)

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Country	Investor	Operators		
		Fixed	Mobile	ISP
Bosnia & Herzegovina	Telekom Srbije	Telekom Srpske - 65%	M:Tel – 65% (100% owned by Telekom Srpske)	Teol – 65% (100% owned by Telekom Srpske)
	HT- Hrvatske Telekomunikacije (Croatia)	HT Mostar - 39.1%	HT Eronet - 44.33%	
	Telecom Slovenije			Aneks – 100%
Montenegro	Deutsche Telekom	T-Com Montenegro – 45.53% (76.53% owned by Magyar Telecom)	T-Mobile Montenegro – 45.53% (76.53% owned by Magyar Telecom)	T-Com Montenegro – 45.53% (76.53% owned by Magyar Telecom)
	Telenor		ProMonte - 100%	
	Telekom Srbije		M-Tel - 90%	
Serbia	OTE	Telekom Srbija - 20%	m:ts - 20%	
	Telenor		Telenor - 100%	
	Telekom Austria/Mobilkom		VIPmobile - 100%	
Kosovo	Telekom Slovenije/Mobitel	IPKO - 75%	IPKO - 75%	IPKO - 75%

Table A.29 - Control of major undertakings by foreign investors

7. Key financial ratios of the fixed incumbent operators

The most commonly used financial ratios in the assessment of the performance of telecommunications operators are:

- Return on Capital Employed (ROCE) - the net profit before interest and taxes divided by the total capital employed;
- Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) margin - EBITDA divided by operating revenues; and
- Earnings Before Interest and Taxes (EBIT) margin – the EBIT divided by operating revenues.

Return on Capital Employed (ROCE) is a measure of the returns that an operator realises from the capital it uses. The ratio can represent the efficiency with which capital is being used to produce revenue. ROCE is used both to compare the performance of different businesses and to assess whether a business generates sufficient returns to pay for its cost of capital.

ROCE compares earnings with capital invested in the company, taking into account sources of financing. Net assets or capital employed are examined rather than total assets. Capital employed can have many definitions, though, in general, it is the capital investment necessary for a business to function. It is commonly represented as the total assets less the current liabilities or fixed assets plus working capital. The main drawback is that it measures return against the book value of assets. As these are depreciated, the ROCE will increase even though cash flow has remained the same. Thus, older businesses with depreciated assets will tend to have higher ROCE than newer, possibly better businesses. In addition, while cash flow is affected by inflation, the book value of assets is not. Consequently, revenues increase with inflation while capital employed generally does not (as the book value of assets is not affected by inflation).

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The net income of a company is affected by decisions that the company made in previous years. This is because of the differences between accrual accounting and cash-based accounting. Some purchases can be depreciated or amortized over 20 years or more, with a negative impact on the net income long after the actual financial effects of the purchases have ceased.

The use of Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) does not suffer from this distortion, allowing investors a better understanding of the profitability of the company. Depreciation and amortization are non-cash charges, so that EBITDA is seen as a better proxy than earnings from the cash that flows through a company. Essentially, EBITDA measures the core income that a company earns before it covers its debt payments and pays its income taxes. Investors can also use this measure to compare the profit growth of companies that operate in different tax regimes. EBITDA can also assist lenders when estimating the cash flows that a company will have available to service its debt as it measures the amount of cash that a company has available for interest payments. Finally, EBITDA can provide a more accurate cash flow picture in industries where substantial non-cash depreciation and amortization expenses might otherwise distort earnings.

Earnings before interest and taxes (EBIT), also known as operating income and operating profit, is a term used to describe a company's earnings. To calculate EBIT, basic expenses (e.g., the cost of goods sold, selling and administrative expenses) are subtracted from revenues. Profit is later obtained by subtracting interest and taxes from the result.

Country	Fixed incumbent operator	Key financial ratios and performance indicators for 2007				
		ROCE	EBITDA margin in %	EBIT margin in %	Average number of employees	Number of fixed lines per employee
Croatia	HT- Hrvatske Telekomunikacije	12.4%	42.2%	21.1%	5,485	293
FYROM	Makedonski Telekom	8.6%	41.2%	21.7%	1,723	298
Turkey	Türk Telekomünikasyon	82.0%	52.6%	36.6%	37,035	492
Albania	Albtelecom	- 5.4%	29.8%	-6.9%	2,243	116
Bosnia & Herzegovina	BHT Sarajevo	10.1%	57.6%	42.5%	2,250	250
	Telekom Srpske	13.0%	44.0%	24.0%	2,163	142
	HT Mostar	8.0%	61.0%	11.0%	837	152
Montenegro	T-Com Montenegro	N/A	N/A	N/A	N/A	N/A
Serbia	Telekom Srbija	0.1%	39.8%	20.4%	9,962	300
Kosovo	PTK	25.78%	62.7%	48.96%	2,547	36

Table A.30 - Key financial ratios of the fixed incumbent operators

Notes:

FYROM: Status as at December 31, 2006.

Montenegro: The financial data for 2007 are not available.

The number of fixed lines per employee has long been used as an indicator by the ITU and OECD, as a proxy for the efficiency of a telecommunications operator, on the assumption that the more fixed lines per employee the more efficient the operator. The problem of calculation and interpretation of these numbers has grown in recent years, where it is important to understand how employees are attributed across different parts of the business.

Equally, with activities devolved to or purchased from manufacturers, business process outsourcers, call centres and the like, many of those performing roles for the operator may not be employees. Consequently, great care has to be taken in comparing operators or examining historical trends.

B. National regulatory authorities

This section examines the effectiveness of the institutional framework and environment. The specific issues covered are not only concerned with the NRA, but also address other relevant institutional actors such as the legislative and policy-making bodies, national competition and broadcasting authorities (if different from the NRA) and the national appeal systems. In relation to the NRA, this section seeks to cover the issues associated with the standards of good governance such as independence, accountability, transparency, participation and effectiveness. Additionally, this section also addresses other relevant institutional actors such as the legislative and policy making bodies, national competition and broadcasting authorities.

1. NRA independence

The establishment of an independent regulatory authority is a cornerstone of the EU regulatory framework for electronic communications. Independence remains a critical issue in ensuring predictability and stability in the regulatory environment. Independence involves two elements:

- separation of the NRA from the regulated firms and
- isolation of the NRA from political intervention.

The first aspect of independence (from industry) is generally less contentious and more straightforward to assess than the second (independence from political influence). Both issues are addressed in the three following tables.

Article 3 of the Framework Directive requires that regulatory tasks must be carried out by competent bodies that are legally distinct and functionally independent from any organisations providing electronic communications networks and services. Furthermore, where the state retains control of undertakings providing electronic communications networks and services, the activities associated with the state ownership and control must be structurally separate from regulatory functions.

Under the EU regulatory framework, there has been no requirement for privatisation and the rules on institutional separation are set out in recognition of the legitimacy of the state ownership. Nevertheless, in countries where the state is no longer the owner of any electronic communications undertakings, the subject of regulatory independence is usually a lesser concern.

a) State ownership of telecommunications operators

Table B.1 provides information about state ownership and the control of fixed and mobile telecommunications operators. This includes any 'golden shares', i.e., special powers granted to the state by law or by the articles of association of a company that allow it to maintain a special influence in privatised companies. Figure 30 shows the state ownership for those operators present in the region, including parent firms such as the Austrian, German and Saudi incumbent operators.

In the autumn of 2007 the government of Croatia conducted an IPO selling 32.5% of the stock of T-Hrvatski Telekom (T-HT) the incumbent operator, retaining only 9.5%. It had planned to divest no more than 23%, but had been encouraged by the popularity of the sale. Following a sale of shares to present and former T-HT Group employees in June 2008, the State's share was further reduced to 3.6%. The Croatian War Veteran's Fund owns a

further 7%, transferred from government holdings in 2005. Deutsche Telekom remains the majority owner of T-HT with 51% which is acquired in two tranches in 1999 and 2001. The remaining 32.5% floats on the Zagreb and London stock exchanges.

In FYROM, the government owns 36.81% ownership in the incumbent Makedonski Telekom A.D. - Skopje (MakTel). A 51% stake is held by Magyar Telekom, a subsidiary of Deutsche Telekom AG. The remaining 12.1% is held by investors.

In April 2008, the government of Turkey conducted an IPO of 15% of the stock of Turk Telecom raising USD 1.9 billions (TRY 2.42 billions), retaining 30%. In 2005, it had previously sold 55% to Saudi Oger Ltd for USD 6.6 billions, the largest ever foreign acquisition of a Turkish company. In January 2008, the Saudi Telecom Company (STC) acquired 35% of Saudi Oger – STC is 70% owned by the Kingdom of Saudi Arabia.

The Turkish Treasury performs the ownership function of the State's remaining shareholding in Türk Telekom, while the Ministry of Transportation is responsible for Türk Telekom's operational activities ("golden share" function). The Turkish government has an interest of 24.3% in Avea Telecommunications, a mobile operator that is 81% owned by Türk Telekom.

Turksat Satellite Communication and Cable TV Operation AS (Turksat) is wholly owned by the government.

In Albania, in June 2007, after a two-year period of negotiations Calik Enerji A.S., a Turkish group, and the Albanian Ministry of Economy, Trade and Energy, signed an agreement for the sale of a 76% stake in the state-owned incumbent operator, Albtelecom. The deal also included Eagle Mobile, the third mobile telephony licensee that was not then operational. The purchaser is a joint venture owned by Calik Energi (80%) and Türk Telekom (20%). The agreement was ratified by the Albanian Parliament on July 19, 2007.

In Bosnia & Herzegovina, there are incumbent operators in each of the three territories. The Federation government of Bosnia and Herzegovina retains 90% of BH Telecom (Sarajevo) and 50.10% of Hrvatske Telekomunikacije (Mostar), with the ownership functions performed by the Federal Ministry of Transport and Communications. The third incumbent operator, Telekom Srpske in the Republika Srpska is fully privatised. In December 2006, the Serbian incumbent operator, Telekom Srbija, won the tender for the privatisation of the 65% holding of Republika Srpska in its incumbent operator Telekom Srpske with a bid of €646 millions. This was completed in July 2007, following the approval of the Competition Council of Bosnia & Herzegovina. Of the remaining shares, 20% float on the national stock exchange, 10% are held by a pension fund and 5% are held by a restitution fund.

Montenegro no longer has state ownership of operators. In March 2005, the government of Montenegro sold its 76.53% shareholding in Crnogorski Telekom to Magyar Telekom (formerly Mátav), a subsidiary of Deutsche Telekom. Private investors now hold 23.47% of the shares which are quoted on the stock exchange.

In Serbia, the government controls 80% of Telekom Srbija through the Public Enterprise of PTT. It also owns a "golden share" with the power to veto all important decisions of the company. The Greek operator OTE owns the remaining 20% of Telekom Srbija, itself partly owned by the Greek state (28%) and by Deutsche Telekom AG (20.15%).

In Kosovo, UNMIK was responsible for the 100% state ownership of PTK, the incumbent operator, through the Kosovo Trust Agency (KTA), a provisional body established by UNMIK regulation 2002/12. Following the unilateral declaration of independence by Kosovo in February 2008 and entry into force of the Constitution of Kosovo on June 15, 2008, the Kosovar government will take over the UNMIK roles. In particular, the KTA will be transformed into a Kosovo Privatisation Agency and function under the umbrella of the Ministry of Economy and Finances. Any privatisation of PTK is, however, unlikely to take place in any near future.

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	Name of operator	State shareholding	Golden share	Government unit responsible for ownership functions
Croatia	HT - Hrvatske Telekomunikacije d.d.	3.6%		Not defined
FYROM	Makedonski Telekom A.D. - Skopje	36.81%	Yes	Ministry of Finance
Turkey	Türk Telekomünikasyon A.Ş.	30.0%	Yes	Treasury is responsible for ownership and golden share functions Ministry of Transport is responsible for operational functions
	Avea	24.3%		
	Turksat	100.0%	Treasury is responsible for ownership functions Ministry of Transport is responsible for operational functions	
Albania	Albtelecom sh.a.	24.0%		Ministry of Economy, Trade and Energy
	Eagle Mobile	24.0%		
	AMC sh.a.	12.6%		Ministry of Economy, Trade and Energy
Bosnia & Herzegovina	BH Telecom d.d. Sarajevo	90.0%		Entity government in Federation of B&H
	Telekom Srpske a.d. Banja Luka	0.0%		-
	Hrvatske Telekomunikacije d.o.o. Mostar	50.1%		Entity government in Federation of B&H
Montenegro	-	-		-
Serbia	Telekom Srbija a.d.	80.0%	Yes	Ministry for Telecommunication and Information Society
Kosovo	PTK (Post and Telecommunications Enterprise of Kosovo)	100.0%		Kosovo Privatisation Agency (Ministry of Economy and Finance) and Ministry of Transport and Communications

Table B.1 - State ownership and control of telecommunications operators

Notes:

Croatia:

FYROM: Starting from May 1, 2008 the fixed incumbent operator A.D. Makedonski Telekomunikacii, changed its name to Makedonski Telekom A.D. Skopje.

Turkey: Türk Telecom owns 81% of Avea, a leading mobile operator.

Bosnia & Herzegovina: Telekom Srpske of the Republika Srpska is fully privatised. In December 2006, Telekom Srbija, won the tender for the privatisation of the state-controlled 65% of the Republika Srpska's incumbent telecommunications operator Telekom Srpske. 20% of the remaining shares are traded on the national stock exchange, 10% is held by a pension fund and 5% is held by a restitution fund.

Montenegro: The Government sold its controlling share (51.12%) in the incumbent operator to Magyar Telecom (former Mátav) in March 2005. In 2001, the former Telecom Montenegro (at that time a state owned enterprise) sold its share (about 9%) in ProMonte to the majority shareholders.

Serbia: Members of the Managing Board are appointed by the Government.

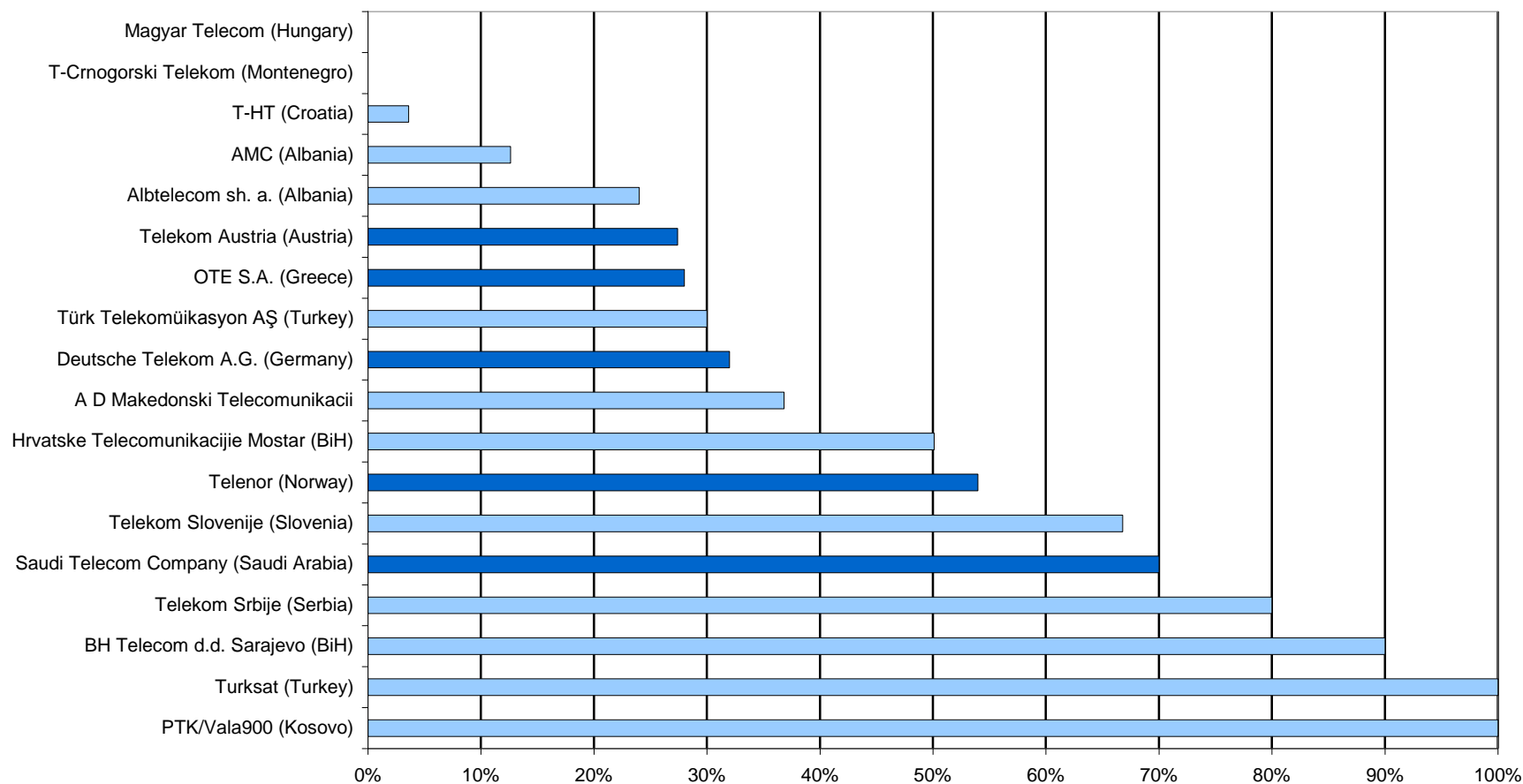


Figure 30 - State ownership of telecommunications operators

b) Responsibilities of the NRA and policy-making bodies

Political influence is the most direct means of influencing the NRA. The mere possibility of political intervention may put the regulator under pressure. Although there is no explicit requirement to separate regulatory tasks from the activities of the Ministry or other bodies responsible for the electronic communications policy, the common practice across the EU is to create an NRA that is also separate from the policy-making bodies. The issue of political independence can be assessed, *inter alia*, on the basis of: the extent to which the NRA discretion has been limited by law, the potential and actual extent of political intervention, the rules for appointment and dismissal of the NRA management and its duration of office.

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The table below addresses:

- the division of the key responsibilities between the NRA and the ministry (or other government body) responsible for the electronic communications policy;
- powers of the Ministry or the government to give binding directions to the NRA; and
- whether certain NRA decisions are subject to prior or subsequent approval by the ministry or by another governmental institution.

Country	NRA and its responsibilities	Ministry (government) and its responsibilities	Ministry (government) powers to give instructions to NRA? Government intervention required for adopting certain decisions?
Croatia	<p>Article 12, Electronic Communications Act of June 19, 2008</p> <p>The Croatian Post and Electronic Communications Agency responsibilities include:</p> <ul style="list-style-type: none"> • Adoption of implementing legislation • Monitoring and regulation of prices and general business terms and conditions of operators • Market analysis, designation of undertakings with SMP an imposition of regulatory obligations • Designation of universal service providers • Adoption of the Numbering Plan, Addressing Plan and drafting the Frequency Allocation Table • Issuing individual spectrum licences • Dispute resolution involving operators, service providers, end users • <i>Expert</i> supervision over application of the Act and regulations adopted under the Act (<i>performed</i> by the NRA's supervisors) 	<p>Article 4, Electronic Communications Act of June 19, 2008</p> <p>Government:</p> <ul style="list-style-type: none"> • Adopts strategies, studies, guidelines and programmes establishing general principles and policy objectives for the development of electronic communications <p>The Ministry of the Sea, Transport and Infrastructure:</p> <ul style="list-style-type: none"> • Drafts proposals for strategies, studies, guidelines and policy objectives • Coordinates and supervises the work of all authorities responsible for implementation of the policy objectives • Prepares and adopts implementing legislation, including the ordinance on the allocation of spectrum and the Frequency Allocation Table • Carries out <i>inspection</i> supervision in electronic communications (performed by the Ministry inspectors) 	<p>Article 4, Electronic Communications Act of June 19, 2008</p> <p>The Ministry</p> <ul style="list-style-type: none"> • may give guidelines and instructions to the NRA concerning the implementation of the established principles and policy objectives for the development of electronic communications; • may not influence the adoption of the NRA decisions in individual cases <p>The administrative supervision of the NRA by the Ministry which established by Article 3(6) of the previous Telecommunications Act of 2003 was removed from the new Electronic Communications Act of 2008.</p> <p>Article 18(4) of the new Act states that final decisions and other administrative acts of the NRA may not be annulled or repealed on the basis of supervision rights, or repealed under emergency procedures, or be made null and void by a competent body.</p>

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Country	NRA and its responsibilities	Ministry (government) and its responsibilities	Ministry (government) powers to give instructions to NRA? Government intervention required for adopting certain decisions?
FYROM	<p>Article 9, Law on Electronic Communications of 2005 Agency for Electronic Communications (AEC) is responsible for:</p> <ul style="list-style-type: none"> • adoption and implementation of the secondary legislation • spectrum management, including allocation and assignment of frequencies • number management • market analysis; designation of undertakings with SMP and imposition of regulatory obligations • approval of reference interconnection and unbundling offers • regulation of wholesale and retail prices • universal service: designation of providers and management of the US fund • dispute resolution in commercial disputes • consumer complaints 	<p>Government: Approves the minimum one-off fee for frequency authorisations issued subject to tender procedures</p> <p>Article 6, Law on Electronic Communications of 2005 The Ministry for transport and communications:</p> <ul style="list-style-type: none"> • prepares the National Strategy for development of electronic communications and information technology • prepares legislation for electronic communications 	<p>Article 7, Law on Electronic Communications of 2005 The NRA, <i>“in its work and in taking the decisions within the scope of its competencies is independent and not subordinated to any state body or other public legal person or trade company engaged in operating in the field of electronic communications and is impartial towards them.”</i></p> <p>Under Article 63, Law on Electronic Communications of 2005, the Government approves the minimum one-off fee for frequency authorisations issued subject to tender procedures</p> <p>Under Article 35, the Ministry approves the universal service provider selected by the NRA in a public tender procedure.</p>
Turkey	<p>Law No 4502 of January 27, 2000 Telecommunications Authority is responsible for:</p> <ul style="list-style-type: none"> • adoption of the secondary legislation (ordinances, communiqués and decisions of the Board) • price control of retail and wholesale tariffs • adoption of national numbering and spectrum plans • market analysis, designation of undertakings with SMP and imposition of regulatory obligations • issuing concessions and licences and executing public tender procedures • inspection • arbitration 	<p>The Ministry of Transport</p> <ul style="list-style-type: none"> • develops the state policies and strategies for the telecommunications sector • prepares legislation for telecommunications • develops and implements the universal service framework • on the NRA proposal defines tender procedures for issuing concessions and Type 1 licences for telecommunications services and infrastructures and submits to the approval by the Council of Ministers 	<p>Article 14 of Law No 4502 (amending article 5 of Law No. 2813) states that the NRA is an <i>“independent budget entity having public legal personality and administrative and financial autonomy”</i></p> <p>However, issuing of Type 1 licences and implementation of universal service require government intervention</p>

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Country	NRA and its responsibilities	Ministry (government) and its responsibilities	Ministry (government) powers to give instructions to NRA? Government intervention required for adopting certain decisions?
Albania	<p>Article 8, Law on Electronic Communications (Law No. 9918 of May 19, 2008)</p> <p>Authority of Electronic and Postal Communications is responsible for:</p> <ul style="list-style-type: none"> • Regulation of access and interconnection • Approval of reference offers for access and interconnection • Market analysis, designation of undertakings with SMP and imposition of regulatory obligations • Registration of notified undertakings • Assignment of frequencies for electronic communications services • Preparing the National Numbering Plan and assignment of numbers • Price control of wholesale and retail tariffs • Management of the universal service fund and carrying out of the designation procedures of the universal service providers • Management of national top level domain names 	<p>Article 5, Law on Electronic Communications (Law No. 9918 of May 19, 2008)</p> <p>Directorate of Posts and Telecommunications within the Ministry of Public Affairs, Transport and Telecommunications is responsible for:</p> <ul style="list-style-type: none"> • preparing and presenting for the approval by the Council of Ministers policies concerning electronic communications • drafting relevant primary and secondary legislation • preparing the National Radio Frequency Plan • approval of tender procedures for frequency assignment and the designation of universal service providers, based on proposals by the NRA 	<p>Under the previous Law on Telecommunications of 2000, the Council of Ministers or Minister's approval was required for:</p> <ul style="list-style-type: none"> • Tariff regulation methodology that was proposed by the NRA to the Ministry and approved by the Council of Ministers • Issuing of Class I national licences by the NRA, required the decision on the number of licences and format of the tender procedures to be adopted by the Council of Ministers and the orders on the start of the procedures and approval of the winners to be adopted by the Minister • Minister was responsible for issuing implementing regulations on interconnection agreements, CS/CPS and number portability, interoperability of networks, facility sharing, numbering <p>Under the new Law on Electronic Communications, the above decisions fall within the scope of the NRA competencies.</p> <p>Article 6, Law on Electronic Communications provides that the NRA <i>'in its work and decision-making within its competencies is independent.'</i></p>
Bosnia & Herzegovina	<p>Article 3, Law on Communications of 2002</p> <p>Regulatory Authority for Communications (RAK) is responsible for:</p> <ul style="list-style-type: none"> • regulating broadcasting and public telecommunications networks and services • licensing • tariffs regulations • interconnection • defining the basic conditions for the provision of common national and international communications facilities • planning, co-coordinating, allocating and assigning the use of the radio frequency spectrum • management of the numbering plan and assignment of numbering resources to telecommunications operators. 	<p>The Council of Ministers is responsible for:</p> <ul style="list-style-type: none"> • Developing and adopting policy in line with the existing legislation • Defining the scope of the universal service, designating the providers and establishing the funding mechanism, based on proposals of the NRA • Determining the representation of Bosnia and Herzegovina in international forums concerned with communications • The Ministry performs the coordination of functions which are the Council of Ministers responsibility. 	<p>In order to carry out the constitutional provisions in respect of communications the Council of Ministers (Government) shall be responsible for policy-making, and the Agency shall be responsible for the regulation.</p> <p>As policy maker, the Council of Ministers issues obligatory political guidelines, but without influence in decision making process.</p>

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Country	NRA and its responsibilities	Ministry (government) and its responsibilities	Ministry (government) powers to give instructions to NRA? Government intervention required for adopting certain decisions?
Montenegro	<p>Article 8, Law on Electronic Communications of July 29, 2008</p> <p>Agency for Electronic Communications and Postal services:</p> <ul style="list-style-type: none"> • prepares draft bylaws and regulations that are adopted by the Ministry • adopts rules and procedures for the implementation of the Law and bylaws • prepares draft national radio frequency bands allocation plan that is adopted by the Government • adopts the national addressing and numbering plans • organises tender procedures and issues authorisations to use frequencies, numbers and addresses • presents for the government approval the amount of fees to be paid by authorised operators and service providers, calculated based on the methodology developed by the Ministry • performs market analyses, designation of providers with SMP and imposition of regulatory obligations • dispute settlement • designation of the universal service provider and management of the universal service fund • <i>expert</i> supervision over activities over activities of registered operators 	<p>Article 4, Law on Electronic Communications of July 29, 2008</p> <p>The Government:</p> <ul style="list-style-type: none"> • adopts development strategy on decade bases • adopts the national radio frequency bands allocation plan • adopts the NRA statute, approves its annual action plan and financial plan • adopts yearly activity report by the NRA, including the financial report • periodically determines the scope of universal service • determines conditions for utilizing networks for electronic communications in state of emergency. <p>Article 5, Law on Electronic Communications of July 29, 2008</p> <p>Ministry of Maritime affairs, Transport and Telecommunications:</p> <ul style="list-style-type: none"> • develops legislation and adopts bylaws and regulations under the Law on Electronic Communications • drafts sector development strategy • approves QoS requirements for the universal service on the NRA proposal • determines methodology to be applied by the NRA when setting authorization fees and fees for use of limited resources • authorizes institutions responsible for certification of R&TTE equipment • performs <i>inspection</i> supervision of the implementation of the Law and secondary legislation adopted under the Law 	<p>Article 130, Law on Electronic Communications of July 29, 2008 authorises the Ministry to perform “supervision of legality and purposefulness” of the NRA activities. A commentary to this article clarifies that this supervisory function should not be applied to the regulatory decisions and regulatory rules adopted by the NRA, where the NRA must be independent.</p> <p>The new Law on Electronic Communications the separation of legislative functions which are now been completely transferred to the Ministry from strictly regulatory activities performed by the NRA. Under the previous Telecommunications Law (Official Gazette of the Republic of Montenegro, No. 59/2000), the NRA had more powers to adopt secondary legislation, independently from the Ministry.</p>

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Country	NRA and its responsibilities	Ministry (government) and its responsibilities	Ministry (government) powers to give instructions to NRA? Government intervention required for adopting certain decisions?
Serbia	<p>Article 9, Telecommunication Law</p> <p>RATEL's responsibilities include:</p> <ul style="list-style-type: none"> • adoption of technical regulations • market analysis and designation of operators with SMP • licensing and authorisation of telecommunications network operators and service providers, including the conducting of public tenders for individual licenses in accordance with the Ministry's resolution on the number, timing and minimum conditions for granting such licenses • settlement of disputes between telecommunications operators and between operators and end users • drafting proposals for the Radio Frequency Allocation Plan and the Radio Frequency Assignment Plan • price control of undertakings with SMP • assignment of radio frequencies • adopting the Numbering Plan and assigning numbers • managing the universal service fund. 	<p>Article 5, Telecommunication Law</p> <p>Government:</p> <ul style="list-style-type: none"> • Defines the policy and strategy of telecommunications development on proposal of the Ministry • adopts the Radio Frequency Bands Allocation Plan. <p>Article 6, Telecommunication Law</p> <p>The Ministry of telecommunications and information society is authorized to:</p> <ul style="list-style-type: none"> • supervise the implementation of the Law and regulations adopted on the basis of this Law • prepare a proposal of the strategy for telecommunications development • prepare a proposal of the Radio Frequency Bands Allocation Plan and adopt the Radio Frequency Assignment Plan based on the NRA's proposal • decide on the number and timing of individual licenses to be granted for public telecommunications networks or services through a public tender procedure, including the minimum amount of a one-off licence fee • define the scope of universal services based on the proposal made by RATEL 	<p>Under Article 7, Telecommunication Law, the NRA is defined as <i>"an autonomous legal entity, functionally independent of and not subordinated to any government authority, as well as of any organization and person engaged in operating telecommunications networks and equipment or providing services."</i></p> <p>The Ministry, however, performs a supervisory function in over the activities of the NRA.</p> <p>Article 56, par 2 of the Law on State Administration provides that if the NRA fails, despite multiple warnings, to start performing business or start performing it properly or timely, the Ministry as a supervisory body of the state administration may take over its competencies but for a period no longer than 120 days.</p> <p>Under Article 57, par 1 of the Law on State Administration, the NRA is obliged, before publication of its proposed regulation, to get the opinion from the Ministry of constitutionality and legality of the regulation. According to a clarification provided by the Government in June 2008, the NRA is, however, <i>"under no obligation to act along the proposal of the Ministry."</i></p>

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Country	NRA and its responsibilities	Ministry (government) and its responsibilities	Ministry (government) powers to give instructions to NRA? Government intervention required for adopting certain decisions?
Kosovo	<p>Under Telecommunications Law No. 2003/16, TRA is authorised to:</p> <ul style="list-style-type: none"> • issue licenses and authorizations for provision of telecommunications services • implement the policies of the Ministry pursuant to the Law on Telecommunications, and other implementing legislation • issue regulations and instruction for the implementation of the present Law • assign rights to use spectrum resources and numbers • issue price regulations • adopt a numbering plan and assign numbers • prepare a spectrum resource plan subject to Assembly review and approval • perform market analysis and designate operators with SMP • define the scope, requirements and funding mechanisms of the universal service on recommendation by the Ministry. 	<p>The Ministry of Transport and Communications</p> <ul style="list-style-type: none"> • develops policies for the Telecommunication sector, including the development of legislation • supervises the work of PTK in cooperation with the Privatization Agency. <p>The Assembly is responsible for:</p> <ul style="list-style-type: none"> • review and approval of the spectrum resource plan • approval of the NRA budget. 	<p>No</p> <p>The new Law No. 03/L-085 of June 13, 2008 amending the Law on Telecommunications No 2003/16 deletes references to UNMIK, its Frequency Management Office (FMO) and SRSG (Special Representative of the Secretary General). The new law establishes the NRA as the sole authority to allocate radio frequency spectrum, subject to “Assembly review and approval in written” of the TRA spectrum resource plan. The new law further ensures the NRA administrative independence by removing the provisions in the Telecommunications Law that enabled the Ministry to issue instructions to the NRA to amend a licence.</p>

Table B.2 - The division of responsibilities between the Ministry and the NRA

2. Appointment and dismissal of the directors of the NRA

The rules and procedures for appointment and dismissal of the NRA management are covered in the table below, addressing:

- eligibility criteria for the NRA management (e.g. professional background, restrictions on interest in any of the market participants);
- government bodies involved in the appointment of the NRA management and specific procedures;
- duration in office of the NRA directors; and
- grounds and procedures for removal of the NRA management.

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Country	Rules and procedures for appointment and dismissal	Eligibility criteria for appointment
Croatia	<ul style="list-style-type: none"> • The NRA is governed by the Council consisting of seven members, including a Chairman and a Deputy Chairman, who are full-time employees of the NRA during their term of office. • The Council members are appointed and dismissed by Parliament upon proposal of the Government. • The appointment is for a period of five years with the possibility of reappointment. • The NRA's administrative service performing expert, administrative and technical tasks is managed by the Director appointed by the NRA Council for a period of four years with the possibility of reappointment. • Dismissal in the cases of: resignation, provision of false information at the time of the appointment, serious professional misconduct, inability to perform professional duties for more than 6 months in a row, permanent loss of ability to perform professional duties, conviction of criminal offence, failure to fulfil objectives and tasks defined in the NRA annual work programme, conflict of interest. 	<p>The members of the NRA Council must fulfil the following criteria:</p> <ul style="list-style-type: none"> • to be Croatian citizen domiciled in the Republic of Croatia • with university education or specialised university education in electronic communications, postal services, law or economics • adequate work experience • active knowledge of at least one foreign language (English, French or German) • at least two members must have a completed an undergraduate course or a specialised undergraduate course in law, and two in economics • five members must have at least five years of work experience in the electronic communications sector, and two members of must have at least five years of work experience in the postal services sector • may not be state officials, persons on positions in bodies of political parties, units of local and regional self-government or unions or persons employed, having influence or performing other tasks in electronic communications and postal undertakings • may not be owners, stockholders or shareholders in regulated entities or perform other tasks that may result in conflict of interest.
FYROM	<ul style="list-style-type: none"> • The NRA is governed by a Commission that consists of five members, including the President and Vice President. • The President and the members of the Commission are appointed and dismissed by Parliament. • The NRA's day-to-day activities are managed by a Director, engaged as a professional full-time employee. • The Director is appointed by the Commission following a public competition procedure. • The term of office of the Commission members and its Director is five years, with a possible reappointment for an additional consecutive term of office. • Dismissal of the Commission members prior to the expiration of the term of office in the cases of: own request, sentence of longer than six months for a criminal act, absence from three consecutive meetings or five meetings during any 12 months period during the term of office, failure to submit the NRA annual report to the Assembly. 	<ul style="list-style-type: none"> • The President and members of the NRA Commission may not be: deputies of the Assembly, members of the Government, perform duties in bodies of the political parties, members of managing and supervisory bodies in public companies, or members of any other form of association of legal and natural persons that might lead to a conflict of interests and may not hold equity directly or indirectly in any undertaking performing activities in electronic communications sector. • The Director appointed through a public competition procedure must be: a citizen of the Republic of Macedonia and a holder of university degree in the field of science, law or economics with professional experience of more than 5 years and have organizational and managing abilities.
Turkey	<ul style="list-style-type: none"> • The decision making body of the NRA is the Telecommunications Board that consists of seven members, including a Chairman and a Vice Chairman. • The Chairman is also responsible for the general management and representation of the NRA. • Board members are appointed for a period of five years by the Council of Ministers. Two of them are nominated by operators having at least 10% 	<ul style="list-style-type: none"> • University degree in relevant fields • Ten years of experience in public or private sector • Eligibility for public service • No connections to political parties • No conflict of interest

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Country	Rules and procedures for appointment and dismissal	Eligibility criteria for appointment
	<p>market share, one member – by the Ministry of Industry, one – by Trade and the Union of Chambers and Industry, and three members – by the Ministry of Transport.</p> <ul style="list-style-type: none"> • Appointments require approval by the President of the Republic. • The Board members can only be dismissed before expiration of a term by the Council of Ministers for inability to work due to serious illness, professional misconduct or criminal offences. 	
Albania	<ul style="list-style-type: none"> • The NRA is governed by the Governing Council composed of five members appointed for a 5 year office term, by the Assembly of the Republic of Albania, on the proposal of the Council of Ministers, and having the right for no more than one office term. • The Assembly appoints one of the members of the Governing Council as the Chairman, who also acts as the Executive Director of the NRA. • Dismissal in the case of physical or mental incapability, conviction for a criminal act, appointment as a Member of Parliament or a local government body, inability to exercise professional duties for more than 6 months. 	<ul style="list-style-type: none"> • Member of the Governing Council shall be graduates and qualified experts, with a minimum of 7 years experience and shall represent the sector of the electronic communications, postal, economic, and juridical. • Upon appointment shall resign from any official positions or functions, give up any for-profit activity, as well as to sell and liquidate any financial interest in undertakings active in electronic communications or postal sectors. • May not have family ties to the Council of Ministers, have been convicted for a criminal act or excluded by law from holding public positions.
Bosnia & Herzegovina	<ul style="list-style-type: none"> • Strategic and policy issues at the NRA are decided by the Council of seven (7) members nominated by the Council of Ministers and appointed by Parliament. Parliament shall accept or reject these nominations within thirty (30) days after submission of the nominations. • The NRA is headed by the Director General, who is elected by the Council of the Agency and approved by the Council of Ministers. He is responsible for all regulatory and administrative functions and manages day to day operations. • The Parliament has the sole authority to dismiss the members of the Council before completion of their mandate. • The Council of Ministers has the sole authority to dismiss the Director General before completion of the mandate. • Both, members of the RAK Council and the Director General have a term of 4 years and can be re-appointed only once. • Dismissal before the end of the mandate due to serious illness, conviction of a serious crime, a conflict of interest, resignation, failure to participate in three or more consecutive meetings. 	<ul style="list-style-type: none"> • Members of the Council of the NRA must demonstrate exceptional legal, economic, technical or other relevant expertise and experience for the fields of telecommunications and/or broadcasting . • The Director General must have relevant experience in the fields of telecommunications and/or broadcasting and proven management skills. • No conflict of interest.
Montenegro	<ul style="list-style-type: none"> • Under the Telecommunications Law of 2000 (Official Gazette, No. 59/2000), the NRA has been managed by the Director appointed by the Government for a period of four years, with a Deputy Director appointed on the same conditions. Director and his Deputy could not be appointed more than two successive terms. • The new Law on Electronic Communications of July 29, 2008 introduces a new management structure, consisting of the Council and the Executive Director. 	<p>Under the Law on Electronic Communications of July 29, 2008</p> <ul style="list-style-type: none"> • President of the Council, its members and the Executive Director shall hold Montenegrin citizenship and have permanent residence in Montenegro, and have higher education in telecommunications, electronics, economy or law, at least 5 years of experience, covering positions in the field of telecommunications and active English language skills. • They may not hold equity nor have other interests in any organisation active

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Country	Rules and procedures for appointment and dismissal	Eligibility criteria for appointment
	<ul style="list-style-type: none"> • The Council of the NRA shall have the President, engaged as professional employee of the NRA, and 4 members of the Council who could be part time or professionally engaged employees of the NRA. • The Executive Director shall be engaged as professional full-time employee. • President of the Council and members of the Council shall be appointed by the Government upon the Ministry proposal to a term of office of 5 years. The Executive Director shall be appointed by the Council, for a term of office of 4 years. They shall not hold office for more than two consecutive terms. • Dismissal before the expiration of the term of office due to resignation, conviction of a crime, permanent loss of ability to perform duties, conduct damaging to the reputation of the independence of the NRA. 	<p>in the field of electronic communications.</p> <ul style="list-style-type: none"> • They may not be Members of Parliament or Deputies, officials or members of political parties' bodies.
Serbia	<ul style="list-style-type: none"> • The NRA is managed by the Managing Board that consists of a Chairman and four Members who are appointed and relieved from office by the National Assembly, at the proposal of the Government. • Their term of office is five years with a possibility of a reappointment for one more consecutive term. • The Managing Board appoints the Executive Director of the Agency who is responsible for the administration and operational issues. • Dismissal before the expiration of the term of office due to resignation, illness causing the loss of the ability to perform professional duties for longer than 6 months, conviction of a crime or corruption, provision of incorrect data at the time of appointment, conflict of interest. 	<ul style="list-style-type: none"> • Managing Board members must demonstrate professional knowledge and experience relevant to the activities falling within the responsibility of the NRA, in particular in the field of engineering, economics and law, and the proposal must include at least two candidates from the field of engineering and at least one candidate from the field of economics and one from the field of law.
Kosovo	<ul style="list-style-type: none"> • The NRA is managed by the Board that consists of five Members who are appointed and relieved from office by the National Assembly, at the proposal of the Government with the recommendation from the Minister of Transport and Communications. • Their term of office is five years with a possibility of a reappointment for one more consecutive term. The Minister of Transport and Communications, acting in consultation with the Prime Minister designates one member of the Board to be the Chairman, who is also responsible for the administration and operational issues. • Upon a two-third vote of the members, the Board shall remove a Member on the ground of professional incompetence, misconduct or a conflict of interest. Dismissal is subject to approval by the Assembly. 	<ul style="list-style-type: none"> • Members of the Board shall be university graduates with specialized knowledge in the area of politics, frequencies, interconnections, tariffs, law, economics, standardizations, or have at least ten (10) years experience in the telecommunications sector. • A member shall, if applicable, resign from public or elected office or other employment and shall not engage in any other commercial activity regardless of whether the Member receives compensation for such activity. In addition, a Member shall be required to terminate any business activities and financial interests in enterprises that are under the jurisdiction of the Board, and otherwise comply with the provisions of the NRA's standards of conduct.

Table B.3 - Appointment and dismissal of the directors of the NRA

Notes:

Croatia:

The new Electronic Communications Act of June 19, 2008 establishes the Croatian Post and Electronic Communications Agency (HAKOM) as a new regulatory authority that takes over the tasks and responsibilities of the previous regulators for telecommunications (the Croatian Telecommunications Agency, HAT) and for postal services (the Postal Services Council). Members of the Council of the HAT and the Chairman of the Postal Services Council

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- will continue as Members of the Council of HAKOM until the expiry of their term of office. The former HAT Council Chairman will be the HAKOM Council Chairman and the former Postal Services Council Chairman will be HAKOM Council Deputy Chairman.
- Albania: Article 138 of the new Law on Electronic Communications No. 9918 of May 19, 2008 states that the present NRA, TRE, will continue its activities as the Authority of Electronic and Postal Communications (AEPC), and TRE Governing Council Members will continue as AEPC Governing Council Members until the expiry of their term of office.
- Montenegro: Article 142 of the new Law on Electronic Communications adopted on July 29, 2008 states that the present NRA, the Agency for telecommunications and postal services will continue its activities as the Agency for electronic communications and postal services. The Government is required to appoint the president of the Agency Council and its Members within 60 days from the entry into force of the new Law. Within 30 days from the appointment of the Council, its Members will be required to appoint the Executive Director.

3. NRA budget and sources of financing

The NRA financial and operational means play an important role in ensuring a stable and predictable regulatory environment. Therefore, the financial resources available to the NRA, the number of employees and its ability to attract and retain suitably qualified staff are particularly important aspects in assessing the capacity of the NRA to operate effectively.

The EU regulatory framework requires that the NRAs are self-financing and that their fees only cover their administrative costs, except when allocating limited resources. Furthermore, under the EU 2002 framework, the general authorisation regime applies to all activities in the electronic communications sector with the exception of those requiring the use of limited resources. Therefore, the NRA fees associated with authorisations, such as registration fees, are set a modest level.

The table below presents information on the operational budgets of the NRAs in 2007 and 2008, as well as the sources of their financing. In this table, the term “authorisation fees” is used to describe fees related to the issue of all types of authorisations, including individual licences.

Country	Operational budget € (000s)		Sources of financing				
	2007	2008	Operator revenue-based fees	One-off authorisation/notification fees	Spectrum	Numbers	Others
Croatia	9,376	11,055	36%	-	18%	43%	3%
FYROM	7,420	7,281	11%	-	70.92%	11.45%	6.63%
Turkey	48,911	N/A	6%	24%	61%	-	9%
Albania	1,572	1,928	-	30.8%	68.8%	0.2%	0.2%
Bosnia & Herzegovina	3,706	4,218	-	63.21%	6.18%	30.14%	0.47%
Montenegro	6,649	3,000	-	98%	2%	-	-
Serbia	8,241	8,984	-	55%	40%	-	5%
Kosovo	519	2,242	-	99.14%	-	-	0.86%

Table B.4 - Operational budget of the NRA and its sources of financing

Notes:

FYROM: At the beginning of 2008, the Commission of the NRA adopted a decision to decrease the fees for frequencies, numbers and market supervision by 30%.

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- Albania: The new Law on Electronic Communications No. 9918 of May 19, 2008 changes the sources of the NRA funding from License and Frequency levies and fees to an annual administrative fee ('annual income contribution to AECF'). Frequency and numbering fees will be approved by the Council of Ministers on the NRA proposal, collected by the NRA and transferred to the state budget.
- Montenegro: The revenue of the NRA for 2007 was about €27,372 millions, mostly comprised by one-off fees for 2G/3G and WiMAX licences. The NRA also had income from permits to use frequencies amounting to some 1-2% of annual income. Of this amount, €14,960 were transferred to the state budget. The exact amount of the NRA budget in 2007 is still not known, because the financial statements for fiscal year 2007 have not been published. The operational budget for 2008 is given as an estimate.

4. NRA staffing

The table below shows:

- the total NRA staff in 2008
- sub-divided into the number of qualified employees dealing with
 - general regulatory issues;
 - frequency monitoring tasks; and
- legal or financial restrictions on the NRA's ability to set the level of remuneration of its staff (e.g., salaries tied to civil service rates).

Country	Total	Handling electronic communications regulatory tasks	Handling frequency monitoring tasks	Restrictions on the NRA's ability to set salary levels
Croatia	125	47	18	No legal restriction
FYROM	99	14	22	No legal restriction
Turkey	594	444	150	The highest salary cannot exceed that of the highest salary of a governmental official
Albania	52	30	10	The structure and the level of salaries is approved by the Parliament based on a proposal from the Council of Ministers.
Bosnia & Herzegovina	101	24	24	The new Law on Salaries and Allowances for Civil Servants adopted on June 23, 2008 brings the salary level of the NRA staff within the pay scales for civil servants. Under this law the NRA will have to follow the established scales for the basic salary levels and will only be able to increase salaries of its employees through an additional "regulatory" bonus scheme.
Montenegro	42	15	13	No legal restriction
Serbia	89	29	25	No legal restriction
Kosovo	30	11	4	Salary levels are regulated subject to pay scales and a system of grades that applies to all civil servants in Kosovo.

Table B.5 - Staffing and salary levels of NRAs

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Notes:

Albania: Electronic communications tasks include the following: market regulation, licensing, technical (excl. frequencies), legal department, inspection and decision-making, the board of the NRA.

Approval of the new statute for the NRA took almost two years, taking effect only when the previous board was dismissed. Since April 2008 the organizational structure and the position of experts in the new structure has been under consideration by the Board of the NRA.

Bosnia & Herzegovina: There are 12 experts in each of the Telecommunication and Broadcasting Sectors, 13 in the Frequency Department and 11 in the Monitoring Department.

Montenegro: The number of employees handling telecommunications regulatory tasks does not include employees engaged in inspection, secretaries, drivers, administration, archives, accounting, translators, household and security. It also excludes personnel on a one-year work trial.

5. NRA enforcement powers

The NRA bears the primary responsibility of ensuring compliance with the obligations imposed on operators either directly by the law, or by the NRA after carrying out a market analysis procedure. To that effect, the NRA should have specific investigatory and sanctioning powers.

In order to ensure effective compliance with SMP-obligations, the NRA sanctioning powers should, in particular, allow it to impose fines with a sufficient deterrent effect and to order the suspension of non-compliant commercial offers. Sanctions should be sufficiently stringent, taking into account the substantial commercial benefits from the illegal practice. Moreover, the threat of sanctions should also be sufficiently real to ensure SMP operators conform to their regulatory obligations.

Table B.6 itemises the:

- powers of the NRA to impose fines, specific instances when a fine can be imposed and the level;
- powers of the NRA to suspend non-compliant commercial offers; and
- examples of fines imposed by NRAs.

Country	NRA powers to impose fines	NRA powers to suspend commercial offers	Applied in practice
Croatia	Yes The range of fines is 1% to 5% of the total annual gross income generated by the provision of telecommunications services and activities, in the fiscal year preceding the year in which the violation was committed.	Yes Article 63, Telecommunications Act of 2003 Article 118, Electronic Communications Act of June 19, 2008	No financial penalty has ever been imposed. Suspension of commercial offers has been regularly applied by the NRA.: <ul style="list-style-type: none"> • On November 27, 2006 the NRA requested the mobile operator VIPnet to modify the tariffs of its 'Option Fixed' prepaid package that according to the NRA constituted predatory pricing, effectively suspending the launch of the offer. • On February 12, 2007 the NRA requested T-Com, the incumbent operator, to modify its fixed tariff plan called 'Non stop'. According to the NRA, the incumbent operator had practiced a price squeeze by offering fixed voice

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Country	NRA powers to impose fines	NRA powers to suspend commercial offers	Applied in practice
			services at retail tariffs set below its wholesale charges.
FYROM	No power to impose fines directly. Instead the NRA may initiate a procedure under the Law on Misdemeanours or the Law on Criminal Procedures. According to the Law on Electronic Communications, the maximum fine may be up to 7 to 10% of the total annual revenues in the year prior the year when the misdemeanour was committed performed or of the total revenue for a shorter period of the year preceding the misdemeanour, provided that the legal entity commenced its operations during that year.	Yes Article 49 of the Law on Electronic Communications	In April 2007, the NRA submitted an application for a misdemeanour procedure to the court against Makedonski Telekom for failure to implement an amended RUO.
Turkey	Yes Up to 3% of annual revenue	Yes. If the proposed tariff of the SMP operator is not approved by the NRA, the offer is suspended and the SMP operator must propose a new tariff in accordance with the NRA requirements. This is also valid for reference broadband and LLU offers.	During the approval process of TT's ADSL wholesale resale tariffs in spring 2008 the NRA had suspended the proposed TNet's retail ADSL prices.
Albania	Yes, up to 10% of annual revenue, depending on the type of violation as defined in Article 137 of the Law on Electronic Communications No. 9918 of May 19, 2008	Yes Articles 55-57 of the Law on Electronic Communications No. 9918 of May 19, 2008	No
Bosnia & Herzegovina	The maximum fine is BAM 150,000 (ca. €75,000) for the first violation, with a maximum of BAM 300,000 (ca. €150,000) for a repeated offence.	Yes Article 20 of the Law on Communications of 2002	The NRA regularly uses its right to impose fines. However, it tries to use mediation in order to avoid the direct imposition of contractual terms and conditions.
Montenegro	Yes. Maximum fine is two hundred times the minimum salary in Montenegro (about €10,000). The new Law on Electronic Communications of July 29, 2008 increases the maximum fine to three hundred times the minimum salary in Montenegro (about €15,000).	Yes Article 5 of the Law on Electronic Communications of July 29, 2008	No
Serbia	According to Article 96 of the Telecommunication Law: a fine in the range of RSD 300,000 (€3,674) to RSD 3,000,000 (€36,740) can be imposed on a public telecommunications operator if it sets tariffs contrary to those defined by the NRA for the services subject to a price control.	Yes The NRA has a power to suspend the commercial offer only for the SMP operator and after the cost based analysis.	The NRA refused to accept the proposal of Telekom Srbija to raise the fixed telephone tariffs by its decision from April 17, 2006. The offer was suspended by the NRA.

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Country	NRA powers to impose fines	NRA powers to suspend commercial offers	Applied in practice
Kosovo	The Ministry's Administrative Instruction No. 2004/3 on telecommunications fees and fines authorised the NRA to impose fines to a maximum of €250,000. It may also issue written orders requiring operators to correct defective actions within a specified time period (Law on Telecommunications, section 15 (5) a).	Yes PTK's fixed telephony licence contains provision stating that <i>'the Licensee may not increase the tariffs of any existing licensed Regulated Service or set a price for any new licensed Regulated Service in Kosovo without the prior written approval of the NRA'</i> .	When PTK and IPKO failed to reach an interconnection agreement, tariffs for the termination of calls were imposed (Decision No. 276.07 of December 12, 2007).

Table B.6 - Enforcement powers of the NRA

Notes:

Albania: As prescribed in the new Electronic Communications Law (No. 9918) there is a new chapter in the law (Chapter XVI) which stipulates the inspection procedures and frequency monitoring .Article 134 prescribes sequestration of illegal equipments and systems by AECP inspectors. There is a better elaboration of the cases where AECP may impose fines and administrative measures in case electronic communications network service providers and other providers do not abide by the rules and regulations.

6. Dispute resolution

Article 20 of the Framework Directive establishes a requirement for the NRAs to be able to issue binding decisions to resolve commercial disputes between undertakings arising from obligations under the regulatory framework. The maximum timeframe for resolving a dispute may not exceed 4 months. Table B.7 shows whether the NRAs are authorised to resolve commercial disputes. It also and describes the applicable procedures and the timeframe.

Country	Type of commercial disputes that can be resolved by NRAs	Dispute resolution procedures and deadlines	Publication of disputes by the NRA
Croatia	<ul style="list-style-type: none"> Disputes between operators and between operators and providers of services. Disputes between providers and end-users 	<p>Telecommunications Law of 2003, article 56 provided a detailed procedure:</p> <ul style="list-style-type: none"> NRA intervention after 45 days of unsuccessful negotiations on request of the involved operators NRA issues binding decision within 45 (in exceptional cases 75) days from receiving the request NRA decision must be implemented within 15 days from the day of its issue to the parties unless a different term is determined by decision. <p>The new Electronic Communications Act of June 19, 2008, article 20 is less detailed on the procedural aspects and extends the deadline for the NRA to resolve a dispute within 4 months.</p>	NRA decisions must be published in the Official Gazette and on its website, and also be published in the NRA's official journal or in any other appropriate manner, taking into account the confidentiality of business information.
FYROM	Disputes involving operators of communications networks and providers of communications services	<p>Law on Electronic Communications, article 122:</p> <ul style="list-style-type: none"> NRA can resolve conflicts on the request of the parties, or take action on its own Maximum time for NRA to reach a decision is 4 months Disputes can be settled applying mediation or arbitration procedure 	Article 122 of the Law on Electronic Communications requires the NRA to publish decisions, taking into account the confidentiality of business information.

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Country	Type of commercial disputes that can be resolved by NRAs	Dispute resolution procedures and deadlines	Publication of disputes by the NRA
		<ul style="list-style-type: none"> • Mediator chosen by the parties or by NRA within 7 days • Arbitrators appointed by NRA Commission, the Minister and other interested parties for 5 years. • Result of arbitration is binding, final and enforceable 	
Turkey	<p>Disputes involving providers of telecommunications services and network operators on interconnection, network access and interconnection</p> <p>Applicable provisions are set out in Telegraph and Telephone Law No. 406, Article 10(4), By-law on Access and Interconnection, Article 18, Roaming Ordinance of March 8, 2002.</p>	<p>Access and interconnection:</p> <ul style="list-style-type: none"> • Parties may call in the NRA after 3 months of failed negotiations • After calling in the NRA, the parties still have 6 weeks (extendable to 10) to reach an agreement • NRA decides within 4 months (extendable to 6) <p>Roaming:</p> <ul style="list-style-type: none"> • NRA has 15 days to decide if a request is accepted or not • NRA expects parties to reach agreement in 4 weeks • If agreement is not reached, NRA will decide 	<p>No.</p> <p>Currently only the relevant parties to the dispute are informed about the decision.</p>
Albania	<p>The previous Law No. 8618 on Telecommunications, Articles 43 and 52(11):</p> <ul style="list-style-type: none"> • failure to reach an interconnection agreement; • disputes on numbering. <p>NRA may intervene on its own initiative if operators with SMP fail to satisfy the requirements defined in Article 42, or if market competition principles are violated, under Article 45.</p> <p>Article 120 of the new Law on Electronic Communications (Law No. 9918 of May 19, 2008) contains a general provision on the NRA powers to resolve disputes between undertakings of electronic communications networks and services.</p>	<p>Law No. 8618 on Telecommunications, Article 43:</p> <ul style="list-style-type: none"> • NRA involvement after 2 months of failed negotiations between the negotiating parties • NRA can issue a binding order to resolve the dispute within one month after a failure to reach agreement has been filed <p>Article 120 of the new Law on Electronic Communications (Law No. 9918 of May 19, 2008) requires the NRA to apply the provisions of the Code of Administrative Procedures to the dispute resolution.</p>	<p>NRA is obliged to publish decisions relating to disputes, where it must take into account the prohibition on publication of the business secrets of parties.</p>
Bosnia & Herzegovina	<ul style="list-style-type: none"> • Disputes between operators and between operators and providers of services. • Disputes between providers and end-users 	<p>Law on Communications, Article 16:</p> <ul style="list-style-type: none"> • NRA intervention after 6 weeks of failed negotiations on request of one of the parties • NRA issues binding decision within 6 (in exceptional cases 10) days from receiving the request 	<p>No</p> <p>There is no obligation in Law on communications for publication of disputes by the NRA.</p>

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Country	Type of commercial disputes that can be resolved by NRAs	Dispute resolution procedures and deadlines	Publication of disputes by the NRA
Montenegro	<ul style="list-style-type: none"> Disputes between electronic communications market actors Disputes between service providers and end users 	<p>Telecommunication Law, Articles 33, 37 and 60:</p> <ul style="list-style-type: none"> NRA intervention after 90 days of unsuccessful negotiations on request of other party to the dispute NRA issues a decision within 60 days (in the case of leased lines dispute, 30 days) from receiving the request. If the dispute is not resolved by NRA, operators may submit it to the administrative court. <p>Under Article 20 of the new Law on Electronic Communications, NRA may resolve disputes between electronic communications network operators and service providers applying either mediation or arbitration rules. NRA shall resolve the disputes upon the request from one of the parties. NRA must decide on a dispute on access and interconnection within 30 days upon submitting the request, which in some cases may be extended to 60 days (e.g. shared use of facilities).</p>	No
Serbia	<p>Telecommunications Law, article 9:</p> <ul style="list-style-type: none"> Disputes between telecommunications operators about interconnection, special access and provision of leased lines Disputes between operators and end users 	<p>Telecommunications Law, article 47:</p> <ul style="list-style-type: none"> NRA intervention after 3 months of unsuccessful negotiations on request of the parties NRA issues binding decision within 60 days from receiving the request. 	<p>Telecommunications Law, Article 47:</p> <p>NRA shall create and maintain a database of all its decisions, including complaints relating to those decisions, as well as any and other information of importance for the telecommunications sector.</p> <p>This database is available on the NRA website, including dispute resolutions.</p>
Kosovo	<p>Law on Telecommunications 2003/16, section 11(2):</p> <ul style="list-style-type: none"> Disputes involving service providers, end users, owners of land and facilities. Failure to reach an interconnection agreement (Law on Telecommunications, section 56, paragraph 7). 	<p>Law on Telecommunications 2003/16, section 11(2):</p> <ul style="list-style-type: none"> NRA may undertake dispute resolution procedure either on request of one of the parties or on its own motion. NRA issues binding decision within 6 weeks from receiving the request. Service providers must comply with the NRA decision within 30 days. <p>NRA issued Regulation on Dispute Resolution in June 2007 (TRA Regulation No183/07 of 11 June 2007).</p>	No

Table B.7 - Dispute resolution powers of the NRA

7. NRA accountability

Independence needs to be reconciled with measures to ensure that the regulator is accountable for its actions. Such measures may include establishing procedures whereby the NRA performance is reviewed against specific objectives, ensuring that the regulator provides a report of its activities and its use of financial resources.

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Table B.8 shows the requirements for:

- publication by the NRA of an action plan setting specific targets and deliverables;
- reporting by the NRA of its activities and the use of financial resources (e.g., annual report); and
- review of the NRA performance by an independent body.

Country	Publication of an action plan	Financial and regulatory reporting requirements	Review of the NRA performance
Croatia	Upon the proposal of the Government, the Parliament shall adopt the Strategy for the Development of Telecommunications, which shall represent a basic document establishing, on a long term basis, the fundamental principles and guidelines for the development of telecommunications and radio communications, and shall set the national priorities in planning the development of telecommunications services and activities.	With the prior approval of the Government, the Council of the NRA adopts its annual financial plan, the annual financial statement and the annual programme of operations and development. The annual report on the tasks performed is submitted to Parliament.	Ministry of Sea, Transport and Infrastructure
FYROM	Yes	According to Article 10 of the Law for Electronic Communications, the Agency is responsible for its work to the Parliament. According to Article 10 of the Law for Electronic Communications, the AEC Commission adopts an Annual Financial Plan for the NRA and submits it to the Assembly for its approval. The Annual Financial Plan of the Agency contains information on the revenues and costs, as well as audits and financial reports for the previous year and the anticipated capital and operational costs for the coming year. The Agency is obliged to submit an annual report, its accounts and the status of the Universal Service Fund, plus a work programme for the coming year to Parliament not later March 31 of the following year. The annual report of the NRA, after its approval by the Parliament, shall be made available to the public.	An audit shall be performed by an external and independent auditor.
Turkey	Yes. According to 'Ordinance on TA's Organizational Structure, Duties and Working Rules and Procedures' and 'Rules and Procedures on Preparation of Work Plans by TA' adopted by Telecommunications Board, the NRA (TA) prepares and publishes annual work plans. The NRA's annual report also sets out activities	Yes. According to Article 7 of Public Financial Management And Control Law No. 5018 In order to ensure supervision in the acquisition and utilization of all types of public resources, the public shall be informed timely. Accordingly, the following are compulsory: <ul style="list-style-type: none"> • to clearly define the duties, authorities and responsibilities, • to prepare government policies, development plans, annual programs, strategic plans and budgets; to negotiate them with the authorized bodies; to carry out their implementation and to make the implementation results and the relevant reports available and 	There are three types of review imposed over the NRA: Judicial Review, Council of State and reporting to the Commission of Planning and Budget under the National Assembly of Turkey. Public (including public, consultations, annual work plans and annual reports) Auditing: Court of Accounts, Inspection Council of Prime Ministry and the State

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Country	Publication of an action plan	Financial and regulatory reporting requirements	Review of the NRA performance
	completed and plans for future activities.	<p>accessible to the public,</p> <ul style="list-style-type: none"> to publicize the incentives and subsidies provided by the public administrations within the scope of general government, in periods not exceeding one year, to establish public accounts in line with a standard accounting system and an accounting order in accordance with generally accepted accounting principles. 	Inspection Council of Presidency of Turkish Republic
Albania	The NRA annual report that must be made available to the general public should contain a detailed work programme for the coming year.	<p>By a Parliamentary Resolution of March 2007 the periodicity of reporting before the Parliamentary Commission on Production Activities, Trade and Environment has been set for every six months instead of annually. In September 2007 the NRA provided the Parliamentary Commission with an eight months reporting for the period January 2007 to August 2007.</p> <p>Article 9 of the new Law on Electronic Communications (Law No. 9918 of May 19, 2008) states that the NRA is accountable for its work before the Assembly. At the end of each year the NRA must submit to the Assembly a report on its activities during the year, its financial performance, a work programme for the coming year and implementation status of the universal service.</p>	The use of funds by the NRA is subject to review by the State Audit (High State Control).
Bosnia & Herzegovina	<p>There are no the requirements for publication of an action plan setting specific targets and deliverables.</p> <p>The NRA publishes the Telecommunications Sector Policy adopted by the Council of Ministers that contains a detailed action plan on its web site.</p>	<p>Law on Communications, Article 44 (4), (5):</p> <p>The NRA shall prepare an annual report of its finances and activities, and shall submit it to the Council of Ministers. The Council of Ministers shall consider the Agency's annual report and publish it not later than four months after the end of each financial year.</p>	The use of funds by the NRA shall be subject to review by the Supreme Audit Institution and in addition audited by an independent auditor every year.
Montenegro	<p>Article 13 of the new Law on Electronic Communications requires the NRA to submit for the Government approval before November 1 of each year its financial plan and a work programme for the next calendar year. The financial plan must be also submitted for the Assembly approval before December 1.</p> <p>The financial plan and the work programme must be made public.</p>	<p>Article 16 of the new Law on Electronic Communications requires the NRA to prepare an annual report on its activities together with its financial report. The reports must be approved by the Government and published on the NRA's website.</p>	Annual audit procedure of the NRA financial statements by an independent authorised auditor, appointed by the Government, is defined in Article 14 of the Law on Electronic Communications
Serbia	The NRA publishes an action plan on its web site at the beginning of each year.	<p>Article 20 of the Telecommunication Law requires the NRA to prepare and to submit to the Government and to the National Assembly an annual report (including financial statements) on its activities, and in particular:</p> <ul style="list-style-type: none"> the development of telecommunications the implementation of tariff policy principles pertaining to regulated 	<p>According to the Article 18 of the Telecommunication Law the financial plan of the NRA shall be approved by the Government.</p> <p>The financial plan shall be published in the</p>

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Country	Publication of an action plan	Financial and regulatory reporting requirements	Review of the NRA performance
		<p>services</p> <ul style="list-style-type: none"> the progress in realization of universal service, including an assessment of the degree to which users' needs have been satisfied; and the allocation and assignment of radio frequencies for civilian use. <p>The NRA must also make public, in the manner stipulated in the statutes, the following:</p> <ul style="list-style-type: none"> annual report (including financial statements) for each year; financial plan for each year information on the allocation and assignment of radio frequencies information on public tenders for licenses, including the main terms and conditions information about licences granted decisions taken on licenses and concluded interconnection contracts information and/or decisions pertaining to special tariff regimes and/or tariff policy, including changes in tariffs for regulated services; and decisions on the numbering plan. 	<p>manner stipulated by the Statutes of the Agency.</p> <p>The Agency shall have all of its revenue and expenditure accounts audited annually by an authorized independent auditor. The audited accounts shall be published not later than three months after the end of the relevant fiscal year.</p> <p>The NRA (RATEL) is established under the Telecommunications Law. The Ministry for Telecommunications and Information Society supervises the implementation of the Law and regulations adopted on the basis of this Law (Article 6 of the Telecommunications Law).</p>
Kosovo	Yes. Telecommunications Sector Policy, proposed by the Ministry of Transport and Communications and approved by the government. This document provides a provisional timetable for the implementation of the various telecommunications tasks.	<p>Article 5 of the Law on Telecommunications requires that the Ministry of Telecommunications will propose and the Parliament will approve the elementary financial plan</p> <p>Report -To the parliament of Kosovo</p>	Review by the Supreme Audit Institution and in addition by an independent auditor, every year.

Table B.8 - NRA regulatory and financial reporting requirements and review procedures

Notes:

Kosovo: In the Government of Kosovo's Telecommunications Sector Policy, Section 3.5.d1, "... the TRA is directed to develop a realistic Action Plan to address the instances where previously mandated timelines and milestones have not been met and to revise associated timelines and milestones."

8. Appeal procedures

Article 4 of the Framework Directive sets out a requirement for effective mechanisms enabling any party affected by an NRA decision to submit an appeal against the decision to an body that is independent of the parties involved. It sets out a similar requirement of independence for the appellate body as exists for the NRA itself. The Article also establishes requirements for the appeal mechanism:

- The appellate body may be a court or a non-judicial body. In the latter case, the second appeal instance must be a court or a tribunal.

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- An appeal of the NRA decision shall not automatically suspend the application of the appealed decision.
- The appeal body must be able to consider the merits of the case and not only procedural matters.

The timeframe for an appeal is important given the uncertainty and potentially retroactive effects.

Table B.9 provides an overview of the national appeal mechanisms against NRA decisions.

Country	Appellate body	Automatic suspension of the NRA decision on appeal?	Can the appellate body rule on merits of a case?	Third party rights of appeal?	Average duration of an appeal procedure
Croatia	Administrative Court	No	Yes	Yes, if it can prove that it has a legal interest in the case	5 years
Former Yugoslav Republic of Macedonia	<ul style="list-style-type: none"> • First instance: Commission of the Agency for Electronic Communications • Second instance: Administrative Court (since May 28, 2007, according to the Law on Administrative Disputes of May 19, 2006) 	Yes	No, the appeals body can only judge the correct application of the laws and by-laws.	No, only a directly involved party can appeal.	<p>According to Article 137 of the Law on Electronic Communications, an appeal against the decision of the Director in a case of the violation of the provisions of the Law determined by the NRA inspector may be filed by the affected party to the Commission within 8 days from the date of receipt of a decision.</p> <p>The Commission must decide upon the appeal within fifteen (15) days from the date of receipt of an appeal.</p> <p>On other decisions of the Director, according to the Law on General Administrative Procedure, an affected party may submit an appeal to the Commission within 15 days from the date of receipt of a decision.</p> <p>In this case, the Commission must decide upon the appeal within sixty (60) days from the date of receipt of an appeal.</p>

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Country	Appellate body	Automatic suspension of the NRA decision on appeal?	Can the appellate body rule on merits of a case?	Third party rights of appeal?	Average duration of an appeal procedure
Turkey	<ul style="list-style-type: none"> • First instance: District administrative courts • Second instance: Council of State, the highest administrative court in Turkey. 	No	Yes	No, only a directly involved party can appeal or an organisation involved in consumer rights protection.	<p>According to Article 7 of Administrative Jurisdiction Rules Law No. 2577, a party can appeal the NRA's decision within 60 days from the date of receipt of the decision.</p> <p>There is no time limit for appeal procedure set by law.</p>
Albania	<p>Article 136 of the Law on Electronic Communications (Law No. 9918 of May 19, 2008)</p> <p>An appeal against the fine imposed by the NRA inspectors may be filed to AEPC Governing Council within 10 days from the date of its imposition. The Governing Council makes a decision within 30 days from the appeal date. An appeal against the decision of AEPC Governing Council may be made within 30 days from the announcement date to the district court, in whose jurisdiction such violation is committed.</p> <p>Against AEPC Governing Council decisions, according to point 3, Article 134, of this law may be appealed to Albanian Court of First Instance (Tirana District Court) within 30 days from the decision date.</p> <p>Under the previous Law on Telecommunications No. 8618</p> <p>TRE decisions that nullify or amend the terms and conditions of licences:</p> <p>First instance: Minister of Public Works, Transport and Telecommunications</p> <p>Second instance: Albanian Court of First Instance</p> <p>Complaints on fines issued by inspectors:</p> <p>First instance: Board of TRE</p> <p>Second instance: Albanian Court of First Instance</p>	<p>Yes</p> <p>In the case of administrative appeals, the decision is normally suspended once it has been filed with the court.</p>	Yes	Yes	No data available

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Country	Appellate body	Automatic suspension of the NRA decision on appeal?	Can the appellate body rule on merits of a case?	Third party rights of appeal?	Average duration of an appeal procedure
Bosnia & Herzegovina	First instance: Council of the NRA Second instance: State Court of Bosnia & Herzegovina	No Appeals against the decisions of the Director General shall not suspend their effect.	No, only on the correct application of the law	Yes If it can prove that it has a legal interest in the case.	30-60 days, depending of Council of the Agency sessions. On the second instance e.g. State Court of Bosnia and Herzegovina an average duration of an appeal procedure may be one year or more.
Montenegro	Telecommunications Law of 2000 Supreme Administrative Court New Law on Electronic Communications of July 29, 2008: First instance: Ministry of transport, maritime and telecommunications Second instance: Supreme Administrative Court	No NRA decision stands until the end of the appeal.	The Ministry can rule on the merits of the case. The Supreme Administrative Court can only judge on the correct application of the law.	Yes If it can prove that it has a legal interest in the case.	An appeal on the Decision of the NRA can be lodged to Ministry not later than 15 days upon receiving the Decision.
Serbia	Supreme Court. Appeal against the decision can also be submitted to the Managing Board of RATEL (the NRA) asking it to reconsider its decision	Yes	Yes	Yes If it can prove that it has a legal interest in the case.	More than one year
Kosovo	Initially, an appeal against the NRA decision is submitted to the Managing Board of TRA (the NRA) for reconsideration (Law on Telecommunications, Article 11). The next appeal instance are the Kosovo Administrative Courts: <ul style="list-style-type: none"> • Municipal Court • District Court Supreme Court of Kosovo	Yes	Yes The appeals body can rule both on the merits of the case and on the correct application of the law.	Yes If it can prove that it has a legal interest in the case.	More than one year

Table B.9 - Appeal procedures against NRA decisions

9. NRA transparency and participation

Article 3 of the Framework Directive requires NRAs to exercise their powers impartially and transparently. Lack of transparency undermines legal certainty and increases the potential for political interference. Furthermore, according to the commitment to participation, regulatory processes should allow formal consultation of the stakeholders before decisions are made.

The table below examines the transparency of the NRA decision-making process and the ability of all stakeholders to contribute to decision-making. The criteria for assessing the NRA transparency include:

- the existence of a consultation process and the scope of the covered decisions or issues of general interest;
- the time given for comments;
- the existence of a period for reply comments; and
- the obligation to publish adopted decisions with a reasoned opinion.

Country	NRA policies for public consultations on specific decisions	Time period for comments	Publication of decisions adopted by the NRA
Croatia	Article 22, Electronic Communications Act of June 19, 2008 (Official Gazette 73/2008) Public consultation procedure is foreseen before adopting implementing legislation, NRA decisions and other administrative acts with significant influence on the relevant market, as well as the NRA Statute, the annual financial plan and work programme.	Not less than 30 days	Yes, on NRA website in an appropriate format
FYROM	Article 105 of the Law for Electronic Communications requires the NRA prior to recommending regulations or adopting regulations to publish the proposed instrument and seek the submission in writing of opinions from all interested parties. These must be published prior to adoption of the measure. The Agency may also hold public hearings on proposed regulations, at which representatives of interested parties may be invited to present their views and opinions.	Not less than 30 days	Yes, on NRA website in an appropriate format
Turkey	Draft legislation prepared by the NRA usually involves the participation of operators through joint committees. A consultation mechanism is established and documents on issues that have an effect on the sector are published on the NRA's web site and also sent to the relevant operators, industry NGOs, etc. The responses are published and taken into consideration by the NRA. Draft legislation is also published on the web site.	Usually 30 days	Currently there is no legal obligation for NRA to publish all its decisions. It is decided on case by case basis.
Albania	Article 35, Law on Electronic Communications (Law No. 9918 of May 19, 2008 requires AEPC to conduct the public consultation with the interested parties regarding the conclusions reached on market designation and market analysis. Article 110 contains a general requirement for AEPC to consult on regulatory	60 days for market analysis, not shorter than	Yes. All decisions taken by the NRA after public consultation and with answers to the comments by interested parties have

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Country	NRA policies for public consultations on specific decisions	Time period for comments	Publication of decisions adopted by the NRA
	documents and decisions that will significantly influence electronic communications market.	30 days otherwise	been published on the web site.
Bosnia & Herzegovina	Article 38 of the Law on Communications requires RAK to publish its draft regulations (rules) for consultation.	At least 14 days	Official Gazette and the NRA's website
Montenegro	This is not defined by law, but there is a standard operational procedure in the NRA to hold public consultations on specific decisions, draft regulations etc.	Usually 3 months	Yes, NRA's website
Serbia	On August 28, 2007 the Managing Board of RATEL adopted guidelines for public consultation procedures for adoption of its regulations.	15 to 30 days	All regulations are published in the Official Gazette, and all other decisions are published on the NRA's web site.
Kosovo	The NRA may initiate public consultation on all substantive telecommunications matters, either on its own initiative or upon the written request from the Ministry (Law on Telecommunications, section 10(1)).	30 days	Yes, NRA's website

Table B.10 - Transparency and participation in the NRA decision-making

10. Frequency management

Table B.11 provides information on the bodies which are responsible for:

- frequency allocation, including the decision on the national frequency plan; and
- frequency assignments, covering individual authorisations to use frequencies in the national frequency plan. Frequencies for the military sector are normally decided outside this framework.

Country	Frequency allocation	Frequency assignment	Legal basis
Croatia	Ministry of the Sea, Transport and Infrastructure (on the basis of a proposal by the NRA)	Croatian Post and Electronic Communications Agency	Articles 81-82, Electronic Communications Act of June 19, 2008 (Official Gazette 73/2008)
FYROM	Agency for Electronic Communications	Agency for Electronic Communications	Law for Electronic Communications, Chapter 6 Plan of radio frequency band allocations (No.13/70, December 28, 2005) Plan of radio frequency assignments and utilisation (No. 11-123/1, 09.10.2007)

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Country	Frequency allocation	Frequency assignment	Legal basis
Turkey	Telecommunications Authority (TK)	<ul style="list-style-type: none"> • Telecommunications Authority (TK) assigns spectrum for telecommunications. • TK allocates frequency blocks for broadcasting to the Radio and Television Supreme Council (RTUK). • RTUK assigns spectrum to individual broadcasters 	Wireless Law No. 2813, Articles 9 and 11 Telegram and Telephone Law No. 406, articles 2-3
Albania	Council of Ministers (on the basis of a proposal of AEPC, the NRA to the Ministry)	<ul style="list-style-type: none"> • Albanian Authority of Electronic and Postal Communications (AEPC) – for telecommunications • AEPC also allocates the block of broadcasting frequencies to National Radio and Television Council (KKRT) • KKRT assigns broadcasting spectrum to individual broadcasters, although they must apply to AEPC for spectrum for links between sites. 	Article 8 of Law on Electronic Communications (Law No. 9918 of May 19, 2008) The national plan of radio frequencies was approved by the Council of Ministers (Decision No. 379 of May 31, 2001, amended by Decision No. 123 of March 2, 2006).
Bosnia & Herzegovina	Communications Regulatory Agency	Communications Regulatory Agency	Law on Communications, Official Gazettes of Bosnia and Herzegovina, No 31/03 of October 21, 2003, articles 30-32
Montenegro	Government of Montenegro (on the basis of a proposal of the NRA to the Ministry)	Under the Telecommunications Law of 2000, the NRA was responsible for assigning spectrum for telecommunications, while the Broadcasting Agency - for broadcasting. Under the new Law on Electronic Communications of July 29, 2008, the Agency for electronic communications and postal services, the NRA is the sole authority responsible for spectrum assignment.	Old regime: Article 12 (9) of Telecommunications Law of 2000 (Official Gazette No. 59/2000) Broadcasting Law (Official Gazette No. 51/2002). New regime: Chapter VIII, Law on Electronic Communications of July 29, 2008 (Official Gazette No. 50/2008)
Serbia	The Ministry of Telecommunications and Information Society decides on the frequency allocation plan and adopts frequency assignment plan (on the proposal of the Republic Telecommunication Agency)	Republic Telecommunications Agency (RATEL)	Telecommunication Law (Official Gazette, No 44/03 and 36/06) and Frequency Allocation Plan (Official Gazette, No 112/04)
Kosovo	TRA, subject to review and approval by Kosovo Assembly	<ul style="list-style-type: none"> • TRA for telecommunications • TRA in coordination with Independent Media Commission (IMC) for broadcasting 	Law on Telecommunications (UNMIK/REG 2003/16), Articles 22 and 36 Law No. 03/L-085 of June 13, 2008 amending UNMIK Regulation No 2003/16 on the promulgation of the Law on Telecommunications deletes references to UNMIK and its Frequency Management Office (FMO) and SRSG (Special Representative of the Secretary General).

Table B.11 - Frequency allocation and assignment

Notes:

FYROM: The Plan of radio frequency bands allocation in the Republic of Macedonia shall establish the radio frequency bands allocation to certain radio services and shall enable technically and economically optimal planning and utilization of radio frequencies, taking into account that the radio frequency spectrum and the geostationary orbit are naturally restricted resources
 The Plan of radio frequency assignments and utilisation in the Republic of Macedonia shall particularly determine the conditions and manner of radio frequency use to certain radio frequency bands. The Plan shall particularly establish the channel arrangement of the frequency bands for certain radio services.

11. Regulatory framework for broadcasting networks

The EU 2002 *acquis communautaire* brought all forms of electronic communications networks under the same regulatory framework. This was driven by the convergence of new digital technologies so that all forms of networks, including broadcasting networks, can compete for the delivery of voice, data, and Internet services, as well as radio, and television broadcasting content. While the EU framework does not rule out that regulatory tasks can be shared among two or more authorities in a well-defined manner, the thrust of this legislation is to bring all forms of electronic communications networks, including broadcasting networks, under a common regulatory framework.

The table below shows whether the spectrum assignments for broadcasting networks are covered by the same regulatory framework as electronic communications, listing:

- the authorities involved in regulating broadcasting content;
- the legal basis for broadcasting regulations; and
- whether frequency assignments for broadcasting are carried out by the same authority as for electronic communications.

Country	Broadcasting authority responsible for content issues	Legal basis	Frequency assignments carried out by the same authority for broadcasting as for telecommunications?	Cooperation agreement between NRA and broadcasting authority? (e.g. on spectrum issues, licensing, etc.)
Croatia	Council for Electronic Media	Law on Electronic Media, Official Gazette No. 122, July 30, 2003	Yes, by HAKOM, the NRA	No
FYROM	National Broadcasting Council	Law on broadcasting activity of November 29, 2005 Law amending and supplementing the Law on broadcasting activity of February 12, 2007	Yes, by AEC, the NRA	Yes Signed in October 2007
Turkey	Radio and Television Supreme Council (RTUK)	Law No.3984 of April 13 on establishment of radio and television companies and their broadcasting	No TK, the NRA, allocates frequency blocks for broadcasting to The Radio and Television Supreme Council (RTUK). RTUK assigns spectrum to individual broadcasters.	Yes Protocol dated March 24, 2006.

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Country	Broadcasting authority responsible for content issues	Legal basis	Frequency assignments carried out by the same authority for broadcasting as for telecommunications?	Cooperation agreement between NRA and broadcasting authority? (e.g. on spectrum issues, licensing, etc.)
Albania	National Radio and Television Council (KKRT)	Law on Radio and Television No. 8410 of September 30, 1998 (as amended)	No AEPC, the NRA allocates the block of broadcasting frequencies to National Radio and Television Council (KKRT). KKRT assigns broadcasting spectrum to individual broadcasters, although they must apply to AEPC for spectrum for transmission links between sites.	No
Bosnia & Herzegovina	Communications Regulatory Agency (RAK)	Law on Communications (Official Gazette No. 33/02, November 12, 2002)	Yes, by RAK, the NRA	RAK is a converged regulator, responsible for telecommunications and broadcasting.
Montenegro	Broadcasting Agency (ARD)	Broadcasting Law of April 2004	Under the Telecommunications Law of 2000, the Broadcasting Agency assigned spectrum to broadcasters. Under the new Law on Electronic Communications of July 29, 2008, the Agency for electronic communications and postal services, the NRA is the sole authority responsible for spectrum assignment.	Yes
Serbia	Republic Broadcasting Agency (RRA)	Broadcasting Law of July 2002 (as amended)	Yes, by RATEL, the NRA	There is a protocol between the two agencies which defines the process of issuing the permits for broadcasters, and the process for their subsequent control.
Kosovo	Independent Media Commission (IMC)	Law on Independent Media Commission and Broadcasting, promulgated by the SRSG on July 8, 2005	The Law on Independent Media Commission and Broadcasting foresees that the IMC shall coordinate the assignment of broadcasting spectrum with TRA. The practical aspects of this coordination have not been defined yet.	No

Table B.12 - Regulatory treatment of broadcasting networks

Notes:

FYROM:

The Broadcasting Council grants a licence to broadcast on the basis of a public competition. The licence is an authorization providing the right to transmit and to distribute a radio or television programme service intended for public reception, regardless of the technical means of transmission. The NRA, on the basis of the decision to grant a broadcasting licence issues a licence for the use of the radio frequency.

Turkey:

Studies on possible amendments to the related laws in connection to the responsibilities of RTUK and TK have been sent to the Parliament.

12. Digital switchover plans

After the switching off of terrestrial analogue television services, the frequencies will be released and allocated to other applications. The table below shows:

- the planned date for the analogue switch-off;
- whether the review/consultation on the digital dividend (DD) has been launched;
- what, if any, are the applications “officially” intended to be allocated DD frequencies; and
- comments on national debate and on spectrum refarming costs and complexity.

Country	Date for analogue switch-off	Review underway?	Applications to benefit from DD	Comments
Croatia	2011	Yes	<ul style="list-style-type: none"> • UHF band: DVB-T (more SDTV content, introduction of HDTV content), DVB-H, and IMT2000 in upper UHF band • VHF band: DVB-T, DVB-H, T-DAB or DMB 	On July 31, 2008 the Government adopted the Strategy for switchover from analogue to digital TV broadcasting.
FYROM	2012	No	Most likely to be DVB-T, mobile DVB-H and interactive services	The Broadcasting Council on November 27, 2007 adopted the Strategy for the Development of the Broadcasting in the Republic of Macedonia for the period 2007-2012. According to this, the switchover from analogue to digital TV broadcasting was to begin in 2008 and to be complete by 2012.
Turkey	2014	Yes	Most likely DVB-T, mobile DVB-H	On March 2005, the Radio and Television Supreme Council adopted the Strategy and Application Schedule for switchover from analogue to digital TV broadcasting.
Albania	No decision	No	-	-
	2012	No	-	There is no strategy document according to digital switchover plans yet. DTT Forum is preparing the Draft of strategy.
Montenegro	December 31, 2012	No	DVB-T, interactive services	On April 10, 2008 the Council of the Broadcasting Agency adopted a strategy for switchover from analogue to digital broadcasting systems.
Serbia	2015	Yes	DVB-T for television and T-DAB for radio	2015 is a deadline for the analogue switch-off in accordance with the RRC-06 ITU conference. The Strategy for switchover from analogue to digital TV broadcasting is being drafted. There are some plans to bring the date forward to 2012.

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Country	Date for analogue switch-off	Review underway?	Applications to benefit from DD	Comments
Kosovo	2012	No	Most likely DVB-T, mobile DVB-H and interactive services	No information has been released. It is under discussion at the Parliamentary Commission on Media in association with the new draft law on Digital Transmission.

Table B.13 - Digital switchover plans

Notes:

FYROM: The Broadcasting Council and the NRA have created a joint body to develop the procedure for awarding the first multiplexes for digital TV broadcasting transmission.

Turkey: Studies on digital dividend have been undertaken by the authorities, broadcasters, telecommunications operators and others. A position will be taken after ITU WRC-2011.

Bosnia & Herzegovina: The DTT Forum was established in May 2006.

13. Cooperation between NRA and the national competition authority

The EU 2002 *acquis communautaire* for electronic communications applies during the transition from a regulated monopoly to normal competition, governed only by general competition law. Sector specific ex ante regulation and competition law serve as complementary instruments to achieve their respective policy objectives in the electronic communications sector and address the lack of effective competition. At the same time, a principle underlying the regulatory framework is that ex ante regulation should only be imposed where competition law remedies would be insufficient and rolled back when they are no longer required.

Furthermore, the use of sector specific regulation, when it is found to be justified, relies extensively on the competition law principles in defining relevant markets that are susceptible to ex ante regulation, in assessing market dominance and in formulating remedies to address anticipated competition law breaches.

NRAs are advised to consult with their national competition authorities (NCAs) when deciding whether the use of both complementary regulatory tools is suitable to deal with a specific topic, or whether competition law instruments are sufficient. NRAs are also required to carry out analysis of the relevant markets in close collaboration with NCAs. In a practical application, it is considered advisable for both authorities to conclude an agreement covering the scope of their cooperation in the electronic communications sector and the division of specific responsibilities.

Table B.14 examines the degree of cooperation established between NRAs and NCAs.

Country	Competition authority	Formal agreement between NRA and Competition Authority
Croatia	Croatian Competition Agency (CCA)	Yes On July 14, 2006 CCA and the NRA concluded an agreement on co-operation in the area of competition law in telecommunications markets. Under the 2003 Telecommunications Law, certain activities were excluded from the jurisdiction of the CCA. Determining the existence of a dominant position and any abuse of dominance in telecommunications markets is the exclusive responsibility of the NRA. However, CCA remains responsible for anti-

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Country	Competition authority	Formal agreement between NRA and Competition Authority
		competitive agreements between undertakings and merger control in telecommunications markets. In order to eliminate any possible conflict of jurisdiction the agreement specifies the methods of communication and coordination between the two authorities.
FYROM	The Commission for Protection of Competition	The NRA and the Commission for Protection of Competition signed a Memorandum of Cooperation in February 2007. The Commission for Protection of Competition is responsible for enforcing the Law on Protection of Competition (Official Gazette No. 04/05). It is responsible for competition law in general, including the electronic communications sector.
Turkey	The Competition Authority	No However, the Competition Authority is obliged to take account of the opinion of the NRA in terms of Law No. 4502. The Competition Authority was created in 1997 under Law No. 4054.
Albania	The Competition Authority	No However, the NRA and the Competition Authority cooperate on specific topics, but have yet to sign a Memorandum of Understanding. The Competition Authority was created in February 2004, under the Law on Protection of Competition No. 9121 of July 28, 2003. The Authority is responsible for competition in general, including the electronic communications sector.
Bosnia & Herzegovina	Competition Council of Bosnia and Herzegovina	No
Montenegro	No such authority	The NRA is responsible for competition in the electronic communications sector.
Serbia	Competition Commission	No The Competition Commission was created by the Law on the Protection of Competition (Official Gazette, No. 79/05). Article 10 of the Telecommunications Law states that the NRA is authorized to prevent anti-competitive or monopolistic activities and behaviour of public telecommunications operators, unless they are subject to procedures conducted by the Competition Commission.
Kosovo	No such authority	The NRA is responsible for competition in the electronic communications sector.

Table B.14 - Cooperation between the NRA and the competition authority

Notes:

Albania: Under the provisions of Articles 12 and 38 of the new Electronic Communications Law.

Kosovo: Article 20 (1) of the Law on Competition No. 2004/36 (UNMIK Reg. 2004/44) requires the establishment of an independent competition regulatory body to be known as the Kosovo Competition Commission (KCC).

C. Market access conditions in electronic communications

The information in this section reflects the situation as at May 1, 2008, except where otherwise stated.

This section provides information on the status of liberalisation and on the frameworks for authorisations for:

- public fixed telecommunications networks
- voice telephony services
- data services

It also provides an overview of competition in the fixed and mobile markets.

1. Liberalisation of public fixed telecommunications networks and services

Table C.1 summarises the legal framework for the liberalisation of public fixed telecommunications networks and services in three markets:

- local;
- domestic long distance; and
- international services.

Practical implementation can be assessed, for example, by the number of licensed operators and by the distribution of numbering resources shown in Table A.10, Table A.11 and Table A.13.

Country	Status of liberalisation of public fixed voice telephony networks and services			Legal basis
	Local	Domestic long distance	International	
Croatia	January 2003	January 2003	January 2003	Telecommunications Act of 2003. Electronic Communications Act of June 19, 2008 introduced a general authorisation regime for all types of service.
FYROM	March 2005	March 2005	March 2005	Law for Electronic Communications of March 2005) (with amendments) introduced full liberalisation and general authorisation regime for all types of service.
Turkey	Formally liberalised from July 2005 Licensing framework adopted in August 2007. No licences issued so far.	January 2004	January 2004	Law No. 4052 of January 29, 2000.
Albania	Rural areas: February 1998. Urban areas: April 2007, through regional licences	July 2003	January 2005	Law No. 8287 of February 18, 1998 liberalised rural local network provision. This was replaced by Law No. 8618 of June 14, 2000. Council of Ministers Decision No. 464 of July 3, 2003 liberalised domestic long-distance and international services. Law No. 9637 of November 6, 2006 introduced the concept of regional licensing for rural and urban areas, for both local and domestic long-distance services, in effect completing liberalisation. The NRA adopted the implementing rules on April 2, 2007.

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Country	Status of liberalisation of public fixed voice telephony networks and services			Legal basis
	Local	Domestic long distance	International	
				In practice, no alternative operators were licensed to provide either international or local urban services. Law No. 9918 of May 19, 2008 introduced a general authorisation regime for all types of service.
Bosnia & Herzegovina	July 2002	July 2002	January 2006	Telecommunications Sector Policy approved by Council of Ministers in March 2002.
Montenegro	January 2004	January 2004	January 2004	Telecommunications Law of 2000 (Official Gazette No. 59/2000).
Serbia	June 9, 2005	June 9, 2005	June 9, 2005	Articles 32 and 109 of Telecommunication Law of April 2003 granted Telekom Srbija exclusive rights for all fixed services until June 9, 2005.
Kosovo	May 2003	May 2003	January 2008	Liberalisation formally introduced by Law on Telecommunications (UNMIK Regulation 2003/16) of May 2003. The licensing framework was implemented in 2006, following the TRA Board decision of September 7, 2005.

Table C.1 - Liberalisation of public fixed telecommunications networks and services

2. Liberalisation of data networks and services

Table C.2 shows the status of liberalisation of data networks and services.

Country	Liberalisation status for data networks and services		Legal basis
	National	International	
Croatia	1999	1999	Law on Telecommunications of 1999 (Official Gazette No. 76/99)
FYROM	1998	Services – 1998 Networks – 2000	Articles 23, 24 and 25 of the Telecommunications Law of 1996 (Official Gazette Nos. 33/96, 17/98, 28/2000, 4/2002 and 37/2004). Until April 2000 there was a requirement to use international leased lines from the incumbent operator.
Turkey	Services – June 1994 Networks – January 2004	Services – June 1994 Networks – January 2004	Article 2/c, Telegram and Telephone Law No. 406 of February 4, 1924 (with amendments)
Albania	1998	1998	Article 4, Law No. 8287 of February 18, 1998
Bosnia & Herzegovina	July 2002	July 2002	Telecommunications Sector Policy approved by Council of Ministers in March 2002
Montenegro	January 2004	January 2004	Article 27 of the Telecommunications Law of 2000 (Official Gazette No. 59/2000)
Serbia	Services – April 2003 Networks – June 2005	June 2005	Articles 32 and 109 of Telecommunication Law of April 2003 granted Telekom Srbija exclusive rights for all fixed services until June 9, 2005, except for Internet and Cable TV services.

Country	Liberalisation status for data networks and services		Legal basis
	National	International	
			Until June 9, 2005 there was a requirement to use international leased lines from the incumbent operator.
Kosovo	May 2003	Services - May 2003 Networks – January 2008	First ISP authorisations issued to Dardanet (PTK subsidiary), IPKOnet, and Kujtesa on May 18, 2005 at one-off fees of €150,000. The present authorisation framework (with a €5,000 one-off licence fee) implemented in 2006 by a TRA Board decision of September 7, 2005.

Table C.2 - Liberalisation of data networks and services

3. Authorisation regime for electronic communications services

Article 3 of the Authorisation Directive establishes a general authorisation regime for the provision of electronic communications networks and services. Undertakings may only be required to notify the intention to commence the provision of electronic communication networks or services and to submit information required to allow the NRA to keep a register or list of providers. There is no requirement to obtain an explicit decision by the NRA before starting activities.

The provision of electronic communications networks and services, under either a general authorisation or an individual licence, may be subject to authorisation fees. In many countries, such fees were often quite high in the period immediately after the ending of monopoly rights. This level of fees may have been triggered by the perception that the telecommunications sector represented an easy source of revenues for the state, as much as protection of the state-owned incumbent operator. Regardless of the purpose, high authorisation fees are a barrier to market entry and send a signal that the market is not yet fully liberalised.

The EU regulatory framework requires authorisation fees to be limited to a level necessary to cover the administrative costs of the regulatory authority. Only those fees that are paid for access to limited resources may deviate from this criterion. In practice, the exceptions are for:

- radio frequencies, where demand exceeds supply.
- numbers. Normally, the national numbering plan must be managed so that there are enough numbers for all operators. Since the potential numbering space available is unlimited, the only limited resource in the longer term is special short numbers represented by a limited number of digits. The other constraint is the disruption caused by the need to change existing numbers.
- rights of way. In theory, these can be a limited resource under certain circumstances but normally, the availability of land and rights of way does not represent a limited resource.

Table C.3 describes the authorisation regimes, including:

- authorisation types defined in the national legislation: individual authorisation/licence; class licence, general authorisation with/without notification to the NRA;
- networks and services covered by the specific authorisation type;

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- authorisation charges or other administrative fees paid by authorised undertakings (one-off and annual fees);
- specific fees related to authorisations to use limited resources such as spectrum and numbers are not covered in this table. However, where mobile networks are subject to specific authorisation requirements (e.g., spectrum licence plus individual authorisation to offer public services), these are listed as a separate authorisation type.

Country	Authorisation type:	Networks/services	Authorisation charges and administrative fees	
			One-off fees	Annual fees
Croatia	Telecommunications Act of 2003 (in force until June 30, 2008):			
	Concession	Public telecommunications services using spectrum	Depends on the type of service and the geographical coverage	Between 0.1% and 0.5% of revenue
	Individual licence	Public telecommunications services including fixed networks, leased lines, cable TV services and PMR	Depends on the service category and geographical coverage, with a maximum of HRK 20,000 (€2,740) for national fixed voice telephony services	0.1% of revenue
	General authorisation with notification to the NRA	All other services including Internet access, VoIP, value added services (Premium Rate Services) and wireless access.	Between HRK 5,000 (€685) and HRK 2,000 (€274) depending on the type of service	0.1% of revenue
	The Electronic Communications Act of June 19, 2008 (Official Gazette 73/2008) entered into force on July 1, 2008 introducing a general authorisation regime where electronic communications network and services can be provided without individual licences, subject to a general authorisation with a notification submitted to the NRA at least 15 days prior to commencing activities. Individual licences, however, will continue to be issued by the NRA for the right to use radio spectrum.			
FYROM	General authorisation with notification to the NRA	Public electronic communications services without use of spectrum	None	<p>Annual market supervision fees are up to 0.5% of annual gross revenues earned from the provision of public electronic communications networks and services. However, the fee may not exceed €250,000.</p> <p>Based on the total annual revenue, providers are divided into 5 categories:</p> <ul style="list-style-type: none"> • Up to MKD 1m (€16,500) - 0.1% • MKD 1m - MKD 10m (€16,500 - €165,000) - 0.2% • MKD 10m - MKD 100m (€165,000 - €1.65m) - 0.3% • MKD 100m - MKD 500m (€1.65m - €8.2m) - 0.4% • Above MKD 500m (€8.2m) - 0.5%
Turkey	Concession agreements	Public telecommunications services and infrastructure using spectrum and numbers and which are national in scope	Determined through a public tender procedure	Administrative fee is 0.35% of annual net sales

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Country	Authorisation type:	Networks/services	Authorisation charges and administrative fees	
			One-off fees	Annual fees
	Authorisation agreements	Operators with more than 50% state ownership: Turksat (satellite operator) and the Directorate-General of Coastal Safety	No authorization fee	Turksat pays 0.35% of annual net sales while the Directorate-General of Coastal Safety does not pay a fee
	Individual licences	1 st Type Telecommunication Licence: Public telecommunications services using fixed networks, leased lines, cable TV services and PMR with regional or local coverage, based on the allocation of scarce resources to a <i>limited</i> number of operators	Determined through a public tender procedure	Administrative fee is 0.35% of annual net sales
		2 nd Type Telecommunication Licence: Public telecommunications services using fixed network (including long distance telephony services (A, B and C-type)), leased lines, cable TV, satellite services and PMR with national or regional coverage, based on the allocation of scarce resources to an <i>unlimited</i> number of operators.	<ul style="list-style-type: none"> • A-type (CPS services) - TRY 571,446 (€286,000) • B-type (CS services) - TRY 253,976 (€127,000) • C-type (calling cards services provided through a 10-digit access code) - TRY 126,988 (€64,000) For other services, the one-off fee depends on the service category and the geographical coverage, with a maximum of TRY 571,446.65 (€294,560) for cable TV services in Marmara Region	Annual fee is 0.5% of net sales, plus an administrative fee of 0.35% of net sales.
	General authorisation with notification to the NRA	All other services including Internet access, value added services and public WLAN (Wi-Fi) services.	TRY 2,730.00 (€1,407)	Annual authorization fee is TRY 2,730 (€1,407) No administrative fee.
Albania	Law on Telecommunications No. 8618 of June 14, 2000 (in force until June 25, 2008):			
	Individual licence	Category I – public national fixed telephony networks and services and public mobile telephony services. The number of licences is decided by the government.	Determined through a public tender procedure	ALL 7m (€56,370)
		Category II – public local and regional fixed telephony networks and services, paging, PMR/PAMR services	-	ALL 20,000 (€160) per commune (for rural network operators) ALL 100,000 (€800) per municipality (for regional operators)

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Country	Authorisation type:	Networks/services	Authorisation charges and administrative fees	
			One-off fees	Annual fees
	General (class) licence	Internet services, data transmission services, value added services, public payphones (coins or prepaid cards)	-	ALL 25,000 (€200) per POP ALL 75,000 (€600) for local ISP ALL 150,000 (€1,200) for regional ISP ALL 200,000 (€1,600) for national ISP ALL 2m (€16,050) for backbone ISP
	The new Law on Electronic Communications No. 9918 of May 19, 2008 (came into force on June 26, 2008) introduces general authorisation regime where electronic communications networks and services can be provided without individual licences, subject to a general authorisation with a notification submitted to the NRA before the start of activities. Individual licences, however, will continue to be issued by the NRA for the rights of use of the radio spectrum. Annual fees to be paid by notified operators may not exceed 0.5% of annual gross revenue, and will be defined by the NRA in a separate regulation.			
Bosnia & Herzegovina	Individual licence	Fixed and mobile public telephony networks and services (licences issued to the three incumbent operators)	BAM 1,000 (€511)	Public fixed telephony network and services: BAM 500,000 (€255,600) Public mobile GSM networks and services: BAM 700,000 (€358,000)
		Public fixed telephony services	BAM 1,000 (€511)	BAM 70,000 (€35,800)
		Public fixed telecommunication networks	BAM 1,000 (€511)	<ul style="list-style-type: none"> • local: BAM 5,000 (€2,600) • regional: BAM 10,000 (€5,200) • national: BAM 50,000 (€26,000)
	General (class) licence	Provision of Internet services	BAM 500 (€255)	BAM 4,000 (€2,100)
Montenegro	Law on Telecommunications of 2000 (Official Gazette No. 59/2000), Article 3 of the Rulebook on determination of registration fees and license fees of telecommunication operators and providers of telecommunication services (Official Gazette No. 08/2002, No. 68/2004).			
	Individual (special) licence	Fixed and mobile public telephone networks and services	Registration fee: €1,000 One-off fee determined through a public tender procedure Maximum €6 million	1% of annual revenue €1,000 fee for international traffic
		VoIP services	Registration fee: €1,000 One-off fee determined through a public tender procedure Minimum is set by the Ministry: €10,000	1% of annual revenue
		Fixed wireless access services in the 3.4-3.8 GHz	Registration fee: €1,000 One-off fee determined through a public tender procedure Minimum is set by the Ministry: €175,000	1% of annual revenue
General licence	All other services including Internet access (but not VoIP) and wireless access	Registration fee: €1,000 One-off fee: €10,000	-	

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Country	Authorisation type:	Networks/services	Authorisation charges and administrative fees	
			One-off fees	Annual fees
	The new Law on Electronic Communications adopted on July 29, 2008 introduces general authorisation regime where electronic communications networks and services can be provided without individual licences, subject to a general authorisation with a notification submitted to the NRA before the start of activities. Individual licences, however, will continue to be issued by the NRA for the rights of use of the radio spectrum.			
Serbia	Individual licence (issued for services that require use of numbers or frequency resources)	Public mobile telecommunications network services using spectrum	RSD 25,000 (€320) licence application processing fee One-off fee determined through a public tender procedure Minimum is set by the Ministry	<ul style="list-style-type: none"> RSD 70,000,000 (€900,000) in the first year of operations 0.9% of annual revenues thereafter
		Public voice services offered on a commercial basis as real time voice transfer between network termination points	RSD 25,000 (€320) licence application processing fee One-off fee determined through a public tender procedure Minimum is set by the Ministry	<ul style="list-style-type: none"> RSD 20,000 (€256) for every 1000 subscribers in the first year 0.1% of annual revenues thereafter
		Public data transmission services provided through a public data transmission network	RSD 25,000 (€320) licence application processing fee One-off fee determined through a public tender procedure Minimum is set by the Ministry	<ul style="list-style-type: none"> RSD 25,000 (€320) for every 100 subscribers in the first year 0.5% of annual revenues thereafter
		Cable distribution network services for distribution of radio and television programs, or any other telecommunications services, based on wireless access	RSD 25,000 (€320) licence application processing fee One-off fee determined through a public tender procedure Minimum is set by the Ministry	<ul style="list-style-type: none"> RSD 30,000 (€384) for every 500 subscribers in the first year 0.2% of annual revenues thereafter
		Paging services	RSD 25,000 (€320) licence application processing fee One-off fee determined through a public tender procedure Minimum is set by the Ministry	<ul style="list-style-type: none"> RSD 10,000 (€128) for every 1000 subscribers in the first year 0.1% of annual revenues thereafter
		Internet services based on own fixed wireless access infrastructure	RSD 25,000 (€320) licence application processing fee One-off fee determined through a public tender procedure Minimum is set by the Ministry	<ul style="list-style-type: none"> RSD 50,000 (€640) for every 1000 subscribers in the first year 0.1% of annual revenues thereafter
		Other services using numbers from the National Numbering Plan	RSD 25,000 (€320) licence application processing fee One-off fee determined through a public tender procedure Minimum is set by the Ministry	<ul style="list-style-type: none"> RSD 50,000 (€640) in the first year 0.1% of annual revenues thereafter

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Country	Authorisation type:	Networks/services	Authorisation charges and administrative fees	
			One-off fees	Annual fees
	General authorisation with notification to the NRA	Access and transport networks for which an individual licence is not required, provision of Internet services; value added services; closed user group services, call back services, cable TV network services	RSD 10,000 (€128) notification processing fee	0.1% of annual revenues and not less than RSD 50,000 (€640)
Kosovo	Individual licence	Public telecommunications services using fixed network, VOIP	National fixed telephone services licence: €87,500 International telecommunications facilities licence: €50,000 International telecommunications services licence: €35,000 Internet services: €5,000	1% of gross annual turnover attributable to the licensed activity

Table C.3 - Authorisation regimes for electronic communications networks and services

Notes:

- Turkey: Mobile communications are subject to a further set of taxes, which include the Special Communication Tax, the Stamp Duty, a Handset License Fee and a Handset Usage Fee (paid by the end user) and the Treasury Share Premium (paid by the operator) – a total of over 60% of end user annual revenue.
- Albania: Under the provisions of the Electronic Communications Act (Law No. 9918 of May 19, 2008, Article 14 defines a notification process, while Article 13 stipulates the right to offer electronic communications networks and services for profit making purposes to any undertaking. The NRA has yet to publish the forms and the requirements for notification as required by Articles 14 and 15.

The status of VoIP in the EU was set out in the Commission Communication on the Status of voice on the Internet under Community Law, in particular under Directive 90/388/EC.¹⁹ The intention was not to regulate VoIP services in the same way as voice telephony if they were not substitutable. The regulatory framework reinforced the principle of technology neutrality, so that there is no specific regime for VoIP or for voice telephony. Under the EU 2003 directives, VoIP providers operate under the same general authorisation regime as any other communications providers.

The European Regulators Group adopted a common position on the regulation of VoIP at the end of 2007.²⁰ In March 2008, the European Commission received the final report of a study on VoIP regulation it commissioned from Wik.²¹

Different rights and obligations may apply to VoIP services depending on which category they belong to, whether electronic communications services (ECS) or publicly available telecommunications services (PATS). ECS are defined in the Framework Directive as services normally provided for remuneration and consist wholly or mainly in the conveyance of signals on electronic communications networks. PATS are a subset of ECS defined in the Universal Service Directive (2002/22/EC) as services:

¹⁹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:c:1998:006:0004:0008:en:PDF>

²⁰ http://www.erg.eu.int/doc/publications/erg_07_56rev2_cp_voip_final.pdf

²¹ http://ec.europa.eu/information_society/policy/ecomm/doc/library/ext_studies/voip_f_f_master_19mar08_fin_vers.pdf

- available to the public
- enabling originating and receiving of national and international calls and access to emergency services
- through a number or numbers in a national or international telephone numbering plan.

PATS providers have additional rights and obligations compared to publicly available ECS providers: number portability, calls to emergency services, carrier selection and pre-selection and the right of customers to have an entry in the publicly available directory.

Table C.4 summarises authorisation requirements for public VoIP services, covering:

- authorisation requirements specific for VoIP services (e.g., VoIP is defined as separate licensing category or there are specific notification requirements for VoIP under general authorisation regime);
- classification of VoIP based on PATS/ECS or any other definitions (e.g., public voice telephony services);
- any restriction to rights and obligations specific to VoIP providers.

NB. Table E.6 below shows where VoIP providers are allowed to use geographic and non-geographic numbers from the national numbering plan.

In Croatia, under the Telecommunication Law of 1999, VoIP was considered to be an Internet service, so that no further authorisation was needed. Under the Law of 2003, VoIP has been defined as separate service requiring a general authorisation with notification. Moreover, the authorisation fees for VoIP were initially kept unusually high: a €33,000 one-off fee plus an annual fee of 1% of revenue. The by-law on payments of fees for provision of telecommunication services amended on February 17, 2005, lowered the one-off fee by a factor of 50 to €670, and the annual fee was lowered tenfold, to 0.1%. The new Electronic Communications Law that entered into force on July 1, 2008 introduces an authorisation framework aligned with the Authorisation Directive.

FYROM has an authorisation framework that is aligned with the Authorisation Directive.

Also in Turkey, the provision of VoIP requires a long distance telephony service licence and is subject to the same conditions as the fixed voice telephony service.

In Albania, the law adopted in November 2006 clarified the status of VoIP services, introducing a technology neutral definition of publicly available telephony services, subject to the same licensing regime, regardless of the underlying technology. The new Law on Electronic Communications that entered into force on June 26, 2008 introduces an authorisation framework aligned with the Authorisation Directive.

In Bosnia & Herzegovina and in Kosovo, the provision of VoIP is subject to the same individual licence as for other fixed voice telephony services.

In Montenegro, the provision of VoIP is a separate service category that requires an individual (special) licence. The Montenegrin regulator issued 8 licences for VoIP following two tender procedures launched in July 2007 and in December 2007.

In Serbia, the authorisation rules (individual licence or general authorisation) depend on whether the service involves the use of numbering resources and real-time transmission of voice between termination points in a public telecommunications network.

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Country	Authorisation requirements	Classification of VoIP	Any restrictions to rights and obligations of VoIP providers
Croatia	Individual licence (under the Telecommunications Law of 2003) General authorisation with notification to the NRA (new regime under the Electronic Communications Law, in force from July 1, 2008)	Technology neutral definition of Publicly Available Telephone Services (PATS)	-
FYROM	General authorisation with notification to the NRA	Technology neutral definition of Publicly Available Telephone Services (PATS)	VoIP providers are obliged in their advertising, marketing and subscriber agreements to provide information about any limitations to the quality of the offered services and access to emergency services, calling line identification and number assignment.
Turkey	Type 2 telecommunications licence	Long distance telephony services (LDTS), authorised through Annex A.9 of the Ordinance on the authorisation of telecommunications services and infrastructure sets out licensing and authorisation requirements (Official Gazette No 25565 of August 26, 2004, amended on April 17, 2007 and on August 17, 2007).	No subscriber number allocation. The scope of services under the Type 2 licence is limited to the right to “connect the traffic originating from PSTN, Internet and other networks except GSM to national and/ or international networks using any infrastructure and technology.”
Albania	Individual licence (under the Telecommunications Law of 2000) General authorisation with notification to the NRA (new regime under the Electronic Communications Law No. 9918, in force from June 26, 2008)	Technology neutral definition of Publicly Available Telephone Services (PATS)	To be defined under the new Law on Electronic Communications
Bosnia & Herzegovina	Individual licence for public fixed voice telephony services	Public fixed voice telephony services	No
Montenegro	Individual licence for provision of public voice telephony services over IP protocol	Public fixed voice telephony service	No
Serbia	Individual licence for public fixed voice telephony services (if numbering resources are used) General authorisation with notification to the NRA (if numbering resources are not used)	Public fixed telephony services	Not defined
Kosovo	Individual licence for public fixed voice telephony services	Public fixed telephony services	No

Table C.4 - Authorisation requirements and classification for VoIP services

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Notes:

- FYROM:** VoIP providers wanting to serve customers through a local exchange can conclude an access agreement with the network operator. In such cases, call origination can *only* be provided using a freephone or “green” number (0800-9abcd). If the traffic volume on a voice channel is higher than 0.12 Erlangs, then the VoIP provider must conclude an interconnection agreement under which it has the right to provide both call origination and termination.
- Albania:** There was some work by the NRA in mid-2006 and again in early 2008 concerning VoIP rules and regulations. With the enactment of the new Electronic Communications Law (No. 9918) the NRA is expected to introduce rules for nomadic numbering and addressing, with the draft of the forms for numbering series as stipulated in Articles 81 and 82.
- Serbia:** The NRA (RATEL) has adopted a draft ordinance regulating VoIP services without numbers from numbering plan. This has been sent to Ministry for approval.

Authorisation for cable television networks and services are sometimes more complex than for other electronic communications services as they can involve two regulatory authorities: the NRA and the broadcasting regulator. Table C.5 summarises the authorisation requirements for cable television networks in South-East Europe.

In Albania and Serbia an authorisation from both national authorities is required: one each from the national broadcasting authority for the provision of content over the cable TV network and one from the NRA for the construction of cable infrastructure.

In Montenegro and in Kosovo, cable TV networks are outside the scope of the telecommunications legislation. They are subject to an individual licence issued by the broadcasting authority.

In Turkey, the Council of State cancelled the authorisation of cable platform services set out in Annex 10 to the Ordinance on Authorisations approved by the NRA in February 2005. Services authorised through a Type 2 telecommunications licence under this annex were defined as “one-way and two-way provision of all type of sound, data, image, and radio/TV signals over the cable platform network”, hence it included telephone services as well as radio, TV, Internet and data. The Council of State argued that the authorisation in its current form gives the cable TV operators the possibility to offer more than one service, while according to the existing authorisation regime separate authorisations must be issued for the provision of each individual type of service. The NRA has appealed the Council of State’s decision and a final decision is pending. On May 25, 2007 the NRA issued a statement that according to the Council of State’s decision the existing authorisations for cable platform services only covered radio and TV broadcasting, and that the cable operators could apply for authorisations for additional services.

Country	Authorisation requirements	Additional authorisation required to offer other electronic communications services (e.g. Internet access)
Croatia	Individual licence (under the Telecommunications Law of 2003) General authorisation with notification to the NRA (new regime under the Electronic Communications Law, in force from July 1, 2008)	General authorisation with notification to NRA for additional services
FYROM	General authorization with notification to the NRA <i>plus</i> programming permission from the Broadcasting Council, according to the Broadcasting Law (Official Gazette No. 100/2005)	General authorisation with notification to NRA for additional services such as data communications and telephony
Turkey	Type 2 Telecommunication Licence	General authorisation with notification to the NRA for provision of Internet services
Albania	Individual licence from the National Council of Radio and Television. Prior authorization for the construction and final certification of cable network from the NRA (Law No. 8410 on Private and Public Radio and Television of September 30, 1998. Articles 123 and 127).	General authorisation with notification to the NRA for provision of Internet services

Country	Authorisation requirements	Additional authorisation required to offer other electronic communications services (e.g. Internet access)
Bosnia & Herzegovina	General authorisation for the distribution of radio and TV programs from the NRA	Network operator license Additional authorisation required to offer other electronic communications services is network operator license.
Montenegro	Individual licence issued by the Broadcasting Agency	There is a separate procedure under the Telecommunication Law 2000 (Official Gazette, No. 59/2000) if the cable TV provider wants to provide other electronic communications services. The NRA has the authority to issue the required licences.
Serbia	General authorisation from the NRA for services and networks <i>plus</i> an individual licence from the Republic Broadcasting Agency (RRA) for content.	General authorisation from the NRA
Kosovo	Individual licence from the Independent Media Commission (IMC) under the Regulation on Cable Distribution of Radio and TV in Kosovo (CIMC 2007/04) of July 6, 2007.	If the cable TV operator wants to provide other electronic communications services then the NRA has the authority to issue the required licences.

Table C.5 - Authorisation requirements for Cable TV networks and services

Notes:

Montenegro:

All regulations concerning cable television (e.g., conditions and licences) are determined by the Broadcasting Agency.

Kosovo:

The IMC Council on May 8, 2008 awarded cable television licences to all ten applicants under Regulation 2007/04. Cable operators have the right to broadcast only those channels for which they have valid contracts.

4. Rights of way

Rights of way are necessary to establish electronic communications infrastructure, in particular, for new fixed network infrastructure access to install cables and ducts, across public and private land. Construction permits for mobile network infrastructure can also present a problem. Article 11 of the Framework Directive requires that applications for the development of infrastructure shall be handled by the relevant authorities in a transparent, non-discriminatory manner and without delay. The Framework Directive also requires that the authorities issuing building permits must be structurally separated from the network operators that apply for them. Expropriation procedures must be available – justified as a safeguard mechanism for access to private as well as to public land.

There are steps that can be taken to streamline application procedures, for example, in defining the maximum time periods for dealing with applications and making rules for the free use of or easy access to public domains.

Table C.6 below sets out the regime for rights of way. It shows:

- whether there are clear and non-discriminatory procedures in place enabling operators to apply for rights of way; and
- procedures for access to public land, responsible authorities and the timescale for dealing with applications; and
- procedures for access to private land and expropriation.

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Country	Non-discriminatory rights of way?	Procedures and timescale for access to public land and estimated time frame	Procedures for access to private land and estimated time frame
Croatia	<p>Yes</p> <p>Article 21 of Telecommunications Law states that all broadcasters and telecommunication operators have a right to access public land.</p> <p>Similar provisions are contained in Article 27 of the new Electronic Communications Law.</p>	<p>Telecommunications Law, article 21(1) provides for the use of public land after obtaining approval from the state administration body responsible for that resource. Article 21(2) ensures that, in cases where this approval could not be obtained, and in which a public interest can be established, there is a possibility of expropriation of the public or private land, under the General Expropriation law.</p> <p>Article 27(4) of the new Electronic Communications Law prescribes 30 days time limit for issuing building permits by the manager of the public property or the private property owner, and 30 days time limit for issuing location permits by planning authorities.</p>	<p>The operator must have permission from the landowner.</p> <p>A request for approval can be made under article 21(1) of the Telecommunications Law, or an expropriation procedure under the General Expropriation Law, according to article 21(2).</p> <p>In accordance with the provisions of the General Expropriation Law, operators can acquire ownership or <i>usufruct</i> (right of use), when it is of interest of the Republic of Croatia.</p> <p>Article 27(4) of the new Electronic Communications Law prescribes 30 days time limit for issuing building permits by the manager of the public property or the private property owner, and 30 days time limit for issuing location permits by planning authorities.</p>
FYROM	<p>Yes</p> <p>All public network operators have non-discriminatory rights of way established by the Law for Electronic Communications</p>	<p>State land may be used by public operators upon application to the responsible department within the Ministry of Finance for the purpose of establishing the right of use or defining the expropriation procedures</p>	<p>Expropriation procedures may be used.</p> <p>For the purpose of establishing the right of use and easement under Article 90 of the Law for Electronic Communications, an operator must submit a proposed contract to the owner of the real estate.</p> <p>The proposed contract must state the financial compensation for the right of use and easement of the real estate, which must be equal to the market value payment for the equivalent right of use which they could receive in an ordinary commercial transaction of the same type and scope of rights, without taking into account unusual or personal circumstances and interest.</p> <p>If the owner of the real estate fails to agree within ten days of receipt of the proposed contract, the operator may request that the administrative body responsible for decisions concerning expropriation of real estate establish the right of use and easement of the real estate.</p>
Turkey	<p>Yes</p> <p>For public land and land under common usage.</p>	<p>The evaluation of applications for the use of rights of way must be carried out in a manner that is non-discriminatory, transparent and without any delay. Where parties cannot reach an agreement, settlement of disputes is provided by the courts.</p>	<p>Parties are free to make commercial agreements concerning rights of way, always provided they abide by the relevant legislation, authorisation and concession agreements, telecommunication licences, general authorisation and institutional arrangements and provided that Civil Law No. 4721 of November 22, 2001 is observed.</p>
Albania	<p>Yes</p> <p>Defined in the Law No. 8618 of June 14, 2000, article 12</p>	<p>Public land may be used by operators upon application to the regional authorities. Disputes between a public licensed operator and the relevant authorities are resolved by the courts.</p>	<p>A public telecommunications operator, may, in conformity with the legislation in force, enter into agreements with private persons to use their land and facilities for the installation and maintenance of telecommunication networks and equipment.</p>

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Country	Non-discriminatory rights of way?	Procedures and timescale for access to public land and estimated time frame	Procedures for access to private land and estimated time frame
Bosnia & Herzegovina	Yes, subject to the obligation to apply for construction permission from the relevant Municipal Authority and if telecommunication infrastructure corridors (routes for laying a network) are planned in Country Plan for that Municipality.	If construction permission is obtained, the operator may use public land. Articles: 9, 14, 22, 34, 36 and 49 of the Law on Country Planning and Use of Land (Official Gazette FBiH No. 52/02). Law on Country Planning in Republic Srpska (Official Gazette RS No. 84/02). Law on City Construction Land (Official Gazette FBiH No. 67/05), Law on City Construction Land (Official Gazette RS No. 86/03). Municipal authorities will advise applicants on procedure.	The construction and planning laws and regulations do not differ private and public land, then the same laws and regulations as mentioned for public land applies for private land. The procedure defined in the Law (listed for public land) must be applied to access private land. In a case that the landowner refuse authorization, and if the public interest is established, expropriation may be applied for – otherwise, if construction is not in public interest, the operator must have permission from the landowner.
Montenegro	Yes For all public network operators, as specified in Telecommunications Law 2000, Chapter VI.	Yes Public land may be used by public operators upon application to an appropriate state or municipal administration. Disputes between a public licensed operator and the relevant authorities are resolved at courts.	Yes A public telecommunications operator, may, in conformity with the legislation in force, enter into agreements with private persons to use their land and facilities for the installation and maintenance of any telecommunication equipment.
Serbia	Telecommunication law (article 87) specifies that all public network operators have non-discriminatory rights of way.	Article 87 (4, 5, 6) of the Telecommunications Act provides legal support for access to public land. All procedures are defined in the Contract between the public operator and local municipality.	Article 87 (4, 5 & 6) of the Telecommunications Act provides legal support for access to private land. All procedures are defined in the contract between the public operator and owner of the private land. Expropriation is not used.
Kosovo	Yes All licensed operators have non-discriminatory rights of way established by Article 27 of the Law on Telecommunications	Yes Public land may be used by operators upon application to municipal authorities. Under Article 27 of the Law on Telecommunications, TRA may establish rules for the use of publicly and privately controlled property for telecommunications services and service providers.	A licensed telecommunications operator, may, in conformity with the legislation in force, enter into agreements with private persons to use their land and facilities for the installation and maintenance of telecommunication networks and equipment. Expropriation procedures may be used. The Kosovo Assembly adopted a Law on Expropriation (No 02/L-97) on February 8, 2007. However, it has never been promulgated by the SRSG and therefore has not entered into force.

Table C.6 - Rights of way

Notes:

- Albania: In the new Electronic Communications Law (No. 9918), articles 21 and 22 stipulate the provisions to build and maintain the electronic communication networks and conditions for the joint use of assets and facilities. Article 23 makes reference to the use of the networks of entities or corporations that own such networks and intend to lease such networks for profit making purposes. If they decide to do so they should notify the NRA and complete the appropriate forms.
- Montenegro: Articles 43-57 of Telecommunications Law (Official Gazette No. 59/2000) defines the conditions for building, maintenance, safety and use of telecommunications networks, facilities and equipment.

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Article 12 of the Access Directive establishes that, based on a market analysis, NRAs can impose obligations on operators with SMP to meet reasonable requests for access to network elements and associated facilities. The NRA may do so where it finds denial of access or unreasonable terms and conditions would hinder the emergence of a competitive market at the retail level or would not be in the end-users' interest. Operators may be required, inter alia, to provide collocation or other forms of facility sharing, including ducts, buildings or masts.

Article 12 of the Framework Directive calls NRAs to encourage the sharing of facilities and access to properties by electronic communications network operators. In particular, where undertakings are deprived of access to viable alternatives because of the need to protect the environment, public health, public security or to meet town and country planning objectives, the sharing of facilities or property (including physical co-location) or specific measures to facilitate the coordination of public works can be mandated subject to a prior public consultation. Such sharing or coordination arrangements may include rules for apportioning the costs of facility or property sharing.

Table C.7 shows:

- obligations to provide access to ducts, imposed as a result of market analyses or based on specific legislation (e.g., national rules for electronic communications or competition law); and
- alternative obligations if the provision of access to duct is not possible (e.g., access to dark fibre, wave division multiplexing (WDM), provision of backhaul facilities).

Country	Obligations to provide access to ducts		Alternatives to duct access
	Market analysis	Other basis	
Croatia	No	<p>Telecommunications Act, Article 22:</p> <ul style="list-style-type: none"> • The NRA shall stimulate the shared use of the telecommunications infrastructure already constructed • Where the ownership of telecommunications infrastructure is not identified, the NRA may issue a temporary decision until the final ownership rights are determined <p>The NRA has made a decision on conditions of using existing telecommunications ducts.</p> <p>The NRA has defined the procedure for regulating cables laid without the prior agreement, and also made a decision on conditions under which it is to be initiated and implemented.</p>	-
FYROM	<p>Yes</p> <p>Public communication network operators shall provide access to specified network elements and supplementary facilities upon the request of other public communication network operators and public electronic communication service providers, for which they may charge a fee.</p> <p>Operators with SMP are obliged to meet the demands for access to and the use of specified network elements and/or supplementary facilities at any technically feasible point on its network.</p>	<p>Under article 51 of the Law for Electronic Communications and the Rules for Access and Utilization of Specific Network Facilities, the NRA may impose infrastructure sharing because of the need to protect public health, the environment or to meet planning objectives</p>	No

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Country	Obligations to provide access to ducts		Alternatives to duct access
	Market analysis	Other basis	
	An operator with SMP shall provide general conditions for access and the use of specific network elements and/or supplementary facilities and shall publish them on its website.		
Turkey	Recently TA requested TT to prepare a common annex to the interconnection, bit stream access and LLU reference offers. This obligation depends on the SMP decision of TT based on fixed market analyses. No specific market analyses carried on. Currently this annex is on the public consultation. (http://www.tk.gov.tr/Basin_Duyurular/Duyurular/kamuoyu/2008/EK3b2008.pdf)		No
Albania	No	Article 22 of the new Law on Electronic Communications No. 9918 In cases where the economic use of space, city planning and protection of environment requires so, operators of the public electronic communications networks that have the right to construct and install communication equipments in the private or public property shall construct or install them in such way as to enable their joint use.	No
Bosnia & Herzegovina	No	No Article 13 of the licence for the provision of fixed telephony networks and services allows the licensee to conclude contracts based on commercial and technical conditions with any other operator for the sharing of infrastructure and collocation.	No
Montenegro	No	Rulebook on the Joint Use of Telecommunications Infrastructure (Official Gazette No. 65/2005) Article 1 of the Rulebook defines telecommunications infrastructure as land, buildings and other constructions, ducts, antenna masts and other necessary infrastructure needed for their use.	No
Serbia	No	Article 87 (2) of Telecommunications Law If technically feasible, the NRA may order sharing of infrastructure by two or more telecommunications operators. It may order the infrastructure owner to share its infrastructure in return for fair compensation.	No

Country	Obligations to provide access to ducts		Alternatives to duct access
	Market analysis	Other basis	
Kosovo	No	Section 3.6.3 of the Telecommunications Sector Policy supports the sharing of infrastructure facilities "... between and among PTO's (including, but not limited to, backbone facilities, towers, ducts, and premises), should be mandatory, to the extent practicable and consistent with the provisions of the Telecommunications Law. Section 27 of the Telecommunication Law, on shared use of facilities and public rights of way, states that "The TRA shall establish rules for the use of publicly and privately controlled property with respect to telecommunications services and service providers ..."	No

Table C.7 - Access to ducts

D. Implementation of the EU 2002 regulatory framework

1. Market analysis procedures and regulations

The concept of significant market power (SMP) is one of the central elements of the EU regulatory framework for electronic communications. Following a market analysis by the NRA, an operator can be designated as having SMP in a specified electronic communications market. It may subsequently be subject to specific *ex ante* regulatory obligations or remedies.

Table D.1 below examines the national frameworks used by NRAs for market analyses. It specifies the discretion an NRA has in exercising the functions foreseen under the EU 2003 regulatory framework, including the powers to:

- collect relevant information and any restrictions on this power;
- define relevant markets applying competition law principles;
- designate operators with SMP;
- impose regulatory obligations on operators with SMP, i.e.
 - remedies are pre-defined by law or
 - the NRA has discretion to impose remedies according to the identified competition problems; and
- how often the NRA is required to carry out market analysis.

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The use of the old and rigid rule of 25% market share together with equally rigid lists of remedies or obligations has been common practice in recent years under most regimes. In the case of FYROM, the level is 40% taken from its domestic competition law, while in Serbia it is 20%, though with the option for the NRA to use 25%.

The timing of this report finds legal changes coming into effect, which should bring the approaches being applied much closer to that of the EU regulatory framework. Additional rows for the new laws of Croatia, Albania and Montenegro have been included, though these are not yet fully implemented.

Country	Restrictions on NRA powers to collect information	Definition of relevant markets: In law or by NRA.	Basis for SMP designation: Competition law or 25% market share threshold?	Imposition of remedies: Pre-defined or by NRA discretion	Timeframe for market analysis
Croatia	No restrictions Undertakings performing telecommunications activities are required to submit at the request of the NRA all data related to their activities, including financial data and data considered to be commercial in confidence (Article 15 of Telecommunications Law of 2003).	Under the Telecommunications Act of 2003, the NRA analysed four national markets set out in line with the principles of the EU 1998 framework: <ul style="list-style-type: none"> • public fixed telephone network and services (covering voice services and services for transmission of voice, sound, data, documents, pictures, etc.) • leased lines • public voice services in mobile networks • interconnection . The Ordinance on conditions and procedures for relevant markets definition of October 2005 (Official Gazette 127/2005) provided for the market definition procedures by the NRA based on the EU 2002 regulatory framework and European Commission recommendation on relevant markets of 2003, but has not been applied in practice.	25% market share (measured by revenue) in a relevant market, combined with an assessment of other criteria defined in Article 51 of Telecommunications Law of 2003	Remedies applicable to all operators with SMP are defined in Chapter VII of Telecommunication Law of 2003.	Once a year (Article 51 of Telecommunications Law of 2003)
Croatia – new law	No restrictions (Articles 53 (3), 54(2) of the Electronic Communications Act of 2008)	The NRA has discretion to define relevant markets taking into account the European commission recommendation on relevant markets and applying the three criteria test (Article 53 of the Electronic Communications Act of 2008).	Competition law principles, taking into account market shares and other relevant criteria, and EC guidelines (Article 55 of the Electronic Communications Act of 2008)	Discretionary remedies can be imposed by the NRA (listed in Articles 58 to 65 of the Electronic Communications Act of 2008).	At least once every three years (Article 52 of the Electronic Communications Act of 2008)

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Country	Restrictions on NRA powers to collect information	Definition of relevant markets: In law or by NRA.	Basis for SMP designation: Competition law or 25% market share threshold?	Imposition of remedies: Pre-defined or by NRA discretion	Timeframe for market analysis
FYROM	No restrictions Operators of electronic communications networks and service providers are required to submit at the request of the NRA all information related to their activities. Such a request has to be justified, based on reasonable grounds and proportionate to its purpose (Article 23 of Law on Electronic Communications).	Under Article 41 of the Law on Electronic Communications, the NRA defines relevant product, service and geographic markets in accordance with the Law on Protection of Competition. In August 2005, the NRA adopted a Decision on the determination of relevant markets that sets out 18 relevant product markets according to the EC Recommendation of 2003, all are national in their geographic scope.	According to the provisions of the Law on Protection of Competition, a company has a dominant position on a relevant market if it has market share of over 40%. The NRA in its assessment of SMP in a relevant market takes into account this provision of the Law on Protection of Competition, combined with other criteria defined in Article 40 of Law on Electronic Communications.	Discretionary remedies can be imposed by the NRA.	Once a year (Article 42 of Law on Electronic Communications)
Turkey	According to the Regulation on Principles and Procedures for Identification of the Operators with Significant Power , the NRA can demand any information without restriction during the market analysis. NRA can use public surveys, studies of the third parties and international comparisons in its studies.	The NRA has discretion to define relevant markets applying competition law principles.	The Regulation on the Principles and Procedures for Identification of the Operators with Significant Power states that when determining which operators have SMP in a relevant market, market shares of the operators are considered as the primary criterion. The determination of the market shares of the operators can be made based on revenue, subscriber or user numbers, traffic volume, transmission capacity and transmission line number, as long as they are appropriate and available. In addition to market shares, SMP assessment can be based on a number of other criteria defined in Article 8 of the Regulation on Principles and Procedures for Identification of the Operators with Significant Power.	Under Article 10 of the Regulation on Principles and Procedures for Identification of the Operators with Significant Market Power, the NRA may impose on operators with SMP the following remedies: <ul style="list-style-type: none"> • transparency • publication of reference access and interconnection offers • non discrimination • accounting separation • tariff regulation • cost accounting. NRA has some discretion in imposing regulatory obligations, but certain remedies are predefined by law. The Ordinance on Access and Interconnection provides that once an interconnection obligation has been imposed on an operator with SMP, non-discrimination, transparency and cost-orientation obligations are triggered automatically.	At least once every three years (Article 6 (1) of the Regulation on Principles and Procedures for Identification of the Operators with Significant Power)

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Country	Restrictions on NRA powers to collect information	Definition of relevant markets: In law or by NRA.	Basis for SMP designation: Competition law or 25% market share threshold?	Imposition of remedies: Pre-defined or by NRA discretion	Timeframe for market analysis
Albania	Under Article 19 of Telecommunications Law of 2000, public operators must provide the NRA with 'statistical data'. The NRA has the authority to define the type of data and the timing for its provision.	The NRA has discretion to define relevant markets applying competition law principles, according to TRE Regulation on SMP designation of Sept. 16, 2005.	25% market share as threshold in a relevant market combined with an assessment of other criteria defined in Article 17 of Telecommunications Law of 2000, and TRE Regulation on SMP designation of Sep. 16, 2005.	Basic remedies that apply to all operators with SMP are defined by Telecommunications Law. Further discretionary remedies can be imposed on SMP operators by the as defined in TRE Regulation on Access and Interconnection of December 7, 2007.	At least once every two years (TRE Regulation on Access and Interconnection of December 7, 2007)
Albania – new law	No restrictions (Article 16 of the Law on Electronic Communications of May 19, 2008)	The NRA has discretion to define relevant markets applying competition law principles (Article 32 of the Law on Electronic Communications of May 19, 2008).	Competition law principles, taking into account market shares and other relevant criteria (Article 33 of the Law on Electronic Communications of May 19, 2008)	Remedies are discretionary imposed by the NRA (listed in Articles 39-45, 56 of the Law on Electronic Communications of May 19, 2008).	At least once every two years (Article 31 of the Law on Electronic Communications of May 19, 2008)
Bosnia & Herzegovina	Licence conditions of all licensed operators and service providers contain an obligation to provide to the NRA any requested information in a timely fashion.	Discretionary definition by the NRA (Article 14 of the Law on Communications)	25% market share as threshold in a relevant market combined with an assessment of other criteria	Basis regulatory obligations are defined in the law and licenses of the three incumbent operators. Further discretionary remedies can be imposed by the NRA (Article 14 of the Law on Communications).	Once every year (Article 14 of the Law on Communications)
Montenegro	No restrictions, according to the statutes of the NRA	Discretionary definition by the NRA	25% market share, measured by number of subscribers, as threshold for SMP designation in a relevant market combined with an assessment of other criteria (Articles 3(42) and 12(28) of Telecommunications Law of 2000)	Specific obligations related to access and interconnection that apply to all operators with SMP are set out in the Ordinance on Access and Interconnection of Oct. 10, 2006	Not defined
Montenegro – new law	No restrictions (Article 18 of the Law on Electronic Communications of July 29, 2008)	Discretionary definition by the NRA (Article 41 of the Law on Electronic Communications of July 29, 2008)	Competition law principles, taking into account market shares and other relevant criteria (Article 47 of the Law on Electronic Communications of July 29, 2008)	Remedies are discretionary imposed by the NRA (listed in Articles 48-51, 56 of the Law on Electronic Communications of July 29, 2008).	Not defined

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Country	Restrictions on NRA powers to collect information	Definition of relevant markets: In law or by NRA.	Basis for SMP designation: Competition law or 25% market share threshold?	Imposition of remedies: Pre-defined or by NRA discretion	Timeframe for market analysis
Serbia	No restrictions Public telecommunications operators are required to submit at the request by the NRA all information related to their activities (Article 21 of Telecommunications Law).	Discretionary definition by the NRA	20% market share, measured by number of subscribers, which the NRA may raise to 25% (Article 4(49) of the Telecommunications Law)	SMP obligations are set out in Articles 9, 10, 39, 40, 43, 48, 53 and 111 of the Telecommunications Law.	Not defined
Kosovo	The NRA has the authority to collect and maintain information, including but not limited to statistics, financial, employment and network performance reports or other reports that it requires in order to fulfil its responsibilities (Telecommunications Act (UNMIK Regulation 2003/16), Section 12).	Discretionary definition by the NRA	25% market share in a relevant market, combined with an assessment of other criteria (Telecommunications Act (UNMIK Regulation 2003/16), Section 44)	Basic access and interconnection obligations are set out in Telecommunications Act and operators' licences. Further discretionary remedies can be imposed by the NRA.	Subject to NRA discretion or upon request of any service provider

Table D.1 - Market analysis and the discretionary powers of NRAs

Notes:

Croatia: Chapter VIII of the new Electronic Communications Act of 2008 (Official Gazette 73/2008) that entered in force on July 1, 2008 provides for the market analysis procedures, definition of relevant markets, SMP designations and imposition of remedies on SMP operators based on the EU 2003 regulatory framework. Article 52 of the new law requires the NRA to carry out market analysis procedures at least once every three years.

Albania: Chapter VI of the new Law on Electronic Communications of May 19, 2008 (Law No. 9918, Official Gazette No. 84) that entered in force on June 26, 2008 provides for the market analysis procedures, definition of relevant markets, SMP designations and imposition of remedies on SMP operators based on the principles of the Law on Competition and the EU 2003 regulatory framework. Article 31 of the new law requires the NRA to carry out market analysis procedures at least once every two years.

2. Analysis of relevant markets by NRAs

Table D.2, below, shows the analyses of relevant retail and wholesale markets conducted by the NRAs.

Country	Relevant market	Geographic scope	Operator(s) with SMP	Remedies imposed on SMP operator(s)	Legal basis Reference to relevant legislation or NRA decision
Croatia	Public fixed telephone network and services, covering: <ul style="list-style-type: none"> • Voice services • Services for transmission of voice, sound, data, documents, pictures, etc. 	National	Joint SMP: <ul style="list-style-type: none"> • HT- Hrvatske Telekomunikacije (T-Com) • Iskon (100% owned by T-Com) 	<ul style="list-style-type: none"> • Network access and interconnection • non-discrimination • transparency • publication of reference offer • price control and cost-orientation • accounting separation 	HAT SMP decision of Sept. 14, 2006 Chapter VII of Telecommunication Law of 2003
	Leased lines	National	<ul style="list-style-type: none"> • HT- Hrvatske Telekomunikacije (T-Com) 		HAT SMP decision of March 30, 2007 Chapter VII of Telecommunication Law of 2003
	Public voice services in mobile network	National	<ul style="list-style-type: none"> • T-Mobile Hrvatska • VIPnet 		HAT SMP decision of March 30, 2007 Chapter VII of Telecommunication Law of 2003
	Interconnection services	National	<ul style="list-style-type: none"> • HT- Hrvatske Telekomunikacije (T-Com) • T-Mobile Hrvatska • VIPnet 		HAT SMP decision of March 30, 2007 Chapter VII of Telecommunication Law of 2003
FYROM	Wholesale call termination in individual mobile network (market 16/2003)	National	<ul style="list-style-type: none"> • T-Mobile Macedonia • Cosmofon Skopje 	<ul style="list-style-type: none"> • Interconnection and access • transparency • non-discrimination • accounting separation • price control and cost accounting obligations • access to and use of specific network facilities 	AEC decision of Jan. 18, 2008

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Country	Relevant market	Geographic scope	Operator(s) with SMP	Remedies imposed on SMP operator(s)	Legal basis Reference to relevant legislation or NRA decision
	<ul style="list-style-type: none"> Fixed voice telephone networks and services Access to networks for data transmission and leased lines 	National	<ul style="list-style-type: none"> Makedonski Telekom 	<ul style="list-style-type: none"> Interconnection and access transparency non-discrimination publication of RIO, RUO, reference offer for minimum set of leased lines accounting separation price control and cost accounting obligations CS/CPS 	Article 146, Transitional provisions of Electronic Communications Law
Turkey	Wholesale call termination in individual mobile network (market 16/2003)	National	<ul style="list-style-type: none"> Turkcell Vodafone Avea 	<ul style="list-style-type: none"> Non-discrimination Cost accounting Accounting separation Transparency Publication of reference access and interconnection offer Subject to tariff regulation 	TA Decision no. 2005/880, Official Gazette of December 28, 2005 (SMP designations for GSM mobile markets: M15-M16/2003)
	Wholesale mobile access and call origination (market 15/2003)	National	<ul style="list-style-type: none"> Turkcell 	<ul style="list-style-type: none"> Non-discrimination Cost accounting Accounting separation Transparency Publication of reference access and interconnection offer Subject to tariff regulation 	TA Decision no. 2005/880, Official Gazette of December 28, 2005 (SMP designations for GSM mobile markets: M15 - M16/2003)
	Retail access to the public telephone network at fixed location (markets 1-2/2003)	National	<ul style="list-style-type: none"> Türk Telekom 	<ul style="list-style-type: none"> Non-discrimination Cost accounting Accounting separation Transparency Publication of reference access and interconnection offer Subject to tariff regulation 	TA Decision no. 2006/DK-10/142, Official Gazette dated 17/03/2006 (SMP designation for fixed markets: M1-14/2003)

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Country	Relevant market	Geographic scope	Operator(s) with SMP	Remedies imposed on SMP operator(s)	Legal basis Reference to relevant legislation or NRA decision
	Retail publicly available national, local and international telephone calls at fixed location (markets 3-6/2003)	National	<ul style="list-style-type: none"> Türk Telekom 	<ul style="list-style-type: none"> Non-discrimination Cost accounting Accounting separation Transparency Publication of reference access and interconnection offer Subject to tariff regulation 	TA Decision no. 2006/DK-10/142, Official Gazette dated 17/03/2006 (SMP designation for fixed markets: M1-14/2003)
	Wholesale call termination to on public telephone networks provided at a fixed location (market 9/2003)	National	<ul style="list-style-type: none"> Türk Telekom 	<ul style="list-style-type: none"> Non-discrimination Cost accounting Accounting separation Transparency Publication of reference access and interconnection offer Subject to tariff regulation 	TA Decision no. 2006/DK-10/142, official gazette dated 17/03/2006 (SMP designation for fixed markets: M1-14/2003)
	Wholesale call origination on the public telephone network provided at a fixed location (market 8/2003)	National	<ul style="list-style-type: none"> Türk Telekom 	<ul style="list-style-type: none"> Non-discrimination Cost accounting Accounting separation Transparency Publication of reference access and interconnection offer Subject to tariff regulation 	TA Decision no. 2006/DK-10/142, Official Gazette dated 17/03/2006 (SMP designation for fixed markets: M1-14/2003)
	Transit services in the public telephone network provided at fixed locations (market 10/2003)	National	<ul style="list-style-type: none"> Türk Telekom 	<ul style="list-style-type: none"> Non-discrimination Cost accounting Accounting separation Transparency Publication of reference access and interconnection offer Subject to tariff regulation 	TA Decision no. 2006/DK-10/142, Official Gazette dated 17/03/2006 (SMP designation for fixed markets: M1-14/2003)

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Country	Relevant market	Geographic scope	Operator(s) with SMP	Remedies imposed on SMP operator(s)	Legal basis Reference to relevant legislation or NRA decision
	Wholesale unbundled access (including shared access) to local loops and sub loops for the purpose of providing broadband and voice services (market 11/2003)	National	<ul style="list-style-type: none"> Türk Telekom 	<ul style="list-style-type: none"> Non-discrimination Cost accounting Accounting separation Transparency Publication of reference access and interconnection offer Subject to tariff regulation 	TA Decision no. 2006/DK-10/142, Official Gazette dated 17/03/2006 (SMP designation for fixed markets: M 1-14/2003)
	Wholesale broadband access including bit-stream access (market 12/2003)	National	<ul style="list-style-type: none"> Türk Telekom 	<ul style="list-style-type: none"> Non-discrimination Cost accounting Accounting separation Transparency Publication of reference access and interconnection offer Subject to tariff regulation 	TA Decision no. 2006/DK-10/142, Official Gazette dated 17/03/2006 (SMP designation for fixed markets: M 1-14/2003)
	Wholesale terminating and trunk segments of leased lines (market 13-14/2003)	National	<ul style="list-style-type: none"> Türk Telekom 	<ul style="list-style-type: none"> Non-discrimination Cost accounting Accounting separation Transparency Publication of reference access and interconnection offer Subject to tariff regulation 	TA Decision no. 2006/DK-10/142, Official Gazette dated 17/03/2006 (SMP designation for fixed markets: M 1-14/2003)
Albania	Wholesale call termination in individual mobile network	Geographic extent of each mobile network	<ul style="list-style-type: none"> Albanian Mobile Communications Vodafone Albania 	<ul style="list-style-type: none"> Non-discrimination Cost orientation Transparency Access and interconnection Respect confidentiality Price control RIO 	TRE decision of September 18, 2007
	Retail public mobile services	National	<ul style="list-style-type: none"> Albanian Mobile Communications Vodafone Albania 		TRE decision of September 18, 2007
	Retail access to the public telephone network at fixed location	National	<ul style="list-style-type: none"> Albtelecom 	<ul style="list-style-type: none"> CS/CPS 	TRE decision of November 13, 2007

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Country	Relevant market	Geographic scope	Operator(s) with SMP	Remedies imposed on SMP operator(s)	Legal basis Reference to relevant legislation or NRA decision
	Retail publicly available telephone calls at fixed location	National	<ul style="list-style-type: none"> Albtelecom 	<ul style="list-style-type: none"> Non-discrimination Cost orientation Transparency Access and interconnection Respect confidentiality Price control RIO 	TRE decision of November 13, 2007
	Wholesale call termination to geographic numbers in Albtelecom fixed network	National	<ul style="list-style-type: none"> Albtelecom 		TRE decision of November 13, 2007
	Wholesale call origination on the public telephone network provided at a fixed location	National	<ul style="list-style-type: none"> Albtelecom 		TRE decision of November 13, 2007
	National transit services in the public telephone network provided at fixed locations	National	<ul style="list-style-type: none"> Albtelecom 		TRE decision of November 13, 2007
	International transit services in the public telephone network provided at fixed locations.	National	<ul style="list-style-type: none"> Albtelecom 		TRE decision of November 13, 2007
Bosnia & Herzegovina	Fixed telephony services	Geographic extent of each fixed network	<ul style="list-style-type: none"> BH Telecom Telekom Srpske HT Mostar 	<ul style="list-style-type: none"> Non-discrimination Cost orientation Transparency Access and interconnection Respect confidentiality Price control RIO CS/CPS 	RAK decision of September 27, 2007 (Official Gazette of BiH 81/2007)
	Mobile telephony services		<ul style="list-style-type: none"> BH Telecom Telekom Srpske HT Mostar			RAK decision of September 27, 2007 (Official Gazette of BiH 81/2007)
Montenegro	Public fixed telephone networks and services	National	<ul style="list-style-type: none"> Crnogorski Telekom (T-Com) 	<ul style="list-style-type: none"> Non-discrimination Cost orientation 	Articles 3(42) and 12(28) of Telecommunications Law of 2000
	Internet services	National	<ul style="list-style-type: none"> Crnogorski Telekom (T-Com) 		

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Country	Relevant market	Geographic scope	Operator(s) with SMP	Remedies imposed on SMP operator(s)	Legal basis Reference to relevant legislation or NRA decision
	Mobile telephone networks and services	National	<ul style="list-style-type: none"> Promonte T-Mobile 	<ul style="list-style-type: none"> Transparency Access and interconnection Respect confidentiality Price control RIO 	
Serbia	Public fixed telephone networks and services	National	<ul style="list-style-type: none"> Telekom Srbija 	<ul style="list-style-type: none"> Network access and interconnection Non-discrimination Cost orientation Transparency Prohibition of cross-subsidisation Retail price control 	RATEL decision of March 3, 2006
	Radio and television programme distribution via cable network	National	<ul style="list-style-type: none"> SBB 	<ul style="list-style-type: none"> Retail price control Accounting separation 	RATEL decision of February 19, 2007
Kosovo	Public mobile services	National	<ul style="list-style-type: none"> PTK (Vala) 	<ul style="list-style-type: none"> Non-discrimination Cost orientation Transparency Network access Respect confidentiality RIO 	Telecommunications Act (UNMIK Regulation 2003/16), Section 44
	Public fixed telephone networks and services	National	<ul style="list-style-type: none"> PTK 	<ul style="list-style-type: none"> Non-discrimination Cost orientation Transparency Network access Respect confidentiality RIO 	

Table D.2 - Analyses of retail and wholesale markets

Notes:

Montenegro:

Chapter Article 143 of the Law on Electronic Communications of July 29, 2008 contains new transitional provisions that designate Crnogorski Telekom as having SMP in the markets for fixed voice telephone networks and services including the markets for data transmission services and leased lines. Under the same provisions, all fixed and mobile network operators are deemed to have SMP in the markets for call termination in their respective networks, while the national broadcasting operator in the market for broadcasting transmission services.

E. Competitive safeguards

1. Carrier selection and pre-selection

Article 19 of the Universal Service Directive (2002/22/EC) states that NRAs must require operators with SMP in the markets for the provision of connection to and use of the public telephone network at a fixed location to enable their subscribers to access the services of any interconnected provider of publicly available telephone services:

- on a call-by-call basis by dialling a carrier selection code; and
- by means of carrier pre-selection, with a facility to override any pre-selected choice on a call-by-call basis by dialling a carrier selection code.

Table E.1 details the regulatory obligations to offer CS and Table E.2 the obligations for CPS on the fixed networks of incumbent operators. These basic access services are not available in Albania, Serbia or Kosovo. In other cases, although available CS and CPS are relatively recent offers, a matter of months in Montenegro and one year in Bosnia & Herzegovina. It is only in Croatia where the services have been available for two years. While CPS has been introduced into Montenegro, the incumbent operator has not yet been obliged to include this in its RIO, leaving service providers to negotiate terms and conditions with Crnogorski Telekom.

Country	CS implementation for different type of calls				Operators required to provide CS	Call origination for CS included in RIO?
	Local	National	International	Calls to mobile		
Croatia	July 2006	July 2006	July 2006	July 2006	T-Com	T-Com RIO, Section 4.2
FYROM	May 2008	January 2007	January 2007	January 2007	Makedonski Telekom	Makedonski Telekom RIO, Annex 3D
Turkey	Not available	April 2006	April 2006	April 2006	Türk Telekom	Türk Telekom RIO, Sections 2.1.1.2 and 3.1.6
Albania	Not available	Not available	Not available	Not available	-	-
Bosnia & Herzegovina	July 2007	July 2007	July 2007	July 2007	<ul style="list-style-type: none"> • BH Telecom • Telekom Srpske • HT Mostar 	Yes
Montenegro	December 2007	December 2007	December 2007	December 2007	All public telecommunications operators, both fixed and mobile	Crnogorski Telekom RIO, Section 2.5
Serbia	Not available	Not available	Not available	Not available	-	-
Kosovo	Not available	Not available	Not available	Not available	-	-

Table E.1 - Obligations to provide carrier selection

Notes:

FYROM:

In May 2008 the NRA implemented changes to Makedonski Telekom's RIO to ensure the availability of CS for local calls.

Albania:

Users of Altelecom have been able to use prepaid calling cards from service providers for national and international calls since 2002.

Kosovo:

A public consultation on carrier selection regulations is to be launched during 2008.

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Country	CPS implementation for different type of calls				Operators required to provide CPS	Call origination for CPS included in RIO?
	Local	National	International	Calls to mobile		
Croatia	January 2005	January 2005	January 2005	January 2005	T-Com	T-Com RIO, Section 4.2
FYROM	May 2008	January 2007	January 2007	January 2007	Makedonski Telekom	Makedonski Telekom RIO, Annex 3D
Turkey	Not available	April 2006	April 2006	April 2006	Türk Telekom	Türk Telekom RIO, Sections 2.1.1.2 and 3.1.6
Albania	Not available	Not available	Not available	Not available	-	-
Bosnia & Herzegovina	July 2007	July 2007	July 2007	July 2007	<ul style="list-style-type: none"> • BH Telecom • Telekom Srpske • HT Mostar 	Yes
Montenegro	December 2007	December 2007	December 2007	December 2007	All public telecommunications operators, both fixed and mobile	No Only CS is included in Crnogorski Telekom's RIO, Section 2.5
Serbia	Not available	Not available	Not available	Not available	-	-
Kosovo	Not available	Not available	Not available	Not available	-	-

Table E.2 - Obligations to provide carrier pre-selection

Notes:

FYROM: In May 2008 the NRA implemented changes to Makedonski Telekom's RIO to ensure availability of CPS for local calls.

Where carrier selection and pre-selection have been available for some time, then service providers have entered the markets, but in very small numbers (see Table E.3). There has been only limited adoption of these services by consumers and businesses. It would appear that only carrier selection in Croatia can, so far, be considered to be a success.

Country	CS implementation		CPS implementation	
	Alternative operators offering CS	Number of CS users	Alternative operators offering CPS	Number of CPS users
Croatia	2	N/A	4	252,700
FYROM	2	4,881	-	-
Turkey	8	N/A	11	N/A
Albania	-	-	-	-
Bosnia & Herzegovina	2	N/A	-	-
Montenegro	3	N/A	-	-

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Country	CS implementation		CPS implementation	
	Alternative operators offering CS	Number of CS users	Alternative operators offering CPS	Number of CPS users
Serbia	-	-	-	-
Kosovo	-	-	-	-

Table E.3 - Implementation of carrier selection and pre-selection

Notes:

Croatia: The number of CPS users at the end of Q1 2008. The CPS providers are: AMIS, H1, Metronet, Optima.

Turkey: There are 8 CS and 11 CPS interconnection agreements signed between Türk Telekom and alternative operators. 8 CS agreements do not mean that 8 operators are providing national CS services. Currently four are running national advertising campaigns, while the other four are concentrating on business customers and some selected end users (households). None of the operators that have signed the CPS agreement are marketing their services country-wide, instead they offer CPS for business customers and some selected end users (households).

Montenegro: The NRA has assigned CS access codes (1011, 1012 and 1013) to three VoIP operators: PTT Inzenjering, VOIP Telecom and Alliance Telecom.

2. Number portability

Number portability in fixed networks is required to allow customers to switch operators, usually away from the incumbent to a rival, while retaining the value and familiarity of an existing number. The EU legal framework requires that it be available for both:

- geographic numbers; and
- non-geographic numbers.

There are a number of possible technical solutions. With **onward routing**, a call to a ported number is routed to the donor network (i.e. the network to which the called party previously subscribed to), which then forwards the call to the recipient network (i.e. the network providing service to the subscriber after porting). Whereas, with **direct routing**, a central or distributed database of ported numbers is used for routing calls to ported numbers directly to the recipient network:

- **All calls query – ACQ**

The originating operator consults the database for all calls.

- **Query on release – QoR**

The originating operator consults the database only when the call to the ported number is rejected by the donor network:

- for countries where an NP centralized database solution has been implemented, the method of its financing is shown; and
- ported numbers statistics.

Table E.4 summarises the implementation of number portability. It is still very early in the introduction of this service, with the obvious exception of Croatia where nearly 200,000 numbers have already been ported.

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Country	Implementation		Deadline and legal basis	Inter-operator charge per ported number	Technical solution	NP database financing	Ported numbers statistics
	Geographic numbers	Non-geographic numbers					
Croatia	July 2005	July 2005	Article 72 of the Telecommunications Law of 2003 Ordinance on number portability and carrier pre-selection of December 2004 (Official Gazette 183/04) The NRA Decision on number portability and carrier pre-selection of August 26, 2005 (with amendments)	No	Direct routing, ACQ with centralised database	Centralised database is operated by the NRA and funded from the NRA budget.	188,600 fixed numbers ported as of 1Q 2008
FYROM	September 2008	September 2008	Articles 84 and 85 of the Law on Electronic Communications By law on Number Portability of December 21, 2006 (with amendments) Technical description of the transactions and communication interface between the CRDB and operators approved by the NRA in March 2007.	No	Direct routing, QoR with centralised database	Centralised database is to be operated by the NRA and funded from the NRA budget.	-
Turkey	May 2009	May 2009	Number Portability Ordinance (Official Gazette No 26421, February 1, 2007). Centralised reference database established on May 9, 2008.	One-off charges per ported number have to be cost-oriented. The NRA may establish an upper limit for charges.	ACQ with centralized database (but other methods are not excluded)	Centralised database is to be operated by the NRA and the operation is to be funded from the NRA budget.	-
Albania	Not decided	Not decided	The new Law on Electronic Communications (Law No. 9918 of May 19, 2008) provides that it should be implemented within 12 months from its entry into force, i.e. by June 2009.	-	-	-	-
Bosnia & Herzegovina	Not decided	Not decided	Implementation deadline will be set out in the new Telecom Sector Policy (awaited)	Max. BAM 30.00 (€15)	ACQ with centralized database	Centralised database is to be financed by telecom operators	-

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Country	Implementation		Deadline and legal basis	Inter-operator charge per ported number	Technical solution	NP database financing	Ported numbers statistics
	Geographic numbers	Non-geographic numbers					
			Law on Communications (Official Gazette No. 31/2003, Art. 8, 27, 38 and 39) RAK Rule on Number Portability No. 32/2008				
Montenegro	Not decided	Not decided	-	-	-	-	-
Serbia	Not decided	Not decided	-	-	-	-	-
Kosovo	Not decided	Not decided	-	-	-	-	-

Table E.4 - Availability of fixed number portability

Notes:

FYROM: Fixed and mobile number portability were to be implemented by July 1, 2007. In April 2007, the NRA began a public tender for procurement of the Centralised Reference Database (CRDB), but the procedure was cancelled by the government in October 2007 following appeals from several rejected bidders. The NRA has completed the renewed procurement procedure with the implementation postponed until September 1, 2008.

Turkey: The CRDB was established on May 9, 2008, and fixed operators are obliged to complete their preparations for fixed number portability within 12 months. Operator number portability for fixed geographic and non-geographic numbers will start on May 9, 2009.

Montenegro: The NRA has completed drafting the Rulebook on number portability. The Electronic Communications Law (adopted in late July by the parliament) contains provisions setting out the obligation for operators to provide number portability.

Table E.6 summarises the implementation of mobile number portability. Again, Croatia is very much in the lead, have implemented the obligation two years ago and having already ported almost 1 per cent of mobile numbers.

Country	Implementation	Implementation deadline and legal basis	Inter-operator charge per ported number	Technical solution	NP database financing	Use	
						Ported numbers statistics	% of total mobile numbers
Croatia	October 1, 2006	Article 72 of the Telecommunications Law of 2003 By law on number portability and carrier preselection of Dec. 2004 (Official Gazette 183/04) HAT Decision on number portability and carrier pre-selection of August 26, 2005 (with amendments)	No	Direct routing, ACQ with centralized database	Centralised database is operated by CTA and funded from the CTA budget.	41,400 as of Q1 2008	0.80%

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Country	Implementation	Implementation deadline and legal basis	Inter-operator charge per ported number	Technical solution	NP database financing	Use	
						Ported numbers statistics	% of total mobile numbers
FYROM	September 2008	Articles 84 and 85 of the Law on Electronic Communications By law on Number Portability of Dec. 21, 2006 (with amendments) Technical Description of the Transactions and Communication Interface between the CDB system and operators approved by AEC in March 2007.	No	Direct routing, QoR with centralized database	Centralised database is to be operated by the NRA and funded from the NRA budget.	-	-
Turkey	November 2008	Number Portability Ordinance (Official Gazette No 26421, Feb. 1, 2007). Centralised reference database established on May 9, 2008.	One-off charges per ported number have to be cost-oriented. The NRA may establish an upper limit for charges.	ACQ with centralized database (but other methods are not excluded)	Centralised database is to be operated by TA and the operation is to be funded from the TA budget.	-	-
Albania	Not decided	-	-	-	-	-	-
Bosnia & Herzegovina	Not decided	Implementation deadline will be set out in the new Telecom Sector Policy (awaited). Law on Communications (Official Gazette No. 31/2003, Art. 8, 27, 38 and 39) RAK Rule on Number Portability No. 32/2008	Max. BAM 30.00 (€15)	ACQ with centralized database	Centralised database is to be financed by telecom operators.	-	-
Montenegro	Not decided	-	-	-	-	-	-
Serbia	Not decided	-	-	-	-	-	-
Kosovo	Not decided	-	-	-	-	-	-

Table E.5 - Availability of mobile number portability

Notes:

- FYROM: Fixed and mobile number portability were to be implemented by July 1, 2007. In April 2007, the NRA began a public tender for procurement of the Centralised Reference Database (CRDB), but the procedure was cancelled by the government in October 2007 following appeals from several rejected bidders. The NRA has completed the renewed procurement procedure with the implementation postponed until September 1, 2008.
- Turkey: The CRDB was established on May 9, 2008, and mobile operators are obliged to complete their preparations for MNP within 6 months. Operator MNP will start on November 9, 2009.
- Montenegro: The NRA has completed drafting the Rulebook on number portability. The Electronic Communications Law (adopted in late July by the parliament) contains provisions setting out the obligation for operators to provide number portability.
- Kosovo: A public consultation on mobile number portability is to be held during 2008.

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Table E.6 shows where VoIP providers are allowed to use geographic and non-geographic numbers from the national numbering plan and where they are allowed to port such numbers to or from another operator. In most cases, in the absence of general number portability, it is not available for VoIP. Croatia and Montenegro have created dedicated number ranges for non-nomadic voice, respectively 075 and 078,

The term ‘nomadic services’ refers to services where the user can connect their VoIP phone to any network termination point and make or receive calls using the same number. Nomadic VoIP services are therefore provided independently of the physical location of the user. However, the user may be required to specify a particular physical location and corresponding network termination point as their ‘home’ location when signing the contract with the provider of the nomadic VoIP service in order to enable the provision of caller location information to the emergency services.

Country	Access to numbers for VoIP				Number portability			
	Geographic		Non-geographic dedicated range(s) for VoIP		Geographic		Non-geographic	
	Non-nomadic VoIP	Nomadic VoIP	Non-nomadic VoIP	Nomadic VoIP	Non-nomadic VoIP	Nomadic VoIP	Non-nomadic VoIP	Nomadic VoIP
Croatia	Yes	No	Yes (075)	No	No	No	Yes	No
FYROM	Yes	No	No	No	NP not implemented		NP not implemented	
Turkey	No	No	No	No	NP not implemented		NP not implemented	
Albania	Yes	No	No	Yes	NP not implemented		NP not implemented	
Bosnia & Herzegovina	Yes	No	No	No	NP not implemented		NP not implemented	
Montenegro	No	No	Yes (078)	No	NP not implemented		NP not implemented	
Serbia	No	No	No	No	NP not implemented		NP not implemented	
Kosovo		No	No	No	NP not implemented		NP not implemented	

Table E.6 - Availability of numbers and number portability for VoIP

Notes:

Croatia: Providers authorised through individual fixed voice telephony licence have access to geographic numbers. VoIP providers authorised through general authorisation with notification have access to non-geographic numbers only.

FYROM: 58,000 geographic numbers have been issued to alternative fixed operators that offer voice telephony services based on LLU or WiMAX as access technologies; 6,000 geographic numbers to CableTV operators offering voice telephony services. The NRA also issued 29 non-geographic free-phone numbers (0800-9abcd) to VoIP providers that offer outgoing international calls using pre-paid calling cards (these numbers are not assigned to the subscribers and do not offer the possibility of receiving calls).

Albania: Article 90(3) of the new Law on Electronic Communications provides for the use of non-geographic numbers by nomadic VoIP services.

Serbia: Telekom Srbija, the fixed incumbent operator is currently the only authorised provider of voice telephony services. Draft ordinance on VoIP published by the NRA for consultation in December 2007 contains a proposal to allocate non-geographic numbers for VoIP.

3. Reference interconnection offer

One of the key factors in enabling a competitive telecommunications market is ensuring the availability of a reference interconnection offer (RIO) from the operators with significant market power in transparent and non-discriminatory manner.

Table E.7 gives an overview of fixed and mobile operators with SMP that are required to publish Reference Interconnection Offers (RIOs) and the number of interconnection agreements made, grouped by the type of interconnection. While considerable work has been undertaken on the preparation and approval of RIOs, there are a significant number of gaps, especially for MNOs. In the case of FYROM, there is an appeal underway against changes introduced by the NRA.

Country	Status of RIO		Number of interconnection agreements		
	Fixed operators with SMP	Mobile operators with SMP	Fixed – Fixed	Fixed – Mobile	Mobile – Mobile
Croatia	T-HT (Hrvatske Telekomunikacije, T-Com) T-HT RIO approved by the NRA on September 7, 2007 and valid from November 1, 2007. RIO applies only to interconnection with fixed networks. The first RIO was published in February 2005.	T-Mobile Hrvatska and VIPnet RIOs for were approved by the NRA in October 2007 and valid from November 1, 2007. The first RIOs was published in February 2005.	36	19	3
FYROM	Makedonski Telekom On Dec. 1, 2005 the NRA approved the technical and legal part of the first RIO, the financial part was approved in February 2006. Several amendments were approved during 2006-07. In May 2008 the NRA amended the RIO to enable CS for local calls and to modify cost-oriented interconnection prices based on a LRIC methodology.	T-Mobile and Cosmofon On January 18, 2008 the NRA designated both mobile operators as having SMP for call termination. The scope of remedies included publication of an approved RIO. In April 2008 the NRA approved, with changes, both RIOs. Both have appealed against the changes to the Commission of the NRA. The RIOs will only be published after the final decision.	6	6	3
Turkey	Türk Telekom Valid from April 2007	Turkcell, Vodafone and Avea Valid from October 2007	35	53	3
Albania	Albtelecom, valid from September 16, 2008 In March 2008 Albtelecom submitted its first RIO to the NRA for approval. Following a public consultation, the NRA approved the RIO with changes on August 11, 2008.	No RIO published In March 2008 AMC and Vodafone submitted their first RIOs for approval. The NRA decision on is to be adopted following a public consultation. TRE Regulation No 416 of Dec. 7, 2007 allows the NRA to make changes to the RIO.	53	3	3
Bosnia & Herzegovina	BH Telecom, valid from February 2008 HT Mostar, valid from October 2007 Telekom Srpske, valid from October 2007 (with annexes)	No RIO published BH Telecom, Telekom Srpske and HT Mostar are designated as having SMP in mobile telephony services	13	-	-

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Country	Status of RIO		Number of interconnection agreements		
	Fixed operators with SMP	Mobile operators with SMP	Fixed – Fixed	Fixed – Mobile	Mobile – Mobile
Montenegro	Crnogorski Telekom, valid from April 2008 The first RIO published in December 2004	No RIO published ProMonte and T-Mobile are designated as having SMP in mobile telephony services. First RIOs expected to be submitted for approval in 2008.	1	6	3
Serbia	No RIO published The first draft RIO prepared by Telekom Srbija in August 2008. Not yet approved by the NRA.	No RIO published No operator designated as having SMP	0	2	3
Kosovo	PTK, valid from January 2007 Approved by the NRA on January 12, 2007	No RIO published Vala has SMP in public mobile services market	1	1	1

Table E.7 - RIOs for fixed and mobile operators and number of agreements

Notes:

Turkey: There are no alternative fixed networks in Turkey. All interconnection agreements with alternative fixed operators are concluded with long distance carriers.

4. Reference unbundling offer

Table E.8 below shows the legal basis for a Reference Unbundling Offer (RUO), with the set-up and monthly charges for a fully unbundled local loop and a shared loop. The levels of adoption by alternative operators are shown in terms of both the number of operator agreements and the numbers of loops that have been unbundled.

The number of loops unbundled to date is very small, being almost exclusively in Croatia. Although Turkey has had an RUO since August 2007, there are still only about 120 unbundled loops from a network of around 18 million lines.

Albania, Bosnia & Herzegovina, Serbia and Kosovo have yet to adopt RUOs.

Country	Status of RUO Legal basis	One-off and monthly prices		Implementation	
		Fully unbundled loop	Shared loop	Number of LLU agreements	Number of unbundled loops
Croatia	T-Com RUO approved with changes by the NRA on January 11, 2008. The first RUO was published in October 2005 in accordance with LLU Ordinance of April 6, 2005 (amended August 2005).	<ul style="list-style-type: none"> One-off: HRK 370 (€51.00) Per month: HRK 52.14 (€7.19) 	<ul style="list-style-type: none"> One-off: HRK 550 (€75.80) Per month: HRK 22.37 (€3.08) 	5	55,700

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Country	Status of RUO Legal basis	One-off and monthly prices		Implementation	
		Fully unbundled loop	Shared loop	Number of LLU agreements	Number of unbundled loops
FYROM	Makedonski Telekom RUO In May 2006 AEC approved the first RUO. On February 11, 2008 the NRA approved a set of amendments to the RUO, including reduction of monthly rental charges for full and shared access. In May 2008 the NRA amended RUO to modify cost oriented LLU prices based on LRIC methodology.	<ul style="list-style-type: none"> One-off (for a block of 100 loops with physical collocation): MKD 10,014 (€163.69) One-off (for a block of 100 loops with distant collocation): MKD 7,594 (€124.13) Per month: MKD 478 (€7.81) 	<ul style="list-style-type: none"> One-off (for a block of 100 loops with physical collocation): MKD 9,662 (€157.94) One-off (for a block of 100 loops with distant collocation): MKD 7,242 (€118.38) Per month: MKD 142.85 (€2.33) 	1	-
Turkey	Türk Telekom RUO The first RUO was published in November 2006 and updated with regard to prices in August 2007 in accordance with the Communiqué on LLU of July 20, 2004.	<ul style="list-style-type: none"> One off: TRY 100 (€50.00) Per month: TRY 17 (€8.50) 	<ul style="list-style-type: none"> One off: TRY 110 (€55.00) Per month: TRY 5.75 (€2.90) 	9	~ 120
Albania	RUO not available The NRA adopted TRE Regulation No 416 of Dec. 7, 2007 on Access and interconnection including rules for the publication and content of RUO, but there is no obligation yet on Albtelecom to provide LLU or to publish an RUO.	-	-	-	-
Bosnia & Herzegovina	RUO not available According to the NRA Regulation on LLU adopted on May 27, 2008, RUOs of operators with SMP must be published within 4 months from entry into force of the rule (i.e. by October 2008).	-	-	-	-
Montenegro	RUO not available Regulations on LLU and RUO are expected to be adopted in 2008.	-	-	-	-
Serbia	RUO not available	-	-	-	-
Kosovo	RUO not available	-	-	-	-

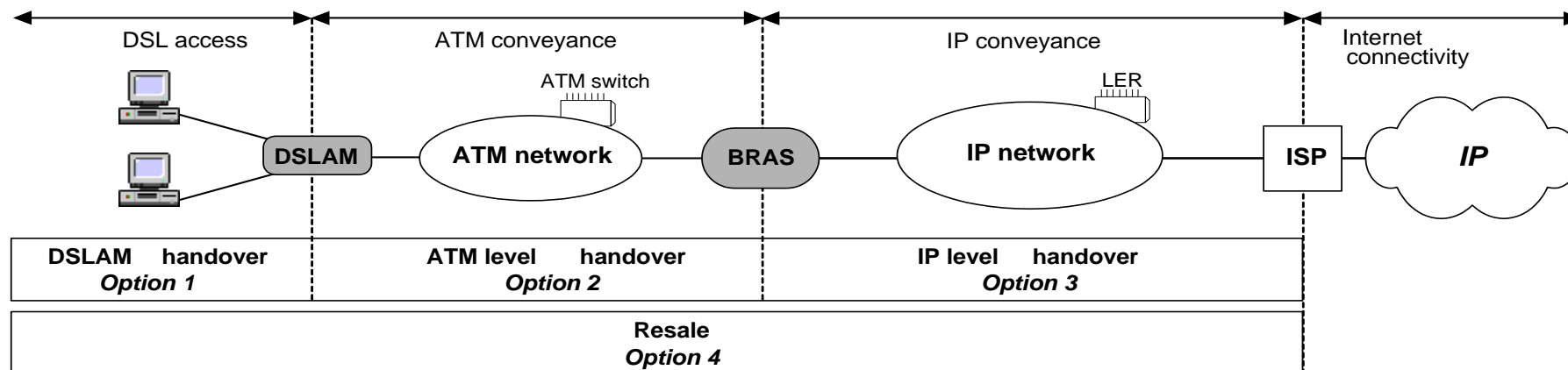
Table E.8 - Status of the RUO and local loop unbundling charges

Notes:

FYROM: The commercial activities of the alternative operator On.Net using LLU were launched on May 12, 2008.

5. Wholesale broadband access

Initially, there were relatively simple models for unbundling, but these have been developed by operators and NRAs into complex systems that offer a more flexible range of options. Figure 31 shows the various possible handover points for DSL traffic between an incumbent operator and an alternative operator or ISP.



DSLAM: DSL Access Multiplexer / ATM: Asynchronous Transfer Mode / BRAS: Broadband-Remote Access Server / LER: Router

Figure 31 - DSL interconnection

DSL interconnection services – bitstream access (BSA)

Option 1 – handover at the DSLAM.

Option 2 – handover at the ATM network level, either at:

- the ‘parent’ ATM switch (i.e., the ATM switch closest to the DSLAM); or
- one or more ‘distant’ switches in the ATM network (involving additional conveyance across the ATM network by the incumbent);

Option 3 – handover at one or more points on the IP network of the incumbent.

Resale service

Option 4 – resale of end-to-end DSL service between the end-user and the ISP.

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Table E.9 shows where bitstream access and resale are available, either on a commercial basis or mandated by the NRA. It shows the availability of the four options shown in Figure 31.

The extent of the adoption of the various options is shown in the final columns. Croatia has had some success with Option 3, while Turkey has had some with Option 4, though the size of the Turkish network means the effect on overall competition is limited. Serbia has done well, with nearly 70,000 lines using Option 1.

Country	Legal basis BSA/resale offered on commercial basis if not mandated?	Option 1 DSLAM level	Option 2 ATM/Ethernet handover	Option 3 IP handover	Option 4 End-to-end resale	Implementation	
						Number of BSA/resale agreements	Number of broadband lines with BSA/resale by alternative operators
Croatia	<p>In December 2007 the NRA approved T-Com's reference offers for wholesale broadband access included as Annex to the existing RIO for ISPs. Two types of service are offered:</p> <ul style="list-style-type: none"> • ADSL Transport, which covers the transmission capacity from DSLAM to BRAS with handover in the incumbent's IP network, and • Wholesale ADSL access, which covers the bitstream access from DSLAM to the customer. <p>These are first reference offers for wholesale broadband access, although T-Com had been providing ADSL Transport service since 2006, which corresponds most closely to ERG Option 3, but where the retail customer is charged by T-Com for the ADSL line.</p>	<p>Yes</p> <p>Wholesale ADSL access (see Annex to the RIO for ISP's)</p>	Not available	<p>Yes</p> <p>ADSL Transport (see Annex to the RIO for ISPs)</p>	Not available	5 (Option 3)	16,842
FYROM	<p>Makedonski Telekom offers wholesale ADSL on commercial basis.</p> <p>AEC plans to introduce BSA into regulation for LLU. BSA and naked-DSL are under consideration.</p>	Not available	Not available	<p>Yes</p> <p>Commercial offer</p>	<p>Yes</p> <p>Commercial offer</p>	1 (Option 4)	N/A

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Country	Legal basis BSA/resale offered on commercial basis if not mandated?	Option 1 DSLAM level	Option 2 ATM/Ethernet handover	Option 3 IP handover	Option 4 End-to-end resale	Implementation	
						Number of BSA/resale agreements	Number of broadband lines with BSA/resale by alternative operators
Turkey	The obligation to provide wholesale bitstream access at IP level and resale was imposed on Türk Telekom by the TA board Decision No. 2004/535 of Oct. 6, 2004. The wholesale tariffs for bitstream access were approved in July 2005. The first reference offers were approved in August 2007. In July 2007, the TA also requested Türk Telekom to prepare by Jan.1, 2008 a wholesale BSA offer with handover at the ATM level (Option 2).	Not available	Yes	Yes Türk Telekom's Reference Bitstream Access offer published on Jan.16, 2008	Yes Türk Telekom's Reference Resale ADSL/ G.SHDSL offer published on Jan. 16, 2008	10 (Option 3) 13 (Option 4)	1,200 (Option 3) 200,000 (Option 4)
Albania	No	Not available	Not available	Not available	Not available	-	-
Bosnia & Herzegovina	No	Not available	Not available	Not available	Not available	-	-
Montenegro	No	Not available	Not available	Not available	Not available	-	-
Serbia	Telekom Srbija offers wholesale ADSL on commercial basis	Yes Commercial offer	Not available	Not available	Not available	-	69,574
Kosovo	No	Not available	Not available	Not available	Not available	-	-

Table E.9 - Availability of wholesale fixed broadband access offers

6. Wholesale line rental

An incumbent operator may rent its subscriber lines on a wholesale basis to alternative operators that would then 'resell' the subscriber line to the end user, usually known as Wholesale Line Rental (WLR). In conjunction with carrier pre-selection ('all calls' option), WLR enables alternative operators to end the billing relationship between the incumbent and the end user.

Table E.10 shows the availability of WLR, the legal basis, the prices and the adoption. For the present, WLR is not available from any fixed incumbent operator.

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Country	Available since when?	Legal basis for the imposition of WLR	Pricing rule set by NRA?	Publication of a reference offer	Implementation	
					Number of WLR agreements	Number of WLR lines
Croatia	No	None	-	-	-	-
FYROM	No	None	-	-	-	-
Turkey	No	None	-	-	-	-
Albania	No	None	-	-	-	-
Bosnia & Herzegovina	No	None	-	-	-	-
Montenegro	No	None	-	-	-	-
Serbia	No	None	-	-	-	-
Kosovo	No	None	-	-	-	-

Table E.10 - Availability of wholesale line rental

7. Implementation of wholesale offers in practice

Table E.11 summarises the state of play with all types of wholesale offer. The large number of blank entries indicates the lack of progress.

Nonetheless, Croatia with fully unbundled loops and bitstream access is in a strong position, gaining experience for all parties. Turkey has some success with BSA, but much will depend on the growth being achieved by the rival operators.

Country	Fully unbundled lines		Shared lines		Bitstream access		Broadband resale		Wholesale line rental	
	Number of agreements	Number of lines	Number of agreements	Number of lines	Number of agreements	Number of lines	Number of agreements	Number of lines	Number of agreements	Number of WLR lines
Croatia	5	55,700	1	355	5	16,842	-	-	-	-
FYROM	1	-	1	-	-	-	1	-	-	-
Turkey	9	-	9	120	10	1,200	13	200,000	-	-
Albania	-	-	-	-	-	-	-	-	-	-
Bosnia & Herzegovina	-	-	-	-	-	-	-	-	-	-
Montenegro	-	-	-	-	-	-	-	-	-	-
Serbia	-	-	-	-	-	69,574	-	-	-	-
Kosovo	-	-	-	-	-	-	-	-	-	-

Table E.11 - Implementation of wholesale offers in practice

8. National roaming, mobile access and call origination

Table E.12 shows the commercial and mandated offers of access to mobile networks.

Country	Legal obligation to offer		Commercial reality
	Mobile access and call origination for MVNOs and service providers	National roaming	
Croatia	Mobile operators with SMP are required to provide open access to their networks. However, there are no specific obligations regarding access for service providers.	2G operators are obliged to provide national roaming for new 2G operators for at least three years from the time that the new operator reaches 20% coverage of the population.	National roaming 2G-2G: Tele2 on VIPnet (from June 2005 until June 2008) Tele2 on T-Mobile (from June 2008 until June 2011)
FYROM	No Analysis of the market for wholesale mobile access and call origination services is underway	No Analysis of the market for wholesale mobile access and call origination services is underway	National roaming 2G-2G: VIP on T-Mobile (from September 2007)
Turkey	No No MVNO regulation enacted.	2G operators are required to satisfy reasonable, economically proportionate, and technically feasible roaming requests of other operators working in the same field to permit the use of the customer equipment of the requesting operator on their telecommunication system.	No
Albania	Access and Interconnection regulation provides for obligation on mobile operators, regarding access to mobile network for MVNO.	No	No
Bosnia & Herzegovina	No	Mobile 2G operators were required to have national roaming with each other to ensure national coverage.	National roaming 2G-2G: Between all the three mobile operators
Montenegro	No	No	No
Serbia	No	No	National roaming 2G-2G: VIP – mt:s (Telekom Srbija)
Kosovo	No specific obligations, but MVNO operations can be launched subject to a commercial agreement between an MNO and a service provider. The NRA issued an MVNO framework in February 2008 (amended in May 2008) that clarifies licensing, numbering, interconnection and other service provision aspects for MVNO operations.	No	Two MVNO licences are issued. Dardafone was licenced on June 12, 2008 and Dukagjini telecommunications was licenced on June 24, 2008. Dardafone has made an agreement with the MNO - Vala, whereas Dukagjini has made an agreement with the MNO - Ipko.

Table E.12 - National roaming, mobile access and call origination

9. Price control and regulatory cost accounting for fixed and mobile wholesale prices

Where an operator is designated as having SMP in a wholesale market, NRAs are entitled under article 13 of Access Directive (2002/19/EC) to impose a cost accounting obligation to ensure that operators subject to price regulation follow fair, objective and transparent criteria when allocating their costs to services. However, the Directive does not prescribe which cost accounting methodology is to be used.

Table E.13 indicates the markets in which price controls have been imposed on operators having SMP. It also identified the type of price control applied by the NRA and the specific Cost Accounting System (CAS) it has mandated:

- LRAIC: Long Run Average Incremental Costs
- LRIC: Long Run Incremental Costs
- FDC: Fully Distributed Costs
- EDC: Embedded Direct Costs

Where the LRIC model is used, it shows whether the costs have been calculated using:

- TD: a top-down model (starting from the SMP operator's accounting data);
- BU: a bottom-up model of an efficient network; or
- BU/TD a reconciliation of the other two models.

A description of the CAS and an annual statement concerning compliance are required to be published (Article 13(4) of the Access Directive).

Country	Markets/activities	Pricing rule set by NRA?	Methodology mandated by NRA			Legal basis
			Cost base	Cost standard	BU, TD or reconciliation	
Croatia	Fixed interconnection and LLU	Benchmarking	-	-	-	Telecommunications Law of 2003, article 56 (16) requires fixed and mobile operators to set cost-oriented wholesale prices
	Mobile call termination	Benchmarking	-	-	-	
FYROM	LLU, interconnection, leased lines (terminating segments)	Cost orientation	Current cost Forward-looking cost	FDC (from 2006 until LRIC is implemented) LRIC (new prices approved in May 2008)	Top-down	<ul style="list-style-type: none"> • Law on Electronic Communications, • Rules on the manner of recording the accounting separation related to interconnection and /or access activities, adopted in December 2005, • Rules on establishing the level of information detail to be published in the referent interconnection offers and the manner of their publication, adopted in July 2005, • Rules of establishing the level of the information detail to be published in the reference offer for unbundled access to local loop, adopted in October 2005.

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Country	Markets/activities	Pricing rule set by NRA?	Methodology mandated by NRA			Legal basis
			Cost base	Cost standard	BU, TD or reconciliation	
	Call termination on individual mobile networks	Cost orientation	Current cost	FDC	Not applicable	<ul style="list-style-type: none"> According to the “Rules on establishing the level of information detail to be published in the referent interconnection offers and the manner of their publication”, adopted in July 2005, one (1) year after being designated as SMP operator on relevant market, mobile operator should use LRIC methodology AEC Decision of January 18, 2008 designating T-Mobile and Cosmofon as having SMP on mobile call termination market.
Turkey	Leased Lines	Cost orientation	Forward-looking	LRIC	Reconciliation	Articles 29-30 of Telephone and Telegraph Law no 406, Article 10 of Tariff By-Law
	LLU	Benchmarking Retail Minus				Articles 7 and 11 of Access and Interconnection Ordinance and Communiqué on LLU. Turk Telekom has the obligation based on the market analyses.
	Fixed interconnection	Benchmarking Evaluation of TD costs				Article 11 of Access and Interconnection Ordinance. Turk Telekom has the obligation in fixed call originating and fixed call termination markets in which it has SMP.
	Mobile call termination	Benchmarking Evaluation of TD costs				Article 11 of Access and Interconnection Ordinance. Turkcell, Vodafone and Avea have the obligation for mobile calls having SMP in individual mobile call termination markets.
Albania	Fixed interconnection	Benchmarking (EU 2006 average)				Tariff Regulation Methodologies for SMP operator (Albtelecom), approved by Council of Ministers on June 18, 2008 Implementation of BU-LRAIC is foreseen.
	Mobile call termination	Benchmarking (EU 2007 average)				Tariff Regulation Methodologies for SMP operators (AMC and Vodafone), approved by Council of Ministers on June 18, 2008 Implementation of BU-LRAIC is foreseen.
Bosnia & Herzegovina	Fixed interconnection	Benchmarking			-	RAK regulation on interconnection of March 11, 2002
Montenegro	Fixed interconnection	Benchmarking	-	-	-	NRA decision of April 15, 2008 approving RIO of Crnogorski Telekom
Serbia	None	None	-	-	-	-

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Country	Markets/activities	Pricing rule set by NRA?	Methodology mandated by NRA			Legal basis
			Cost base	Cost standard	BU, TD or reconciliation	
Kosovo	Fixed interconnection	Benchmarking	-	-	-	Based on section 6, paragraph 4, section 53, 57 on Law on Telecommunication UNMIK/REG/2003/16 and also based on section 9 of the License for fixed national services granted to PTK the NRA approved PTK's RIO on January 12, 2007.
	Mobile call termination	Benchmarking	-	-	-	PTK ruling of December 12, 2007 setting MTRs in a dispute between PTK Mobile (Vala) and Ipkonet mobile

Table E.13 – Price control and regulatory cost accounting obligations

F. Universal service

1. Scope of universal service and provider designation mechanism

Universal Service Directive 2002/22/EC requires any designation of a universal service (US) provider to be carried out by “an efficient, objective, transparent and non-discriminatory designation mechanism, whereby no undertaking is *a priori* excluded from being designated”. These rules allow the designation of one or more undertakings to guarantee the provision of universal service and may also designate different undertakings or sets of undertakings to provide different elements of universal service and/or to cover different parts of the national territory. Furthermore, according to Article 8 and Recital 8 in the Universal Service Directive, mobile networks may be used for the provision of universal service. This could reduce the cost of universal service provision.

The table below shows the designation of the universal service providers in SEE countries:

- the scope of universal service defined by national legislation;
- which operator(s) has been designated to provide the US obligations or where no designation procedure has been carried out – which providers are currently required to provide the entire scope or specific elements of the universal service;
- the designation mechanism for the US providers and the legal basis;
- technology neutrality of the universal service obligation (e.g., whether there are any restrictions on mobile operators bidding for the provision of a connection to the public telephone network at a fixed location).

Country	Scope of US (specify individual elements)	Universal service providers	Designation mechanism for the US provider(s)	Technology neutral?
Croatia	<ul style="list-style-type: none"> • Access to the public voice telephone service through a connection at a fixed location 	HT- Hrvatske Telekomunikacije d.d.	The NRA Council can impose an obligation on one or more providers of public voice services to provide USO, or it can select the	Yes

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Country	Scope of US (specify individual elements)	Universal service providers	Designation mechanism for the US provider(s)	Technology neutral?
	<ul style="list-style-type: none"> Access of end users to at least one comprehensive subscriber directory Directory enquiry services Provision of public payphones in the licensed areas Access to emergency services to all subscribers free of charge Lower tariffs for services provided to disabled people 		<p>most favourable bidder for providing universal services on the basis of a public tender.</p> <p>If a public voice service provider has a market share above 80%, HAT Council oblige that provider to provide USO, without public tender.</p> <p>The public tender procedure can be invoked even if there is public voice service provider with market share above 80% in justified cases, especially for geographically limited areas or on the request of other public voice service providers.</p> <p>On November 28, 2005, the NRA designated T-HT as a USO provider for 5 years term, without public tender.</p>	
FYROM	access to publicly available telephone services at a determined geographical location, making and receiving local, national and international telephone calls, facsimile communications and data communications at a minimum speed of 2,400 bit/s	None Some of the elements have been provided by the incumbent operator, Makedonski Telekom, within the scope of its concession agreement.	<p>Under article 35 of the Law for Electronic Communications, Agency may designate one or several universal service providers, following a public tender procedure.</p> <p>In January 2008, Agency had started a public tender with pre-qualification for Universal Service provider nomination. Two companies have passed the first phase and the Agency prepares the tender documentation for the second phase.</p>	Yes
	Ensuring access to information in the single directory and directory enquiry services	None		Yes
	Provision of public pay telephones	None		Yes
	Ensuring conditions for equivalent access to and use of publicly available telephone services for disabled end users, including access to emergency calls services and information in single directory	None		Yes
Turkey	Access to emergency services to all subscribers free of charge	Türk Telekom	No designation mechanism – the requirement is set out in the Concession Agreement of Türk Telekom.	No
	Telephone directory services to be provided in the printed or electronic media	Türk Telekom		No
	Provision of public payphones	Türk Telekom		No

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Country	Scope of US (specify individual elements)	Universal service providers	Designation mechanism for the US provider(s)	Technology neutral?
	Access to public fixed telephony services	Türk Telekom	Türk Telekom is assigned for provision of this service. Project studies continue.	No
	Provision of satellite services to Turkish Red Crescent Society	Türksat	Türksat is assigned for provision of these services (voice and data via satellite). Project studies continue.	No
	Digital broadcasting (DVB-T services)	-	No designation mechanism - the technical and legal studies continue.	No
	Access to basic internet services	Türksat, Türk Telekom	Türk Telekom and Türksat are assigned to establish the infrastructure of the basic internet services for training associations located in rural, high cost areas. Project studies continue.	No
Albania	Access to emergency services to all subscribers free of charge	All public telecommunications operators	No designation mechanism	Yes
	Lower tariffs for services provided to disabled people.	Albtelecom (fixed incumbent) has an obligation to offer lower tariffs for services provided to disabled people.	Subsidised from State budget	No
	Provision of public payphones	Public fixed telecommunication operators have obligations to provide public payphones in the licensed areas. The number of public payphones for the administrative zones are part of the licence.	Part of Albtelecom Licence (Annex 5) The number of public payphones for each administrative zone are part of the licence.	No
Bosnia & Herzegovina	Access to emergency services to all subscribers free of charge	All operators	No designation mechanism – the requirement is set out in the license terms	Yes
	Provision of public payphones	<ul style="list-style-type: none"> • BH Telecom • Telekom Srpske • HT Mostar 	No designation mechanism – the requirement is set out in the license terms of the three fixed incumbent operators	No
	Lower tariffs for services provided to disabled and persons with special social needs	<ul style="list-style-type: none"> • BH Telecom • Telekom Srpske • HT Mostar 	No designation mechanism – the requirement is set out in the license terms of the three fixed incumbent operators	No
	Connections to the fixed public telephone network at a fixed location and access to fixed public telephone services at affordable prices, allowing users to make and receive national and international calls, supporting speech, facsimile and/or data communications; provision of directories and directory enquiry services; public pay phones	<ul style="list-style-type: none"> • BH Telecom • Telekom Srpske • HT Mostar 	No designation mechanism – the requirement is set out in the license terms of the three fixed incumbent operators	No

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Country	Scope of US (specify individual elements)	Universal service providers	Designation mechanism for the US provider(s)	Technology neutral?
Montenegro	The minimum scope must include: Access to a public fixed telephone service; equal access to and affordability of publicly available telephone services for disabled users and users with special social needs; access to emergency services free of charge; access to telephone directory and directory enquiry services.	Not defined	Not defined	Not defined
Serbia	The minimum scope must include: Access to a public fixed telephone service enabling functional Internet access; special measures for disabled and socially disadvantaged users; free access to emergency services; public payphones and access to telephone directory and directory enquiry services	Not defined	Not defined	Not defined
Kosovo	Access to emergency services to all subscribers free of charge	All public telecommunications operators	No designation mechanism – the requirement is set out in the licence	Yes

Table F.1 – Universal service scope and provider designation mechanism

Notes:

- Turkey: Under the Universal Service Law (No. 5369) of June 16, 2005, the scope of universal service covers fixed telephone services, public payphones, printed or electronic directory services, emergency call services, basic internet services, passenger transport services to places that can be reached only through sea transport, and maritime emergency and security communications services. Apparently the passenger transport services relate to two islands in the Aegean where private companies are not willing to provide services during the winter. This list was extended by the Council of Ministers to include two further elements: 1) services oriented to spread information technologies, including computer literacy, to help the development of information society (February 2006), and 2) services for the provision of the digital broadcasting by the utilisation of various broadcast media and technology via digital terrestrial transmitters to cover the entire settlements countrywide (April 2006). The Universal Service Law envisages a tender procedure for the designation of universal service providers that has not yet been implemented.
- Albania: Under the Law on Electronic Communications, AECF can designate one or more universal service providers based on a public tender procedure, subject to the Ministry approval. The scope of universal service includes the following elements: access to the telephone service available to the public from a defined geographic location, enabling the user to make and receive local, national and international calls, facsimile communications and data communication at a minimum speed of 32 kbit/s; telephone directory; public payphones; and equivalent access to and use of telephone service made available to disabled end-users, including access to emergency calls services and information in telephone directory.
- Bosnia & Herzegovina: The Law on Communications states that the Council of Ministers shall define the scope of universal service, the funding mechanism and the designation of the universal service providers. The NRA has submitted a draft decision covering the scope of universal service, undertakings the designation and the funding mechanisms and the requirement for the NRA to set QoS parameters and terms for defining USO funding mechanism. The draft is examined by several government bodies, as part of standard procedure before its adoption by the Council of Ministers.
- Montenegro: Secondary legislation is under preparation. The NRA will compile a draft Rulebook for Universal service by the end of 2008, the public consultation is underway, and then it will be submitted to the Ministry for adoption.
- Serbia: Under the transitional provisions of the Telecommunications Law, Telekom Srbija was required to provide the “initial scope” of universal services until expiry of its exclusivity rights in June 2005. The initial scope of universal services was defined as comprising access to a public fixed telephone service

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enabling functional Internet access; special measures for disabled and socially disadvantaged users; free access to emergency services; public payphones and access to telephone directory and directory enquiry services. Following the expiry of Telekom Srbija's universal service obligations, the Ministry is required to define the scope of universal service based on the proposal of the NRA, while the NRA must designate the provider and establish the universal service fund. None of this has yet been achieved.

Kosovo: The Law on Telecommunications, Section 21.6, allows the NRA to establish additional conditions for authorizations, based upon the class or category of services, which may include special arrangements for disabled people. Under Section 49, the NRA is also authorized to adopt secondary legislation on the scope of the USO, which may include specific measures for people with disabilities.

2. Universal service funding

Article 12 of the Universal Service Directive (2002/22/EC) requires NRAs to calculate the net cost of universal service provision where they consider that it may represent an unfair burden on the provider. According to Article 13, NRAs may either introduce a public funding mechanism for compensation or share the net cost between operators.

Table F.2 shows the legal basis for any calculations and reimbursement of costs for the universal service, the method of funding (if any) and the status of implementation.

Country	Legal basis for calculation and reimbursement of USO costs	Method of funding	Implementation
Croatia	Ordinance on universal telecommunications services (Official Gazette 123/2005)	The mechanism is not activated while the provider has a market share greater than 80%. When it drops below 80%, contributions will be in proportion to individual market shares from all voice telephony providers that have more than 5% market share. The total annual funding requirement will be determined by the NRA to cover any unfair financial burdens from USO obligations.	Not implemented
Croatia – new law	Articles 39-40 of the Electronic Communications Act of June 19, 2008 (Official Gazette 73/2008)	Cost sharing The reimbursement of net costs for universal service provision is to be financed by all operators of publicly available telephone services with revenue exceeding 2% of the total revenue in this market. The amount of contributions to be paid by individual operators is to be set in proportion to their market shares.	-
FYROM	Bylaw on the method of establishing prices for universal service Bylaw on the method of calculating real costs and intangible benefits for the provision of universal service Bylaw on the determination of the level of compensation for the real costs for the provision of the universal service	Cost sharing The reimbursement of net costs for universal service provision is to be financed by the operators and providers with minimum annual gross revenues of €100,000. The contribution may not exceed 1% of the operator's gross revenue received from the provision of public electronic communications networks and services.	Not implemented Since there no universal service provider has yet been nominated, the compensation scheme cannot be implemented.
Turkey	Law No.5369 on 'The Provision of Universal Services and Making Changes on Some Laws' (Official Gazette No. 25856, June 25, 2005)	According to article 6 of the Universal Service Law of June 2005, contributions to the universal service fund consist of the following: <ul style="list-style-type: none"> • 2% of the authorization fees collected by the Telecommunications 	Funds are being collected but there has been no decision on compensation payments

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Country	Legal basis for calculation and reimbursement of USO costs	Method of funding	Implementation
	Ordinance on Principles and Procedures for the Collection of Universal Service Revenues and Execution of Expenditures (Official Gazette No. 26213, June 29, 2006)	Authority <ul style="list-style-type: none"> • 1% of net sales revenues of all operators except for GSM operators • 10% of payments by GSM operators to the Treasury • 20% of administrative fines collected by the Telecommunications Authority • 20% of what remains in the budget of the Telecommunications Authority budget after all expenditures are deducted Percentages can be increased by up to 20% by the Council of Ministers. These revenues are collected in the public budget and allocated to the budget of the Ministry of Transport.	
Albania	Not defined	Not defined	Not implemented
Bosnia & Herzegovina	Does not exist yet, necessary decision and rules will be adopted during 2008 and 2009.	Contributions will be required from all participants in the sector. The amount of contribution depends of participant's revenues. Only undertakings designated as USO providers will be allocated by fund.	Not implemented
Montenegro	Not defined	Not defined	Not implemented
Serbia	USO cost compensation is foreseen by the Telecommunications Law (Article 50).	Not decided	Not implemented
Kosovo	USO cost compensation is foreseen by the Law on Telecommunications, Section 49	No	Not implemented

Table F.2 – Universal service funding

Notes:

Bosnia & Herzegovina: Some assumptions from the draft Decision of the Council of Ministers: USO providers have no rights to ask for assets from the Fund till the end of 2009. The NRA will prepare the proposal for establishing the fund for USO by the end of 2009. The proposal will describe the functioning of the Fund according to Communication Law, Policy of Telecommunication Sector of B&H and actual B&H circumstances. In establishing the Fund, the NRA will respect the principles of transparency, least distortion of competition, non-discrimination and proportionality.

Montenegro: Secondary legislation is still under preparation. The NRA will compile the Draft Rulebook for Universal service by the end of 2008, the public consultation is in progress, then submit it to the Ministry.

3. Quality of service

Article 11 Universal Service Directive (2002/22/EC) provides that NRAs may set specific performance targets for the designated universal service providers. The standards are set out in Annex III to the Directive, specifying ETSI EG 201 769-1 version 1.1.1 (April 2000).

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Table F.3 shows the quality of service targets set for operators, together with any work done to assess compliance.

Country	NRA imposed performance targets/QoS requirements	Operators subject to QoS requirements	QoS measured according to which standard?	Actual performances against targets published? (date + weblink)	Penalties for non-compliance
Croatia	Yes	HT – Hrvatske telekomunikacije d.d.	ETSI EG 201 769-1	April 2008. http://www.telekom.hr/lgs.axd?t=16&id=847	-
FYROM	Yes	Every operator or provider of public voice telephony services has an obligation to publish its QoS parameters for the previous year on its website and to inform the NRA about the measured QoS parameters.	ETSI EG 201 769-1	After the check and validation of the reported data for QoS parameters, AEC will publish them on its website.	No
Turkey	Yes	Yes	ITU-T E. 800 Rec. and ETSI TS 102 250-2 V.1.1.1 (2003-10)	No	-
Albania	Yes		ETR 138/1994 ITU-T E.426 WTDR-1994*		
Bosnia & Herzegovina	Yes	SMP operators	ETSI EG 201	-	-
Montenegro	Yes (Draft version of rulebook)	All public operators	ETSI EG 201 (Draft version of rulebook)	Not available	Not defined
Serbia	No	-	-	-	-
Kosovo	Yes	-	ETSI EG 201 769-1	-	-

Table F.3 – Application of Quality of Service requirements

Notes:

FYROM:

Turkey:

Montenegro:

Serbia:

In June 2006, the NRA prepared and adopted a by-law document on QoS parameters for public voice telephony services

GSM operators are obliged to fulfil QoS requirements: call block rate must be less than 5% of total calls and call drop rate must be less than 2% of total calls.

The NRA will issue a Rulebook for Quality of Service by the end of 2008, a public consultation is underway.

Universal service is not yet implemented so the quality of service is not specified.

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Table F.4 shows the results of QoS measurements for key parameters according to ETSI indicators (1-5).

Country	Supply time for initial connection	Fault rate per access line per year	Fault repair time (hours: minutes)	Unsuccessful call ratio	Call set-up time (seconds)
Croatia	95% of requests are fulfilled within 42 days	11%	30 hours for 80% on target date for faults on access lines 74 hours for 95% on target date for faults on access lines; 25 hours for 80% on target date for all other faults 68 hours for 80% on target date for all other faults.	0.903% for national calls within fixed network 2.067% for international calls	1.625 seconds for 95% for national calls 5.000 seconds for 95% for international calls
FYROM	95% of requests are fulfilled within seven calendar days. 99% of requests are fulfilled within fourteen calendar days.	13%	80% of reported faults are repaired within 23:12:49 hours. 95% of reported faults are repaired within 51:29:25 hours.	2.74% for national calls 0.01% for international calls	0.936 sec for national calls 3.166 sec for international calls
Turkey	Not reported	5.56%	80% of faults on access lines are repaired within 24 hours	1.2% for national calls	Not reported
Albania	Not reported	4.4%	50 minutes	0.15% for local calls 1.73% for national calls 1.73% for international calls	Not reported
Bosnia & Herzegovina	8-22 days It depends on technical possibilities.	13-26%	80% faults - 28:00 - 51:30 95% faults - 125:18	3.01% for national calls 4.47% for international calls 1.15% for fix to mobile calls	0.05 - 4 seconds
Montenegro	Normally 1-2 days Maximum 7 days, if technical conditions are fulfilled.	Not available	4 hours	0.1% for local Not available for long distance	0.2 sec for local calls
Serbia	15 days (if technically possible)	30%	61 50 (latest)	1.01% for local calls 5.7% for long distance calls	1.50
Kosovo	6.4 days	0.003	24 hours	0.2%	0.50

Table F.4 – Quality of service measurements of fixed incumbent operators

G. Fixed retail telephony tariffs

The reference date for the information in this section is April 1, 2008.

One of the main objectives of a pro-competitive telecommunications policy is to provide all kinds of users, consumers, business and other organisations with improvements to telecommunications services in terms of price, quality and choice.

Retail prices represent one of the most important indicators to judge the results of policies. In a traditional monopoly, fixed monthly charges and local call tariffs were often priced significantly below cost in an effort to make telephony affordable to a larger number of consumers. Because they had monopoly rights, the operator could recoup any lost revenue by charging higher and even exorbitant prices for long distance and international calls. Such calls were primarily used by business, so the pricing was intended to be a transfer from business to consumers.

Such an approach becomes untenable with the introduction of competition, since new alternative operators will concentrate on high profit services and avoid those which would be unprofitable. The pressure to reduce the prices of long distance and international calls was increased by advances in technology that greatly reduced the cost of distance.

The need for tariff rebalancing is therefore been understood for some years, even though the implementation was obviously going to be painful for many consumers and for operators. Consequently, government have generally allowed several years for the transition. In order to soften the consequences for consumers, it has been common to differentiate tariffs between businesses and consumers, most often in monthly rentals.

At the end of the process, businesses and most consumers will normally pay less for their total communications bill and or will consume more communications services.

However, some consumers, typically families with low incomes, find that their total communications costs increase. The policy response has been to protect such users with special tariff packages. These typically have much cheaper monthly rentals than normal tariffs and usually include a limited number of free or cheaper minutes of calls. Once this has been exhausted, the user will have to pay tariffs that are significantly more expensive than the normal tariff. Therefore, special tariff packages are unattractive for other consumers, but may meet the basic communications needs of a family or household with limited income.

1. Tariff rebalancing and regulation of retail tariffs

Table G.1 shows the extent of the regulation of retail prices of fixed operators having SMP. In particular, it identified progress towards rebalancing of the retail tariffs of the incumbent operator. Any requirements for the advance notification of new retail prices to the NRA or the ministry are specified, together with the approval process, whether it must be granted or whether tacit approval is possible, after a period of notification has elapsed.

The methodologies to approve proposed retail prices, where this is required, include one or more of the following:

- compliance with a price cap regulation that has been set for the specific service(s)
- price squeeze tests, one or both of:
 - Test 1: SMP operator's own costs: There is a price squeeze when the proposed retail prices would not cover the SMP operator's own network and commercial costs.

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- Test 2: Costs of an “efficient alternative operator”: There is a price squeeze where the proposed retail prices could not be replicated by an alternative operator using the most efficient combination of its own network, commercial infrastructure and wholesale services purchased from the SMP-operator with prices fixed in the wholesale reference offer.
- benchmark comparison with prices for the same services in other countries

Country	Tariff rebalancing (target date if any)	Retail services covered	Advance notification requirements	Notice period	Formal or tacit approval	Assessment method (for formal approvals)
Croatia	Ongoing	Retail fixed voice telephony	Yes To NRA	15 days	Formal	Price squeeze Test 1
FYROM	Ongoing	<ul style="list-style-type: none"> • PSTN connection: initial connection, installation or taking over, use and ordinary maintenance • provision of Fixed Voice Telephony: international, long-distance, local and to mobile subscribers • Leased Lines: connection or taking over, use and ordinary maintenance • Telegraphy and Telex Services: connection or taking over of a connection, use and ordinary maintenance • telephone connection services to or from public pay phones. 	Yes To NRA	Not specified	Formal notification	Price cap
Turkey	Ongoing	Fixed voice telephony, some retail services of the incumbent	Yes To NRA	30 days	Formal	Price Cap
Albania	Ongoing	Monthly rental, installation, calls, leased lines.	Yes To NRA	30 days	Formal	Price cap
Bosnia & Herzegovina	Rebalancing rule adopted and implementation started November 1, 2005. Phased implementation to be carried out during 2005-2008	Fixed voice telephony services <ul style="list-style-type: none"> • access fee, monthly subscription, one minute of voice service in domestic traffic, one minute of voice service in international traffic 	Yes To NRA	1 month	Formal	Price cap
Montenegro	Completed August 31, 2007	Fixed voice telephony	Yes To NRA	8 days	Formal	Price cap
Serbia	No target date decided	Fixed voice telephony (Telekom Srbija is designated as SMP) Cable TV (SBB is designated as SMP)	Yes To NRA	Not specified	Formal	Cost based model
Kosovo	Ongoing	Fixed voice telephony	Yes To NRA	Not specified	Formal	Cost based model

Table G.1 - Tariff rebalancing and regulation of retail tariffs

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Notes:

Albania: The methodology for tariff rebalancing of Albtelecom was under public consultation until May 21, 2008. Thereafter, the NRA will make a formal proposal to the Ministry which will be considered for approval by the Council of Ministers.

2. Retail price caps

Under Article 17 of the Universal Service Directive (2002/22/EC), NRAs are empowered to impose regulatory obligations to control individual tariffs (*inter alia*, by price caps) on undertakings with SMP in a given retail market if they have concluded, following a market analysis, that:

- the given market is not competitive; and
- obligations imposed on the wholesale market under the Access Directive (2002/19/EC) and the obligation to offer carrier selection and/or carrier pre-selection under Article 19 of the Universal Service Directive have failed to address competition concerns.

Table G.2 shows where retail price caps have been imposed on operators and the period of their validity.

Country	Validity of current price cap	Price cap (or sub caps)
Croatia	Retail price caps have not been imposed	-
FYROM	<p>The period is defined in the concession agreement of Makedonski Telekom, as being from January 1, 2001 to December 31, 2018.</p> <p>Following an amendment to the Law on Electronic Communications adopted in July 2008, the concession agreement was cancelled in September 2008 and the price cap is no longer valid.</p> <p>AEC may impose a new price cap regulation, once it has carried out its analysis of the retail fixed telephony markets.</p>	<p>RPI+6%</p> <p>applies to MakTel's retail tariffs for the following basket of residential fixed telephony services:</p> <ul style="list-style-type: none"> • one-off connection fee • one-off installation fee • monthly subscription fee • international calls • national calls • local calls • fixed-to-mobile calls • one-off initial fee for leased lines • monthly rental fee for leased lines • one-off initial fee for telex subscribers • monthly subscription fee for telex subscribers • fees for telex services; • public payphone services. <p>In addition, two sub-caps apply as follows:</p> <ul style="list-style-type: none"> • CPI+35% for local and long-distance calls • CPI+25% for monthly subscription fees for residential customers

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Country	Validity of current price cap	Price cap (or sub caps)	
Turkey	From January 1, 2007 to December 31, 2008 (with a possible extension for one year)	CPI + 3.3% applies to the incumbent's retail tariffs for the following residential fixed telephony services: <ul style="list-style-type: none"> • one-off installation fee • monthly subscription fee • international calls • national calls • local calls • fixed-to-mobile calls 	
Albania	Albtelecom From September 1, 2008 to August 31, 2010	RPI-RPI (effectively zero) for the basket (residential and business): <ul style="list-style-type: none"> • one-off installation fee • monthly subscription fee • local calls • national calls • retention rate for calls to mobile • retention rate for international calls 	Sub caps: <ul style="list-style-type: none"> • RPI+20% for monthly rental residential • RPI+10.50% for local calls (residential peak RPI-X ≤ 8%) • RPI-15% national calls (within Albtelecom network) • RPI-15% for international calls
	AMC and Vodafone From September 1, 2008 to August 31, 2010	RPI-23% for one prepaid tariff option for both MNOs (Albcarta for AMC and Vodafone Card for Vodafone)	Sub caps: <ul style="list-style-type: none"> • RPI-28% for retention rate for calls to other MNOs (national) • RPI-28% for retention rate for calls to fixed network (national)
Bosnia & Herzegovina	From October 1, 2005 to December 31, 2008		
Montenegro	Retail price caps have not been imposed	-	
Serbia	Retail price caps have not been imposed	-	
Kosovo	Retail price caps have not been imposed		

Table G.2 - Retail price caps

Notes:

Montenegro: A consultation on a draft rulebook for tariffs in public telecommunication service is under way. A price cap method has been defined but not yet applied.

3. Call charging system

The charges for public fixed voice telephony services can comprise two components: an initial or set-up charge applied at the beginning of a call and a charge for the remainder of the call, that may not depend on the type of initial charge used.

Initial charges can be of four different types:

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- Call set-up charge set at the start of the call (when the call is answered). This charge does not include any call time. Per second or per unit charges apply from the beginning of the call.
- Initial charge that is used in the same way as call set-up, but additionally includes a certain number of seconds of call time before normal time-based charging starts.
- Unit charge in effect works the same way as the initial charge: A full unit is charged at the beginning of the call, providing a certain number of seconds call time until the next unit is charged. Depending on the principle used by the operator (synchronous or asynchronous) the number of seconds call-time in the first unit may be less than the specified unit duration.
- Minimum charging is normally used with per second billing, to ensure the operator obtains a minimum revenue per call. If the call duration is short, the actual call charge may be less than the minimum charge. In such cases the minimum charge will be applied.

Charging system during the call can be of three different types:

- Real time charging or “per second billing” in which the cost of the call to be calculated based on the exact duration of the call (normally to the nearest second). A call set-up charge, initial charge or minimum charge may be applied, in addition to the duration charge.
- Unit based charging using fixed price unit. The duration of this unit will vary with the destination of the call and time of day. The call duration will always be raised to a multiple of whole units, so the user will nearly always pay for more time than is used. Rarely, a call set-up charge may be applied to this method.
- Fixed period charging uses a variable price, but fixed duration unit. The call is normally charged on a per minute basis, or per 6 seconds. The price for the period will vary with destination and time of day. The charged duration of the call will be raised to a multiple of whole periods. A call set-up charge or initial charge is often implemented in the form of a higher charge for the first minute or period. This initial charge may vary with destination and time of day.

Table G.3 presents information on the call charging systems used by the fixed incumbent operators and the minimum cost of a call for local, long distance, international calls and call to a mobile phone.

Country	Type of call	Initial charges		Charging during the call	
		Types of charges	Nominal value (€ incl. VAT)	Minimum charging unit	Nominal value (€ incl. VAT)
Croatia	Local			60 seconds; 1 second*	
	Long distance			60 seconds; 1 second*	
	Fixed-to-mobile			15 seconds 1 second*	
	International			15 seconds 1 second*	
FYROM	Local	No initial charge		60 seconds	
	Long distance	No initial charge		60 seconds	
	Fixed-to-mobile	No initial charge		60 seconds	
	International	No initial charge		60 seconds	0 – 10 tariff zones**

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Country	Type of call	Initial charges		Charging during the call	
		Types of charges	Nominal value (€ incl. VAT)	Minimum charging unit	Nominal value (€ incl. VAT)
Turkey	Local	N/A		60 seconds	0.0367
	Long distance	N/A		60 seconds	0.0430
	Fixed-to-mobile	N/A		20 seconds	0.0597
	International	N/A		60 seconds	0.0573
Albania	Local	Unit charge: 2 minutes		Unit charge of 2 minutes	
	Long distance	0		Per second billing	Per second billing
	Fixed-to-mobile	3		Per second billing	Per second billing
	International	0		Per second billing	Per second billing
Bosnia & Herzegovina	Local			1 second	
	Long distance			1 second	
	Fixed-to-mobile			1 second	
	International			1 second	
Montenegro	Local	No initial charge		1 minute	
	Long distance	No initial charge		1 minute	
	Fixed-to-mobile	No initial charge		1 minute	
	International	No initial charge		1 minute	
Serbia	Local	No initial charge		1 pulse	
	Long distance	No initial charge		1 pulse	
	Fixed-to-mobile	No initial charge		1 pulse	
	International	No initial charge		1 pulse	
Kosovo	Local	Pulse based		4 minutes	
	Long distance	Pulse based		4 minutes	
	Fixed-to-mobile	Pulse based		15 seconds	
	International	Pulse based		9.2 seconds	

Table G.3 – Call charging systems of fixed incumbent operators

Notes:

Croatia:

There are two call charging systems. In one of them (used by tariff plans Start and Mini), the minimum charging unit is one minute or 60 seconds for the calls on the national network, but for calls to mobile networks and the international calls the minimum charging unit is 15 seconds. The tariff plan called Super has two alternatives. One has a minimum charging unit is one second and a call setup element of HRK 0.08. The other has a minimum charge of one minute and thereafter per second charging for all calls on the national network

Turkey:

Charges include VAT and the Special Communication Tax of 15% for fixed network services.

- Albania: There have been no changes to the charging system since the previous report. The reported values are for residential users. Business users' prices are 50% higher than residential users' prices. The proposed methodology for tariff rebalancing that has been under public consultation, proposes the obligation on Altelecom to change the charging system for local calls from units of 2 and 3 minutes to per-second billing, starting from the second 6-month period under the regulation.
- Bosnia & Herzegovina: Time-based charging system with pre-second billing.
- Montenegro: All prices are for the fixed incumbent operator (T-Com Montenegro, formerly Telecom Montenegro), VAT is excluded. The charging system is time-based. There are no initial charges for any type of calls. The tariff interval is 1 second, but with minimum charge equivalent to 1 minute. Off-peak tariffs (19:00-07:00) are 50% less than at peak times. After rebalancing the tariffs, the prices for residential and business users will be the same. The prices of international calls (foreign mobile in brackets) are: zone 1 €0.11 (0.27), zone 2 €0.15 (0.34), zone 3 €0.20 (0.40), zone 4 €0.40 (0.60), zone 5 €0.50 (0.70), zone 6 €0.60 (0.80) and zone 7 €0.70 (0.90). Source: Pricelist of T-Com Montenegro, dated from 13.03.2008. (www.t-com-cg.com)
- Serbia: The pulse duration varies, depending to the type of call: for local call – one pulse is 1 minute long in peak time and 2 minutes in off-peak; for long distance call - one pulse is 12 seconds in peak time and 24 seconds in off-peak; for calls to mobile networks – one pulse is 2 seconds in peak time and 4 seconds long in off-peak; for calls to a fixed network in Montenegro 2 seconds and to a mobile network in Montenegro 1 second.
- Kosovo: International call refers to first tariff group. Fixed to mobile calls from PTK to lpko are the same for peak and off peak at € 0.16 per minute.

4. Minimum cost of a local call

In the calculation of the minimum charge for calls using per second billing it is assumed that the call is terminated as soon as it starts, making the minimum charge for the call equal to any call set-up or defined minimum call charge. If no such additional charges exist, the minimum charge will be zero.

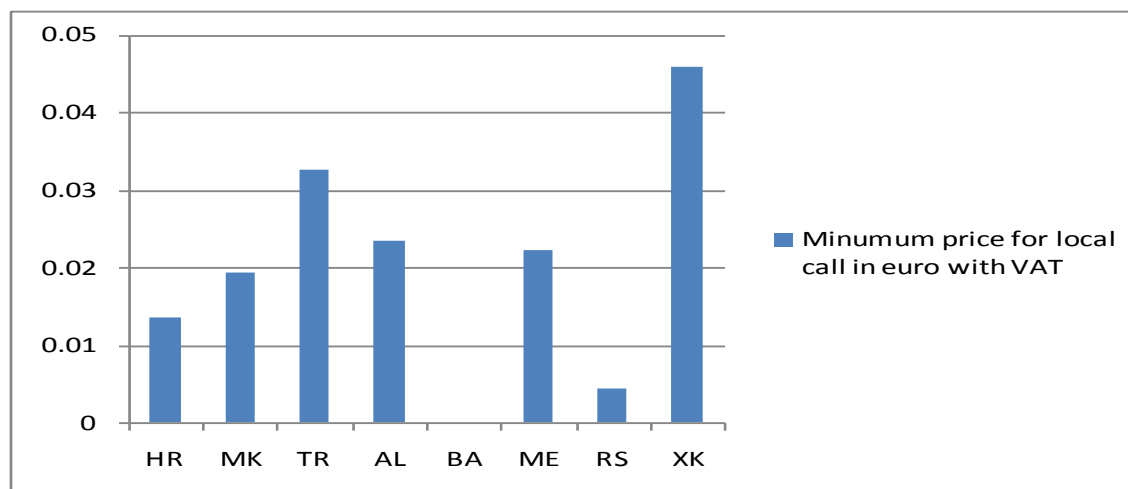


Figure 32 – Minimum cost of a local call

- Notes:
- Croatia: The tariff alternative presented for Croatia is the Super plan with the option of per second charging from the first moment with the addition of a setup charge element.
- Turkey: The tariff includes a 15% Special Communications Tax

5. Monthly subscription fees for residential and business users

Table G.4 shows the monthly rental prices for PSTN lines in the fixed network for residential subscribers in nominal euro with value added tax included. It shows the prices for the standard tariff plans and, where available, the prices for the low usage tariff plan. For the low usage tariff plan, it shows the basis for its offering (e.g., legal requirement such as a universal service obligation or commercial offer) and any restrictions that might apply (e.g., no possibility to use CS/CPS).

Country	Standard monthly rental, € with VAT	Value of call units included		Availability of a low usage package Basis for the offer	Restrictions applicable to low usage package	Low usage monthly rental, € with VAT	Call units included in low usage monthly rental	
		Number of units	Nominal value of each unit, €				Number of units	Nominal value of each unit, €
Croatia	10.09	43	0.03	Yes Commercial offer	No	5.04	0	0.00
FYROM	7.69	100 minutes (local and national)	0.07	Yes Commercial offer called "Minimum package"	No	4.21	See note	0.00
Turkey	6.75	-	-	Yes Commercial offer	CS/CPS not permitted. Only one connection at any home.	4.25	100	0.05
Albania	1.98	-	-	None	-	-	-	-
Bosnia & Herzegovina		160 minutes of local calls (peak time)		Yes Special package: war widows, disabled veterans, the blind and disabled	No		160 minutes of local calls in peak time	
• BH Telecom	4.45		0.00			2.16		0.02
• Telekom Srpske	4.46		0.00			2.16		0.01
• HT Mostar	5.08		0.00			2.16		0.01
Montenegro	5.97	100 minutes of local off-peak calls	0.01	Yes Commercial offer	For residential users only	3.04	0.00	0.00
Serbia	1.08	-	-	None	-	-	-	-
Kosovo	7.99	250	0.04	Yes Commercial offer	-	3.99	0	0.00

Table G.4 - Residential monthly line rental charges of fixed incumbent

Notes:

FYROM:

Traffic up to MKD 80 (€1.31) is charged at the standard tariff, thereafter the traffic is charged at twice that rate.

Turkey:

Charges include the Special Communication Tax.

Montenegro:

For party lines monthly rentals are €3.82 for the standard offer and €1.95 for the MINI package. (Source: T-Com Pricelist March 13, 2008 www.t-com-cg.com).

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Serbia: For certain social groups with low incomes, if they use less than 150 pulses in a month they will be charged only the standard monthly rental and not for the calls.

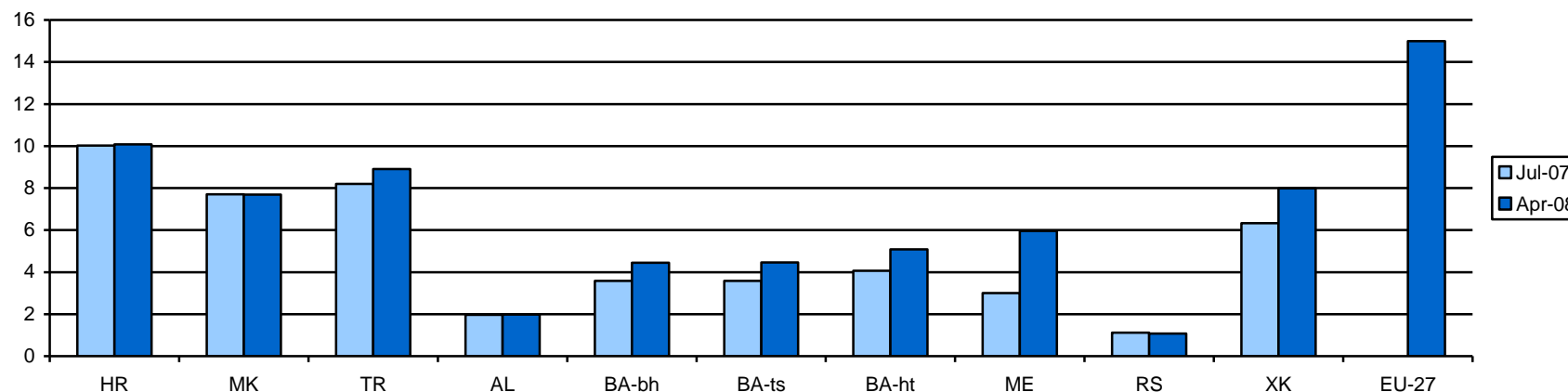


Figure 33 - Standard residential monthly rental (incl. VAT)

Notes:

The EU-27 average is taken from the 13th Implementation Report of the European Commission, March 2008.

Turkey: The charges include the Special Communications Tax

Prices are generally lower in South East Europe than the EU average. The relationship between national price levels may be expressed through purchasing power parity indexes, which can be expressed as relative price levels. (See Section on General economic background).

Taking these price levels into account means that the prices for consumers in this region appear higher than what is expressed through the nominal exchange rate. Figure 34 below shows the differences in monthly rental when presented in nominal euro and in PPP values.

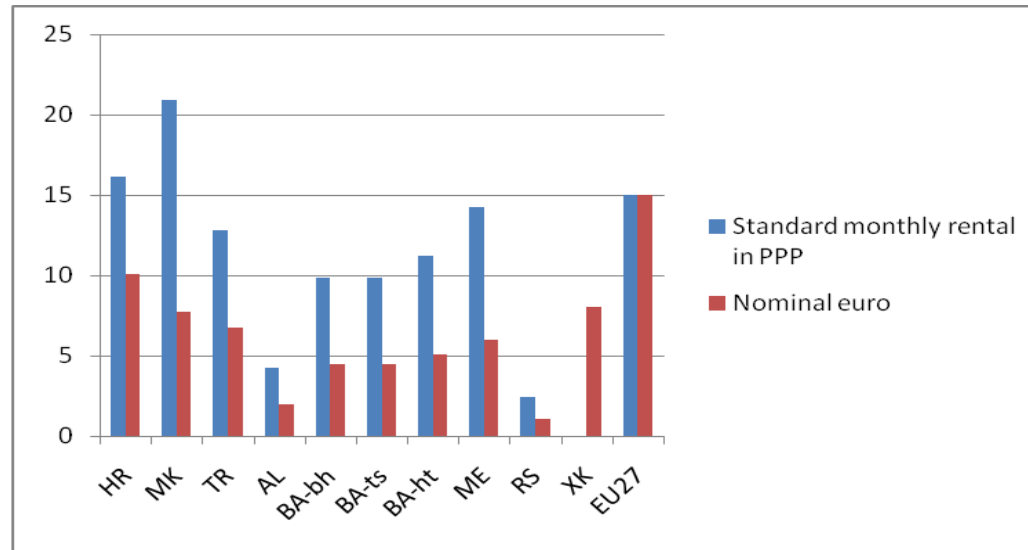


Figure 34 - Standard residential monthly rental (incl. VAT) expressed in PPP and nominal euro

Figure 35 below presents the value of free call units in the standard monthly rental for residential subscribers as well as the base rental. For Turkey and Bosnia & Herzegovina, a significant proportion of the fixed monthly rental may be used for call units.

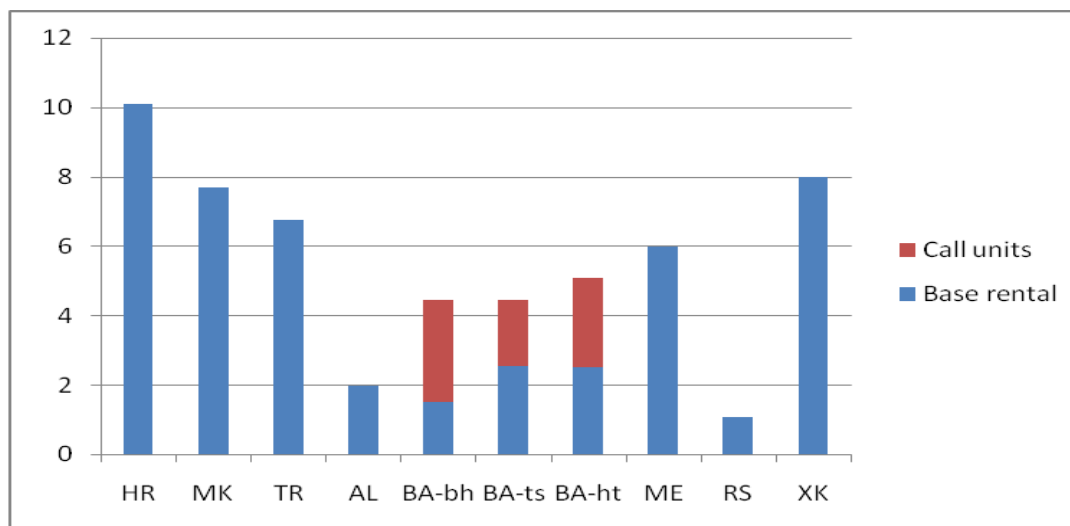


Figure 35 - Value of free call units included in standard residential monthly rental

Notes:

Turkey: The charges include the Special Communications Tax

Figure 36 below presents the low usage options in comparison with the standard monthly rental. Albania and Serbia do not have special low usage options, but their standard monthly rates are anyway lower than the low usage alternatives of the other countries.

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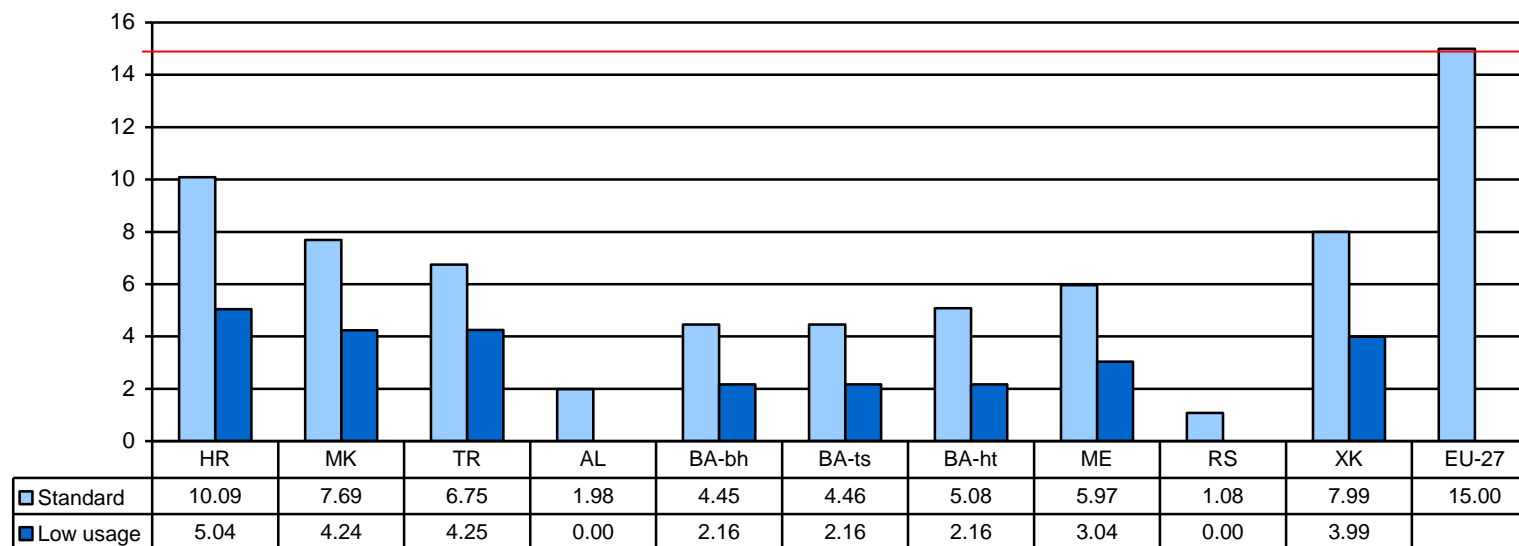


Figure 36 - Standard and low usage residential monthly rental

Notes:

Turkey: The charges include the Special Communications Tax

The EU-27 average is taken from the 13th Implementation Report of the European Commission, March 2008.

Table G.5 shows the monthly rental prices for PSTN lines in the fixed network for business subscribers in domestic currency and in nominal Euro without value added tax.

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Country	Standard monthly rental €	Value of call units included	
		Number of units	Nominal value of each unit €
Croatia	9.64	0	-
FYROM	11.44	0	-
Turkey	5.72	-	-
Albania	6.61	0	-
Bosnia & Herzegovina:		160 minutes of local calls in peak time	
• BH Telecom	8.31		0.02
• Telekom Srpske	8.31		0.01
• HT Mostar	8.31		0.01
Montenegro	5.10	100 minutes of local off-peak calls	0.01
Serbia	0.92	150 pulses	0.92
Kosovo	21.74	2,500	0.04

Table G.5 - Business monthly line rental charges of the fixed incumbent

Notes:

Turkey: Includes Special Communications tax

Figure 37 below shows the monthly line rental charges for business subscribers and presents the corresponding information from July 2007 for comparison. Turkey has had significant price reductions. There are no major changes in the other countries.

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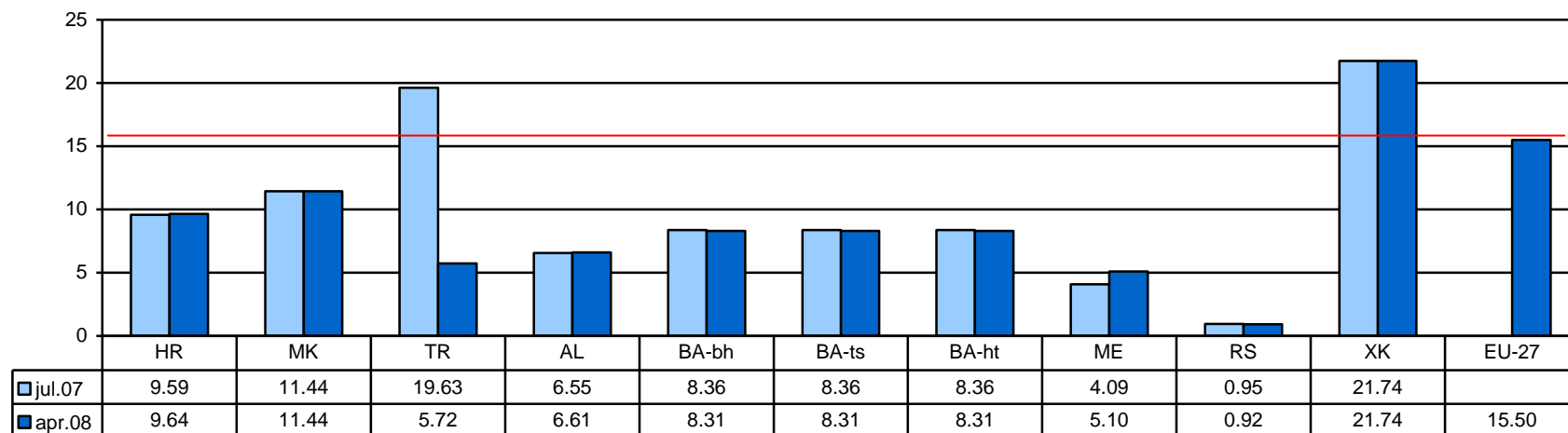


Figure 37 - Monthly rental business users

Notes:

Turkey: Includes Special Communications Tax

The EU-27 average is taken from the 13th Implementation Report of the European Commission, March 2008.

Figure 38 presents a comparison between the monthly line rental charges for residential and business users. In order to make a valid comparison, VAT has been added to the rental charges for business users. The chart shows that residential subscribers pay less than business subscribers in many of the countries, particularly in Albania, Bosnia & Herzegovina and Kosovo. Turkey, Montenegro and Serbia have the same charges for both subscriber categories.

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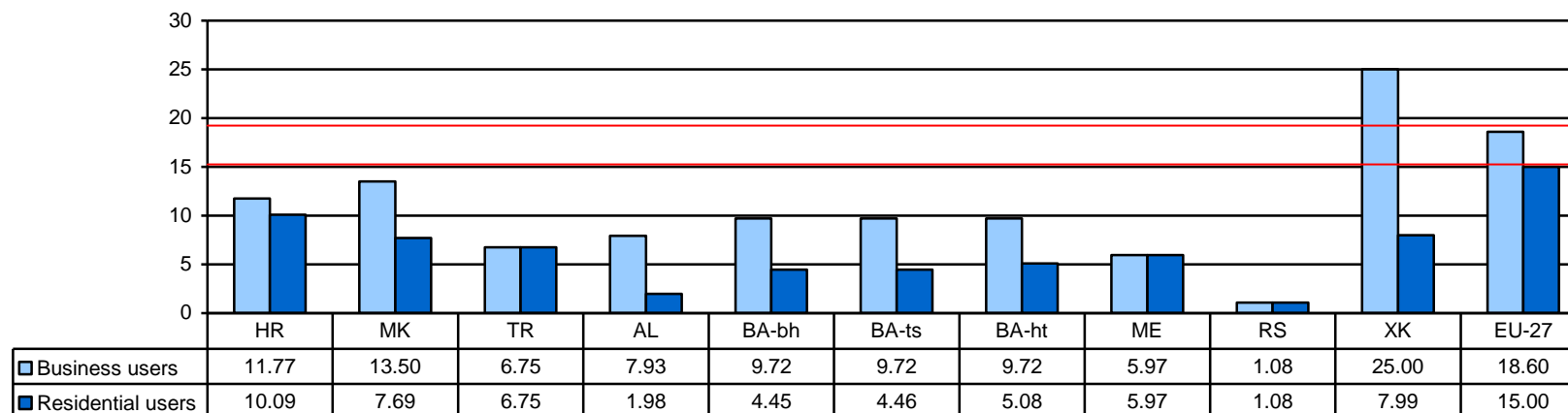


Figure 38 - Monthly rental business and residential users (including VAT)

Notes:

Turkey: Includes Special Communications Tax

The EU-27 average is taken from the 13th Implementation Report of the European Commission, March 2008.

6. One-off connection charges

Table G.6 shows the initial costs for the installation and connection of residential and business subscriptions. The installation costs represent the cost of a new installation in a location that has not been connected before. The connection cost is the cost for the connection of an existing subscriber line to a new subscriber, for example, when a new family takes over an apartment where the previous occupant was already connected.

Some operators have special reconnection tariffs that apply after a subscriber has been disconnected for failure to pay accounts. These are not included in the table.

Country	Residential (including VAT)		Business (excluding VAT)	
	New line connection charge	Reconnection charge	New line connection charge	Reconnection charge
Croatia	68.89	8.27	68.89	8.27
FYROM	20.26	0.00	20.26	0.00
Turkey	3.58	3.58	3.03	3.03
Albania	115.59	115.59	115.59	115.59

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Country	Residential (including VAT)		Business (excluding VAT)	
	New line connection charge	Reconnection charge	New line connection charge	Reconnection charge
Bosnia & Herzegovina:				
BH Telecom	30.47	0.00	30.47	0.00
Telekom Srpske	45.71	0.00	45.71	0.00
HT Mostar	45.71	0.00	45.71	0.00
Montenegro	55.55	10.68	55.55	10.68
Serbia	61.23	4.56	122.46	4.56
Kosovo	8.70	1.74	8.70	1.74

Table G.6 - One-off connection charges of the fixed incumbent

Notes:

Montenegro: Prices exclude VAT. There is a connection tax for a new line or for the reconnection of an old line of €10.68, included in the price of €55.55. After rebalancing the tariffs, prices for residential and business users are the same. (Source: T-Com Montenegro, March 13, 2008 www.t-com-cg.com).

Serbia: There is an additional payment for the installation of TT cable, if this is required. The costs depend on the length of the cable (up to 150 metres it is RSD 3,500; >150 metres it is RSD 3,500 plus 63.27 per metre for aerial cable or 129.17 per metre for underground cable).

Turkey: Includes Special Communications Tax

Figure 39 shows the trends in connection charges for residential customers since 2005. Some of these have dropped quite dramatically, notably Kosovo and Bosnia & Herzegovina. The level in Albania is both high and unchanged, Croatia is not as expensive, but still unchanged.

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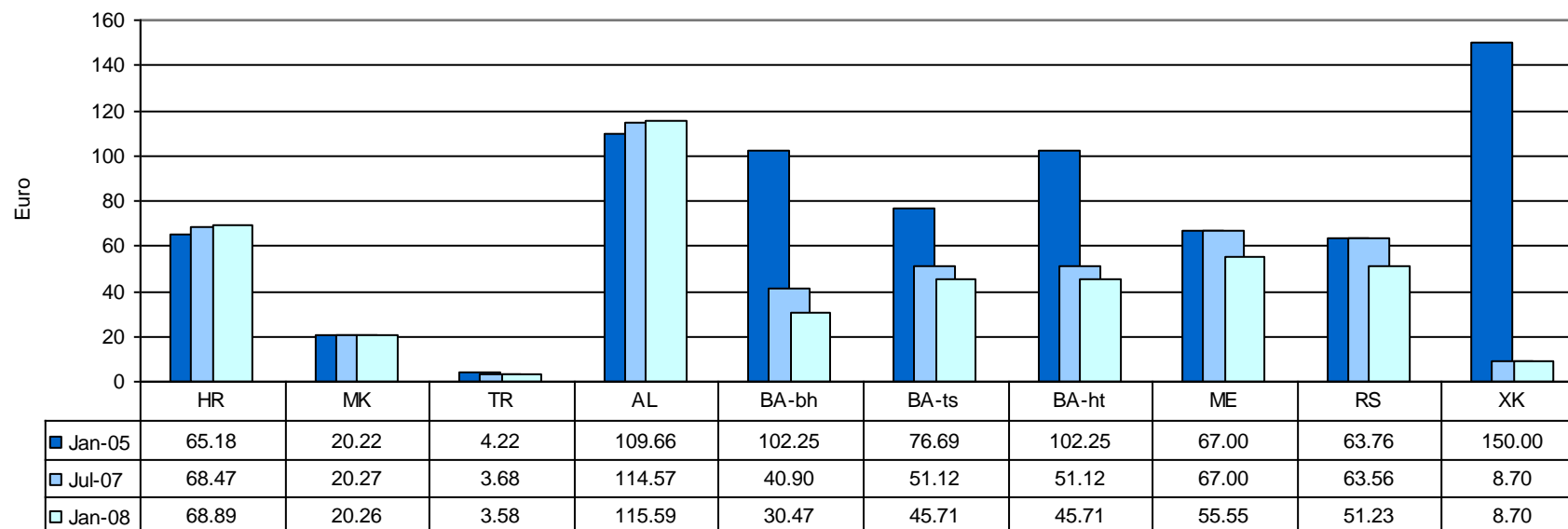


Figure 39 - Incumbent operator connection charges for residential customers (2005-2008)

Notes:

Turkey: Includes Special Communications Tax

7. Local fixed telephony tariffs of the incumbent and an alternative operator

Country	Largest alternative operator	Technologies used
Croatia	OT - Optima Telekom d.o.o.	VoIP
FYROM	On.Net d.o.o. Skopje	LLU and Wi-Fi
Turkey	N/A	N/A
Albania	H-Communication	PSTN
Bosnia & Herzegovina	T3 d.o.o. Sarajevo	PSTN
Montenegro	M:Tel	Wi-Max
Serbia	No alternative operator	-
Kosovo	Ipko	VoIP

Table G.7 - Alternative operators chosen for comparison of retail tariffs

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Notes:

- Turkey: Local calls are currently provided only by the incumbent.
- Albania: H-Communication is the largest alternative fixed operator, in the rural areas of Tirana and Durres.
- Montenegro: The third mobile operator in Montenegro (M:Tel) with GSM and UMTS licence also has a licence for WiMAX.

Figure 40 shows the cost of a three-minute local call in Eurocents on the network of the incumbent operator, including VAT for residential consumers. There is considerable variation in the prices, with Croatia and Turkey more expensive, while Serbia is the cheapest. The EU average is indicated by the red line.

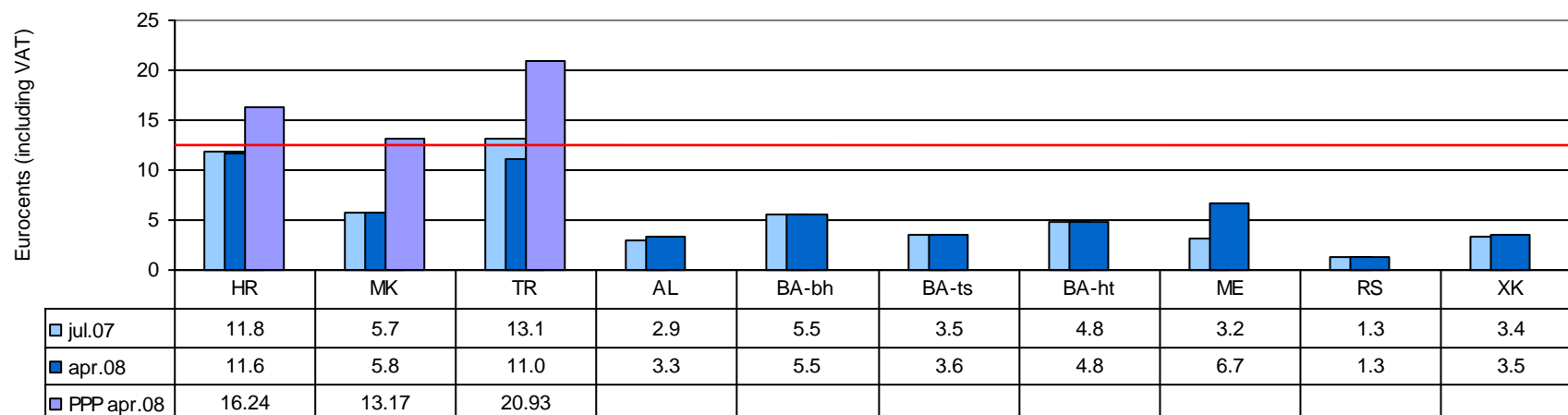


Figure 40 - Cost of a three minute local call (2007-2008) in nominal value and in PPP

Note:

- Albania tariffs cannot represent correctly the cost of a three minute local call because the pulse intervals are two minutes. The price has been calculated on the basis of $\frac{3}{4}$ of the price of a 4-minute call.
- Turkey: Includes Special Communications Tax

Figure 41 shows the equivalent data for a ten-minute call with very similar patterns.

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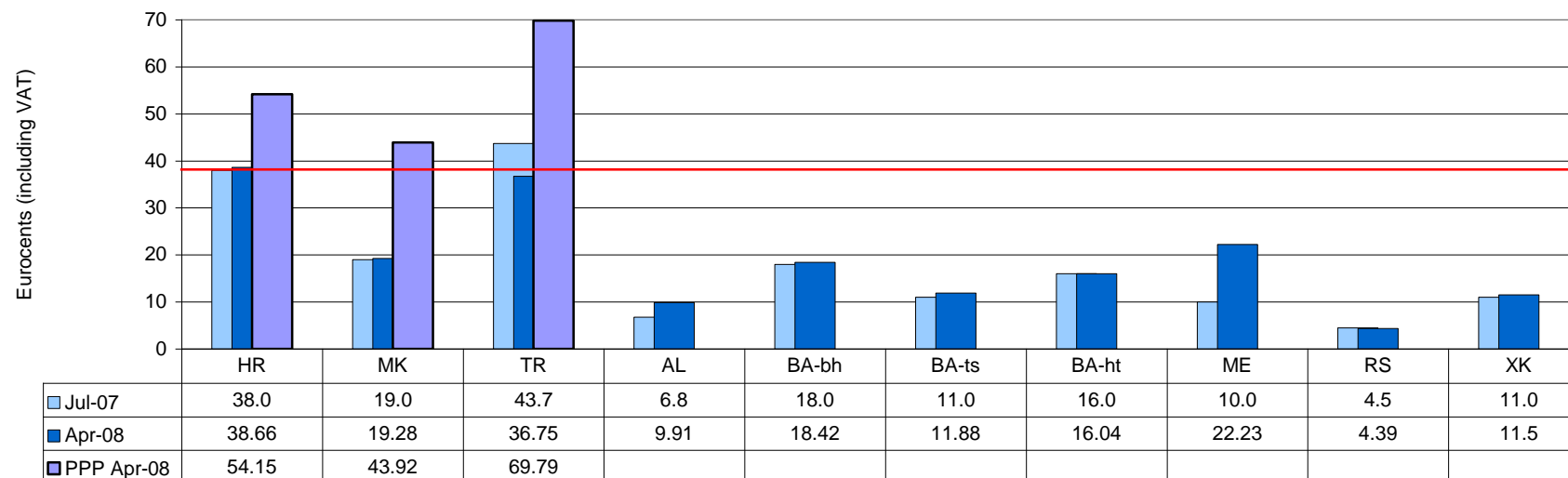


Figure 41 - Cost of a ten minute local call (2007-2008)

Notes:

Turkey: Includes Special Communications Tax

The differences between residential and business tariffs arise almost exclusively from VAT.

8. Long distance fixed telephony tariffs of the incumbent and an alternative operator

Table G.8 below presents the long distance tariffs by the incumbent operator and an alternative operator for 3 minute calls and 10 minute calls. All tariffs are in euro with VAT included.

It should be noted that the alternative operators in Albania are regional operators that are not competing directly with the incumbent operator. In the other countries where price information is missing, there is no competitive fixed network alternative.

Country	Incumbent		Alternative operator	
	3 minutes, €	10 minutes, €	3 minutes, €	10 minutes, €
Croatia	0.12	0.39	0.12	0.38
FYROM	0.17	0.58	0.12	0.39
Turkey	0.13	0.44	0.12	0.39

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Country		Incumbent		Alternative operator	
		3 minutes, €	10 minutes, €	3 minutes, €	10 minutes, €
Albania		0.36	1.19		
Bosnia & Herzegovina	BH Telecom	0.12	0.42		
	Telekom Srpske	0.16	0.54		
	HT Mostar	0.16	0.54		
Montenegro		0.18	0.59	0.12	0.40
Serbia		0.07	0.22		
Kosovo		0.03	0.12		

Table G.8 - Long-distance calls for residential customers (including VAT)

Notes:

Turkey: Includes Special Communications Tax

Figure 42 below presents the price developments for a 3 minute residential long distance call from July 2007. Figure 43 presents the corresponding information for a 10 minute call.

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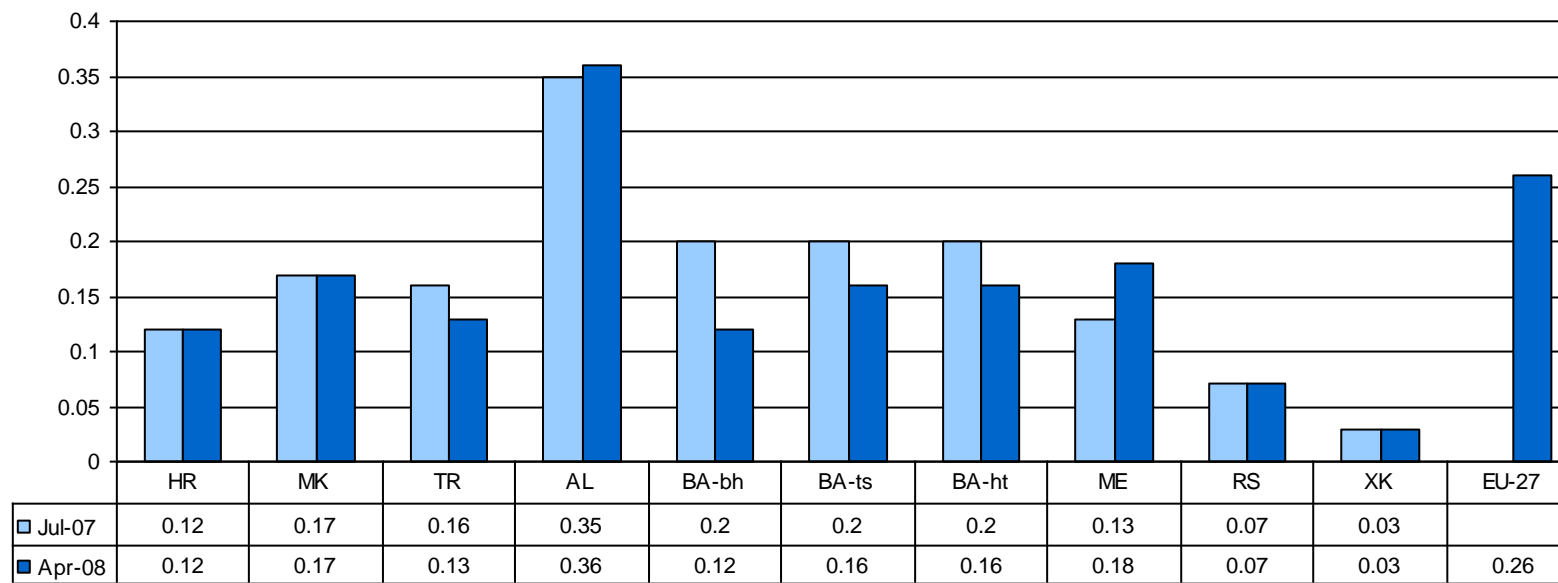


Figure 42 - Residential long distance charges for 3 minute calls

Notes:

Turkey: Includes Special Communications Tax

The EU-27 average is taken from the 13th Implementation Report of the European Commission, March 2008.

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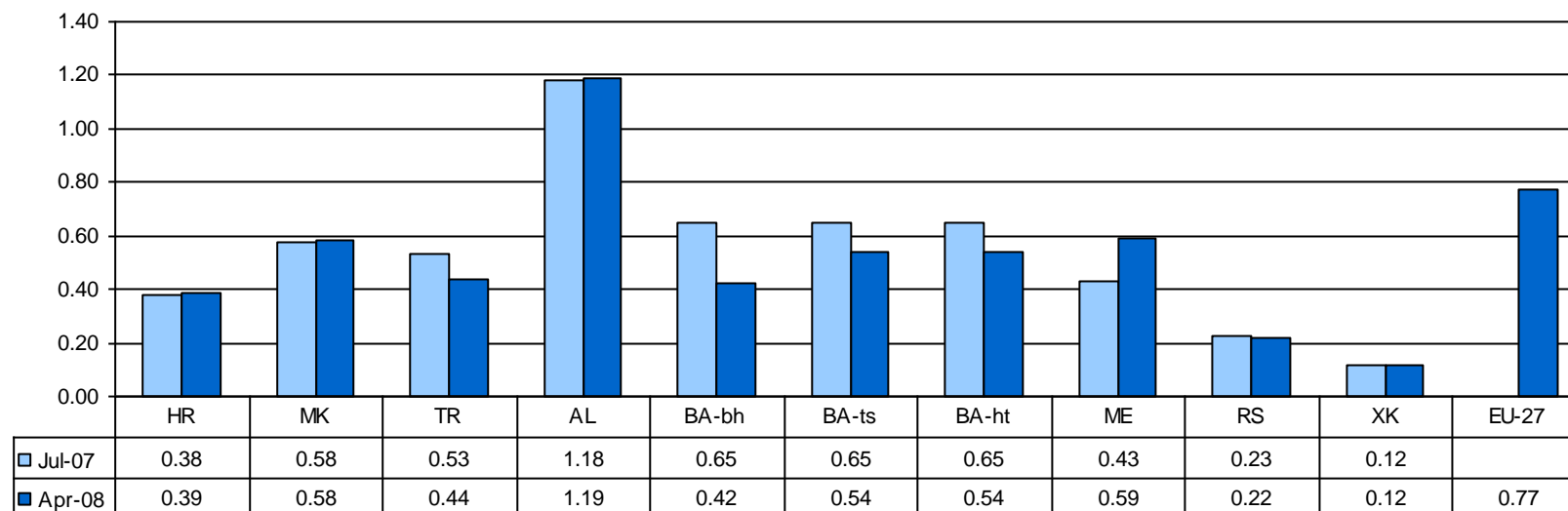


Figure 43 - Residential long distance charges for 10 minute call

Notes:

Turkey: Includes Special Communications Tax

The EU-27 average is taken from the 13th Implementation Report of the European Commission, March 2008.

Table G.9 below presents the corresponding information on long distance calls for business subscribers. These prices are without VAT.

Country		Incumbent		Alternative operator	
		3 minutes, €	10 minutes, €	3 minutes, €	10 minutes, €
Croatia		0.10	0.32	0.10	0.31
FYROM		0.15	0.49	0.10	0.33
Turkey		0.11	0.37	0.10	0.33
Albania		0.45	1.49		
Bosnia & Herzegovina	BH Telecom	0.11	0.36		
	Telekom Srpske	0.14	0.46		
	HT Mostar	0.14	0.46		
Montenegro		0.15	0.50	0.10	0.34

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Country	Incumbent		Alternative operator	
	3 minutes, €	10 minutes, €	3 minutes, €	10 minutes, €
Serbia	0.09	0.31		
Kosovo	0.03	0.10		

Table G.9 - Long-distance calls for business customers (excluding VAT)

Notes:

Turkey: Includes Special Communications Tax

9. Fixed-to-mobile tariffs of the incumbent and an alternative operator

Table G.10 below presents the prices from the fixed network of the incumbent operator and for an alternative operator to a mobile network.

Country		Incumbent		Alternative operator	
		3 minutes, €	10 minutes, €	3 minutes, €	10 minutes, €
Croatia		0.81	2.69	0.70	2.30
FYROM		0.58	1.93	0.58	1.93
Turkey		0.54	1.81	0.49	1.63
Albania		1.14	3.75	1.77	5.90
Bosnia & Herzegovina	BH Telecom	0.26	0.86		
	Telekom Srpske	0.28	0.92		
	HT Mostar	0.28	0.92		
Montenegro		0.67	2.22	0.57	1.89
Serbia		0.40	1.32		0.00
Kosovo		0.55	1.84		

Table G.10 - Fixed-to-mobile calls for residential customers (including VAT)

Notes:

Turkey: Includes Special Communications Tax

Figure 44 below presents the price developments for fixed to mobile calls for the incumbent operator since July 2007.

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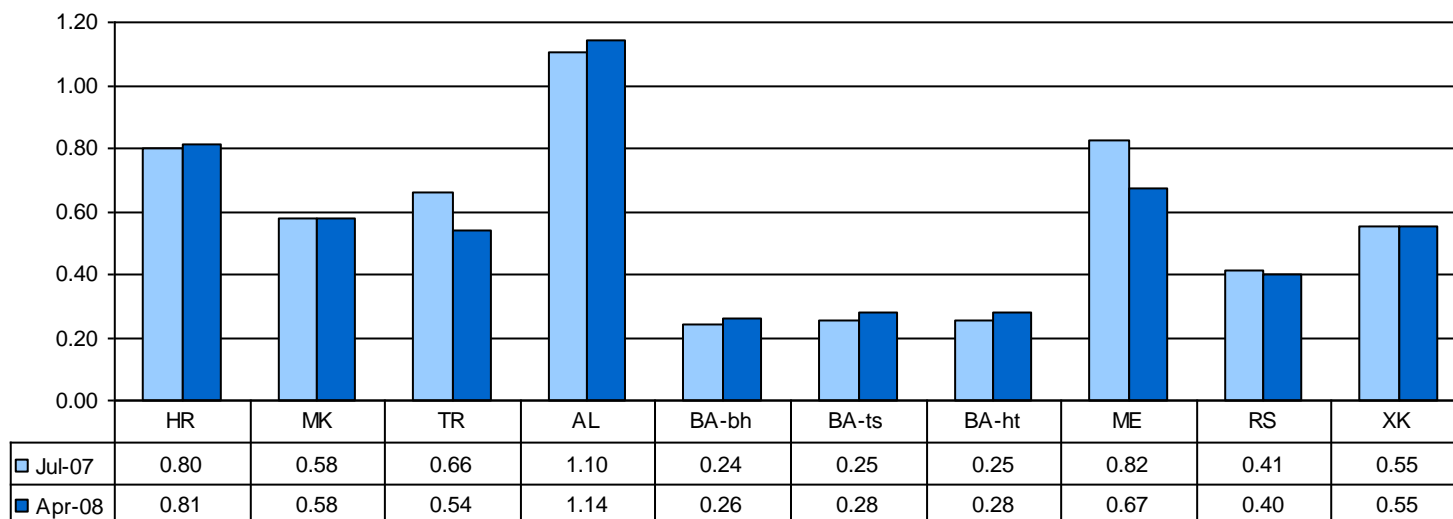


Figure 44 - Residential charges for 3 minute fixed to mobile calls

Notes:

Turkey: Includes Special Communications Tax.

Table G.11 presents the tariffs for fixed to mobile calls for business customers. The table includes tariffs from an alternative operator when available.

Country		Incumbent		Alternative operator	
		3 minutes, €	10 minutes, €	3 minutes, €	10 minutes, €
Croatia		0.66	2.20	0.57	1.88
FYROM		0.49	1.63	0.49	1.63
Turkey		0.45	1.53	0.42	1.38
Albania		1.42	4.67	1.47	4.91
Bosnia & Herzegovina	BH Telecom	0.22	0.73		
	Telekom Srpske	0.24	0.79		
	HT Mostar	0.24	0.79		
Montenegro		0.57	1.90	0.48	1.62

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Country	Incumbent		Alternative operator	
	3 minutes, €	10 minutes, €	3 minutes, €	10 minutes, €
Serbia	0.55	1.84		
Kosovo	0.48	1.60		

Table G.11 - Fixed-to-mobile calls for business customers (excluding VAT)

Notes:

Turkey: Includes Special Communications Tax

10. International tariffs of the incumbent and an alternative operator

Table G.12 presents the long distance call tariffs to the UK for a ten-minute call from residential as well as business subscribers. The main difference between these tariffs is due to the fact that the residential tariffs include VAT. Tariffs are shown both for the incumbent operator and an alternative operator. It should be noted that in the case of Albania, the alternative operator is represented by regional operators with a traditionally captive regional subscriber base rather than a competitive alternative to the incumbent operator.

Country	Residential		Business	
	Incumbent, €	Alternative operator, €	Incumbent, €	Alternative operator, €
Croatia	3.78	3.04	3.10	2.49
FYROM	7.52	5.40	6.37	4.57
Turkey	0.57	0.52	0.49	0.44
Albania	2.48	6.25	3.10	5.21
Bosnia & Herzegovina	BH Telecom	6.54	5.59	
	Telekom Srpske	7.73	6.60	
	HT Mostar	7.73	6.60	
Montenegro	2.34	1.50	2.00	1.28
Serbia	2.95		4.13	
Kosovo	3.68		3.20	

Table G.12 - Ten-minute call to the UK

Notes:

Turkey: Includes Special Communications Tax

Figure 45 below shows the price developments since July 2007 for the international tariffs of the incumbent operator for residential users.

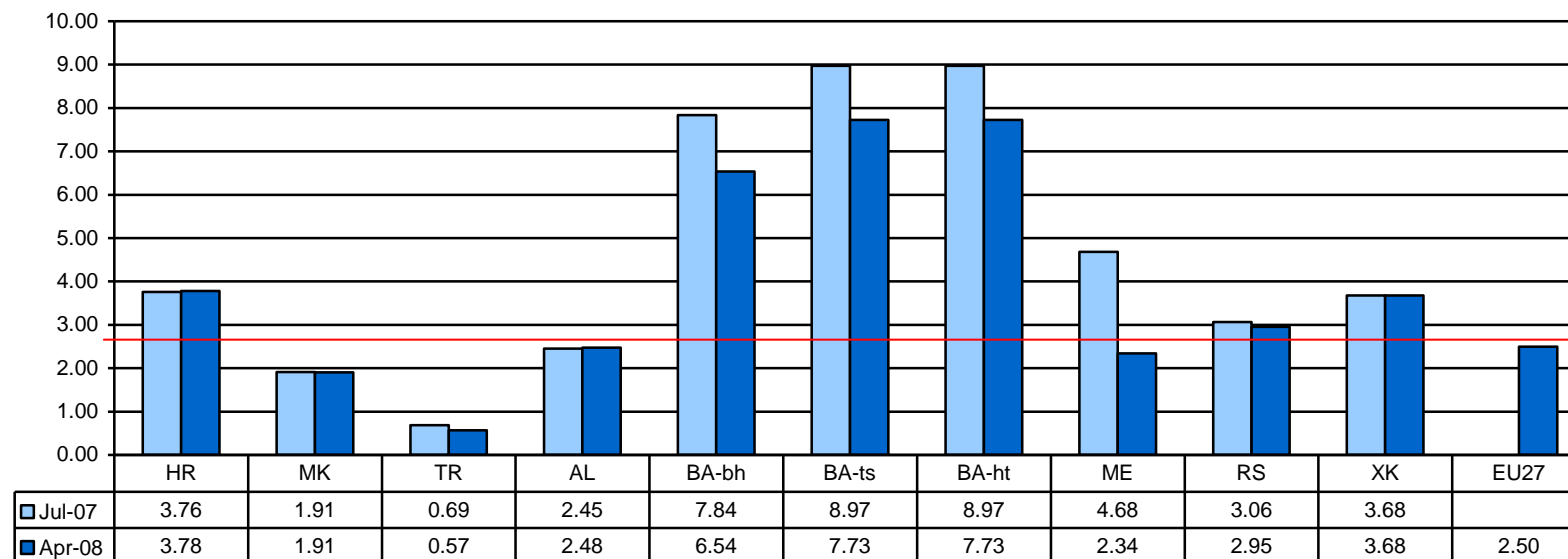


Figure 45 - 10 minute call to UK by incumbent operator for residential users

Notes:

Turkey: Includes Special Communications Tax

The EU-27 average is the tariff to a distant EU country taken from the 13th Implementation Report of the European Commission, March 2008.

Table G.13 and

Figure 46 provide the corresponding tariff information for long distance calls to the United States.

Country	Residential		Business	
	Incumbent, €	Alternative operator, €	Incumbent, €	Alternative operator, €
Croatia	5.88	4.72	4.82	3.87
FYROM	1.91	1.21	1.62	1.03
Turkey	0.57	0.52	0.49	0.44
Albania	2.48	6.25	3.10	5.21

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Country		Residential		Business	
		Incumbent, €	Alternative operator, €	Incumbent, €	Alternative operator, €
Bosnia & Herzegovina	BH Telecom	7.13		6.09	
	Telekom Srpske	10.70		9.14	
	HT Mostar	10.70		9.14	
Montenegro		4.68	4.00	4.00	3.42
Serbia		5.37		7.51	
Kosovo		4.37		3.80	

Table G.13 - Ten-minute call to the USA

Notes:

Turkey: Includes Special Communications Tax

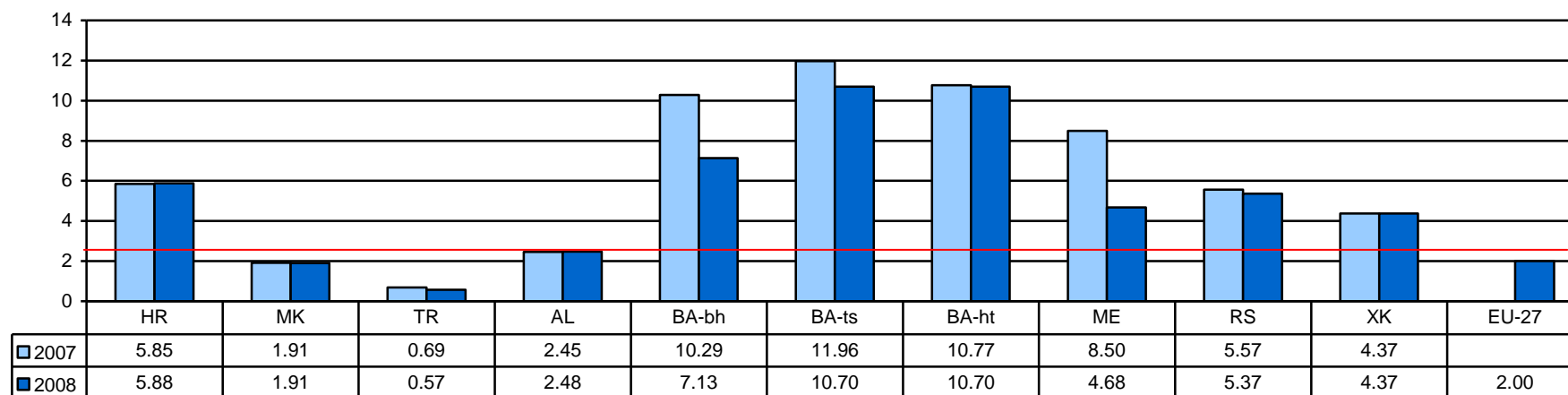


Figure 46 - 10 minute call to USA by incumbent operator for residential users

Notes:

The EU-27 average is taken from the 13th Implementation Report of the European Commission, March 2008.

H. Mobile retail tariffs

Mobile network operators provide a range of tariff options that are quite complicated and difficult to compare. Consumers have to take into account a significant number of parameters, including the initial activation charge, monthly subscription charge, peak and off-peak tariffs, “free” calls and text messages included in the package, volume-dependent tariffs, SMS tariffs, tariffs for calls within the same network (on-net calls), tariffs for calls to other mobile networks (off-net), calls to fixed networks and, of course, cross-subsidies for the handset.

In order to be able to make comparisons between its member states the OECD constructed a set of mobile tariff “baskets” building on its work in fixed telephony baskets.²² The OECD baskets were revised in 2001, but the document was not published until the following year, hence references to the OECD 2002 baskets.²³ Table H.1 shows the structure of the mobile baskets.²⁴ While the basket is the annual cost, the numbers of SMS and calls are for each month.

	SMS	Calls	Fixed calls		Mobile calls		Time of day		
			Local	National	On-net	Off-net	Peak	Off-peak	Weekend
Low user	30	25	28%	14%	40%	18%	38%	35%	27%
Medium user	35	75	24%	12%	43%	21%	47%	30%	23%
High user	42	150	26%	14%	42%	18%	63%	22%	15%

Table H.1 - Composition of OECD 2002 mobile baskets

They were again revised in 2006 in order to reflect more accurately calling patterns.²⁵ The statistical results are published in the OECD biennial Communications Outlook.²⁶ The European Commission adopted the OECD 2006 baskets in its 13th Implementation Report, reporting a wider range of data for operators and different tariff packages. It should be noted that the EC uses monthly and not annual results.

While some critics have argued for the creation of a “Balkan basket” or set of baskets that might better reflect local usage patterns, this would make any comparisons with the EU or with OECD impossible. Indeed, it would be likely to make historical comparisons very difficult, unless the old results could be recalculated.

Table H.2 shows the lowest cost alternative for each usage basket, including both post-paid and pre-paid offers.

²² <http://www.oecd.org/dataoecd/52/33/1914445.pdf>

²³ <http://www.oecd.org/dataoecd/56/26/41049548.pdf>

²⁴ A senior OECD official gave a briefing on the use of the baskets at the “kick off” meeting for the Monitoring Project.

²⁵ <http://www.teligen.com/publications/oecd.pdf>

²⁶ The data for the mobile baskets for 2006 are available at

<http://dx.doi.org/10.1787/002346358066>

<http://dx.doi.org/10.1787/002400356513>

<http://dx.doi.org/10.1787/002414286734>

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Country	Low-user	Medium-user	High-user
	€	€	€
Croatia	161.31	324.26	428.31
FYROM	47.97	175.25	364.03
Turkey	121.06	372.45	736.65
Albania	189.28	425.67	834.53
Bosnia & Herzegovina	108.64	286.91	572.15
Montenegro	63.60	160.56	230.76
Serbia	42.72	84.72	141.48
Kosovo	85.76	295.70	463.83

Table H.2 - OECD 2002 mobile tariff baskets for 2008

The three following figures show the trends in the baskets over the previous and current monitoring periods.

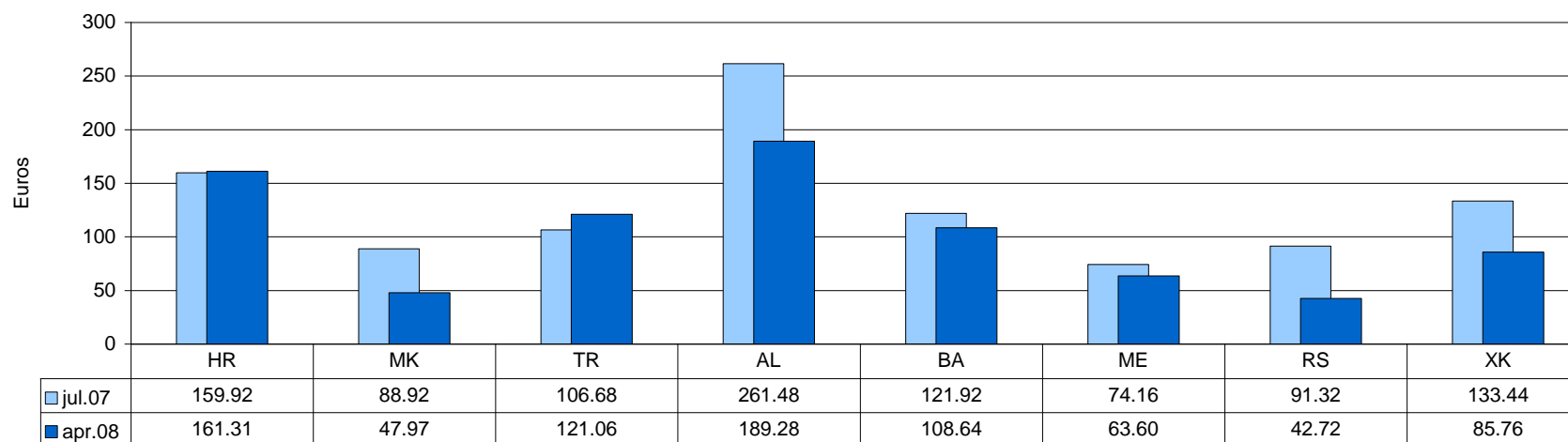


Figure 47 - Low usage mobile basket (2007-2008)

Notes:

Croatia: The basket for Croatia for July 2007 has been recalculated after the publication of the previous monitoring report. The price difference between July 2007 and April 2008 are due to currency exchange rate changes rather than price changes in local currency.

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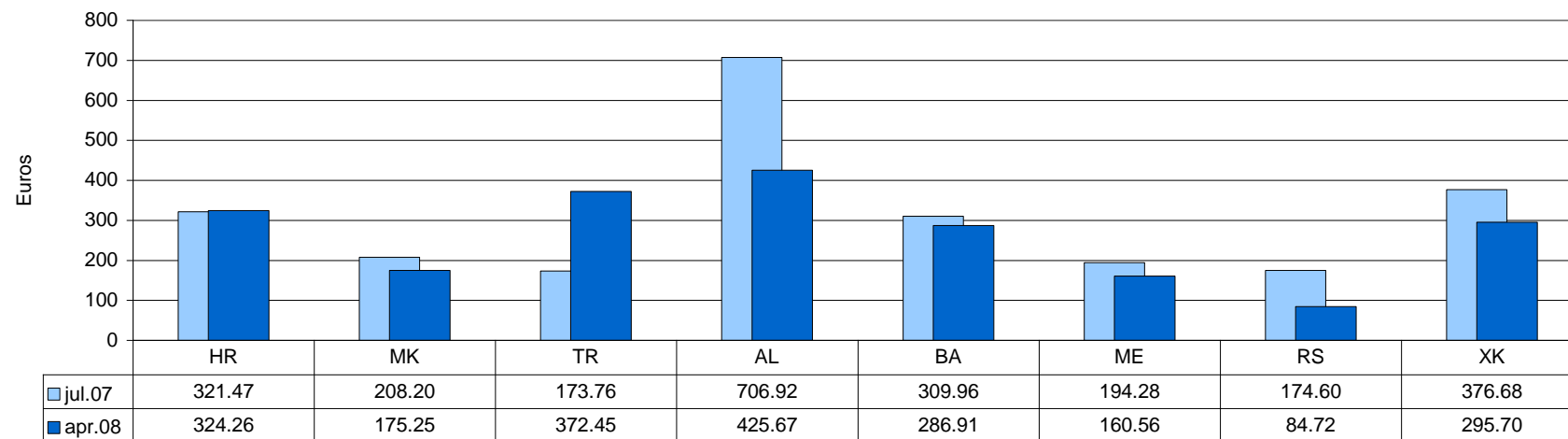


Figure 48 - Medium usage mobile basket (2007-2008)

Notes:
Croatia:

The basket for Croatia for July 2007 has been recalculated after the publication of the previous monitoring report.
The price difference between July 2007 and April 2008 are due to currency exchange rate changes rather than price changes in local currency.

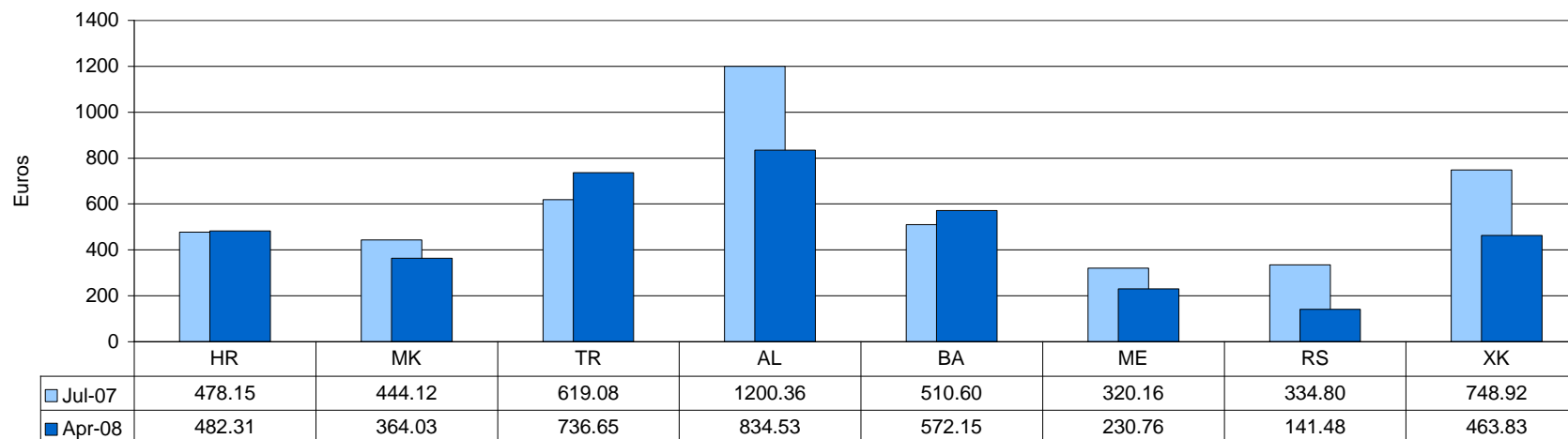


Figure 49 - High usage mobile basket (2007-2008)

Notes:

Croatia: The basket for Croatia for July 2007 has been recalculated after the publication of the previous monitoring report. The price difference between July 2007 and April 2008 are due to currency exchange rate changes rather than price changes in local currency.

I. Special cross-border arrangements for retail fixed and mobile tariffs

The political, economical and social events in the last fifteen years in South-Eastern Europe, in particular in the territory of the former Yugoslavia, created specific entities and territories some of which still have a provisional status. This has resulted in many special tariff arrangements that cross territorial boundaries. For example, there have been preferential rates between the Serb population in Bosnia & Herzegovina and Serbia. Similarly, there have been preferential rates for the Croatian population in Bosnia & Herzegovina and Croatia. Such arrangements are gradually being phased out and replaced by more conventional country tariffs.

On June 30, 2007 the EU regulation on international mobile roaming came into force.²⁷ It set price caps for wholesale and retail charges and requires a pro-active provision of roaming prices to customers via SMS. The Regulation sets the maximum retail charges for 2007-2009 for outgoing and received

²⁷ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:171:0032:0040:EN:PDF>

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calls and also for wholesale charges. However, operators in South-East Europe may not have access to the regulated wholesale tariffs within the EU and are not obliged to offer similar rates to other European operators.

Table I.1 sets out the current arrangements for cross-border tariffs for fixed and mobile tariffs. It also identifies an special international mobile roaming arrangements. However, if addressed only retail roaming offers as It is beyond the scope of this project to assess confidential agreements on wholesale Inter Operator Tariffs (IOTs).

Country	Fixed network	Mobile network	Special retail international roaming offers
Croatia	-	-	-
FYROM	-	-	-
Turkey	-	-	-
Albania		<p>There are cross-border arrangements for international mobile to mobile calls on networks that are part of the same international group.</p> <p>AMC reduces the charges by 34% for calls to other Cosmote Group networks (four SEE countries including Greece).</p> <p>Vodafone Albania charges for calls to Vodafone Greece are 34% lower than calls to neighbouring countries. Calls to Vodafone Group mobile operators are charged at lower tariffs than calls to other mobiles of the same country.</p> <p>Eagle Mobile (a new entrant) does not currently have any such arrangements.</p>	Vodafone Albania applies reduced tariffs if customers roam on Vodafone Greece (34% lower) and on other Vodafone networks. Vodafone also offers it Passport package of roaming tariffs.
Bosnia & Herzegovina	-	-	Telekom Srpske subscribers have free incoming calls when roaming in Serbia and Montenegro on the Telekom Serbia network.
Montenegro	To fixed networks in Serbia and Kosovo: €0.110 per minute (peak) €0.055 per minute (off peak)	To fixed networks in Serbia and Kosovo: €0.190 per minute (peak) €0.095 per minute (off peak)	All three mobile operators have special roaming offers for Serbia and Kosovo, with no charge for incoming calls when roaming.
Serbia	<p>Calls to fixed numbers in Montenegro are €0.11(RSD 9.11) per minute for residential, €0.18 (RSD 15.06) per minute for business users.</p> <p>The same prices for fixed calls to Republika Srpska (a part of Bosnia & Herzegovina). For the other parts of Bosnia & Herzegovina the international rate for zone 1 is applied (€0.17 (RSD 14.05) per minute for residential, €0.37 (RSD 30.11) for business</p>	<p>Telekom Srbija (mts):</p> <p>incoming calls when roaming are free for: Montenegro (m:tel, Promonte and T-Mobile) and also when roaming on m:tel in the Republika Srpska (a part of Bosnia & Herzegovina)</p> <p>In all the countries bordering Serbia incoming roaming calls are €0.33 (RSD 27) per minute.</p> <p>Telenor:</p> <p>incoming roaming calls are free for on Promonte in Montenegro.</p>	<p>Vip mobile</p> <p>The same price, €0.35 (RSD 29) per minute for incoming calls, is charged when roaming on all operators owned by Mobilkom Austria:</p> <ul style="list-style-type: none"> • Mobilkom Austria (A1) - Austria • Mobiltel (M-TEL) - Bulgaria • Vipnet (HR VIP) - Croatia • mobilkom liechtenstein (FL1) – Liechtenstein • Si.mobil (SI.MOBIL) - Slovenia

Country	Fixed network	Mobile network	Special retail international roaming offers
	users). Calls to mobile numbers in Montenegro €0.22 (RSD 18.22) per minute for residential, €0.37 (RSD 30.11) for business users.	Promonte: In all countries bordering Serbia incoming calls are charged at €0.33 (RSD 27) per minute.	<ul style="list-style-type: none"> Vip operator (Vip MK) – Macedonia
Kosovo			

Table I.1 - Special cross-border arrangements for retail fixed and mobile tariffs

Notes:

Albania:

While the prices for Albtelcom are unchanged from the last report, the international tariffs for mobile operators are new.

Montenegro:

These are the prices of the incumbent operator, excluding VAT, applicable to both residential and business users. There is a discount of 50% for off-peak between 19:00 and 07:00. Standard prices for Zone 1 of T-Com Montenegro are €0.11 per minute for fixed networks, € 0.27 per minute for mobile networks, both peak and off-peak calls. (Source: T-Com pricelist March 13, 2008 www.t-com-cg.com).

Serbia:

Calls from Serbia to Kosovo are billed as national calls.

J. Leased lines retail tariffs

1. National leased lines

Leased lines are the building blocks for alternative networks that compete, directly or indirectly, with the networks of the incumbent operators. Before competition begins in a market the prices are generally quite high. Price pressures are introduced as alternatives become available, for example, by operators associated with energy and railway companies. Such competition has probably had more effect on prices than obligations requiring cost orientation, at least on more popular route.

There is a long history of legislation, litigation, reporting on and a sector inquiry into the provision of leased lines. A pro-competitive framework was set out in a Council Directive in 1992.²⁸ A minimum set of leased lines was carried through into the 1998 and 2003 regulatory packages, though it is now proposed to handle these in a technology neutral manner, using market analyses for the provision of local access.

In a series of figures below, the tariffs for national leased lines are shown for:

- 64 kbits/s: 2 km and 200 km
- 2 Mbits/s: 2km and 200 km
- 34 Mbits/s: 2 km and 200 km

²⁸ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31992L0044:EN:HTML>

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All prices are annual and retail, excluding VAT and without any one-time or connection charges. Not all operators have tariffs that correspond directly to these categories, in which case the closest alternative has been selected. In Turkey, the leased line offerings are based not on distance but on four levels: 1) same exchange, 2) different exchange, 3) inner city, and 4) intercity. The 2 km distance has been considered to be the “different exchange” rate and the 200 km distance to be the intercity rate. The EU averages are taken from the 12th and 13th Implementation Reports, with prices from the autumns of 2006 and 2007 respectively.

Leased lines at 64kbts/s are now often replaced by more advanced technologies such as ISDN, ADSL and SDSL where these are available with Service Level Agreements (SLA). Figure 50 shows the prices for a short circuit of 2 kilometres. While Montenegro and Turkey are relatively cheap, Albania, Croatia and FYROM are expensive in terms of South-East Europe, but reasonable in terms of the EU.

Figure 51 shows the prices for a much longer, 200 kilometre circuits. The variations in the prices are broadly similar, except that Serbia appears cheaper at the longer distance.

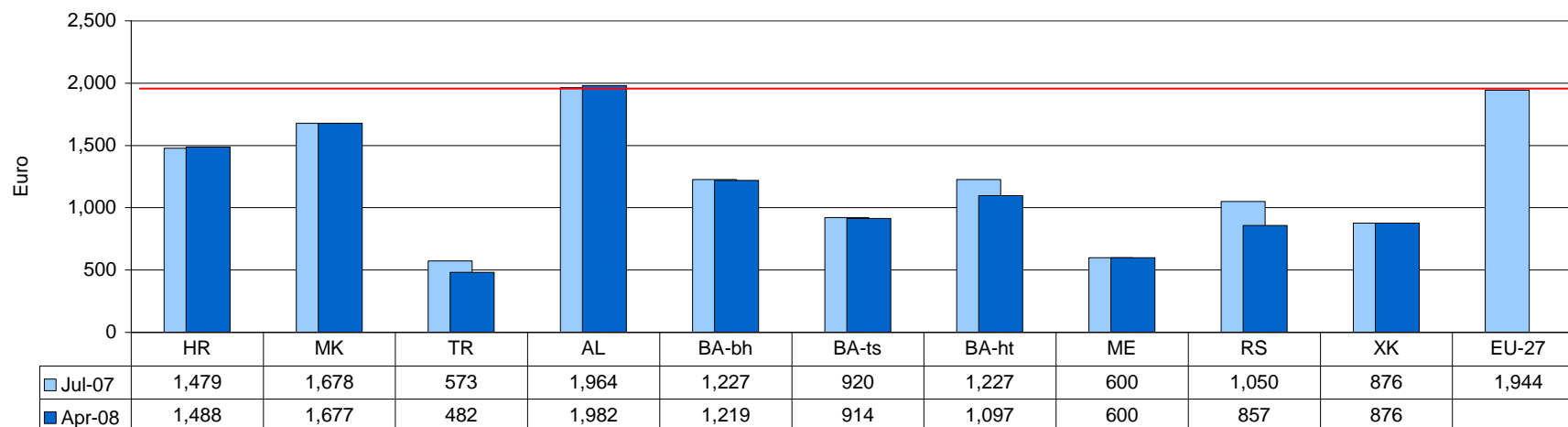


Figure 50 - Annual prices for a 2 km 64 kbits/s leased line

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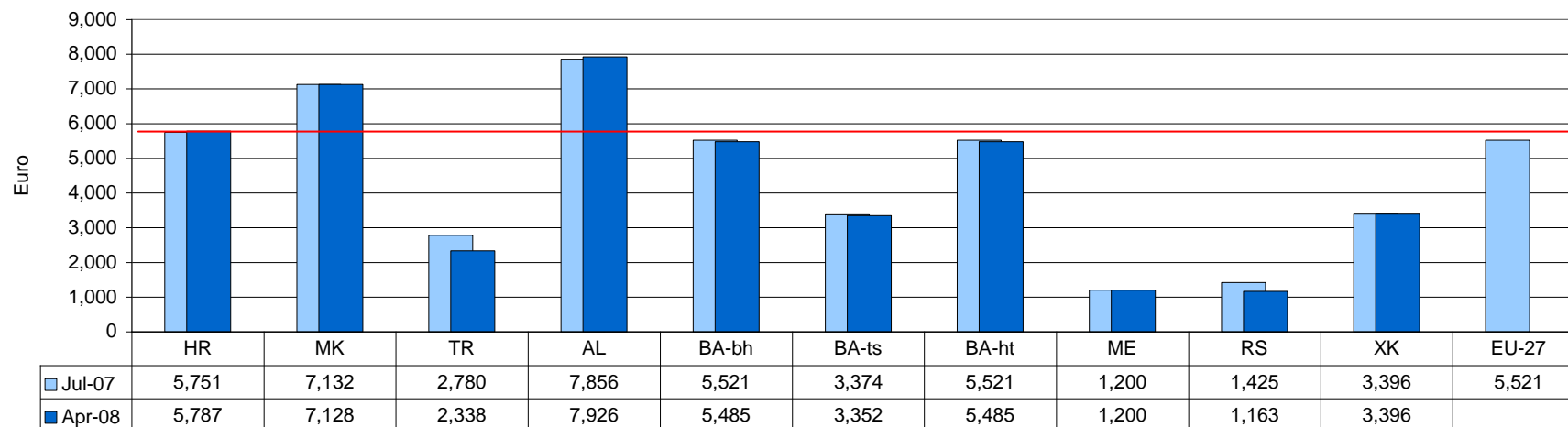


Figure 51 - Annual prices for a 200km 64 kbits/s leased line

Figure 52 shows the prices for short circuits at the higher speed of 2Mbit/s, though these too have often been replaced by other technologies where appropriate SLAs are available. The prices are generally at or below EU level, with the exception of FYROM and, to a lesser extent, Albania. Kosovo, Montenegro and Turkey are all comparatively cheap, at half the EU price level.

Figure 53 shows the prices for the longer circuit at the same speed. Again FYROM stands out as being significantly above the EU level, while others are at the EU level or below.

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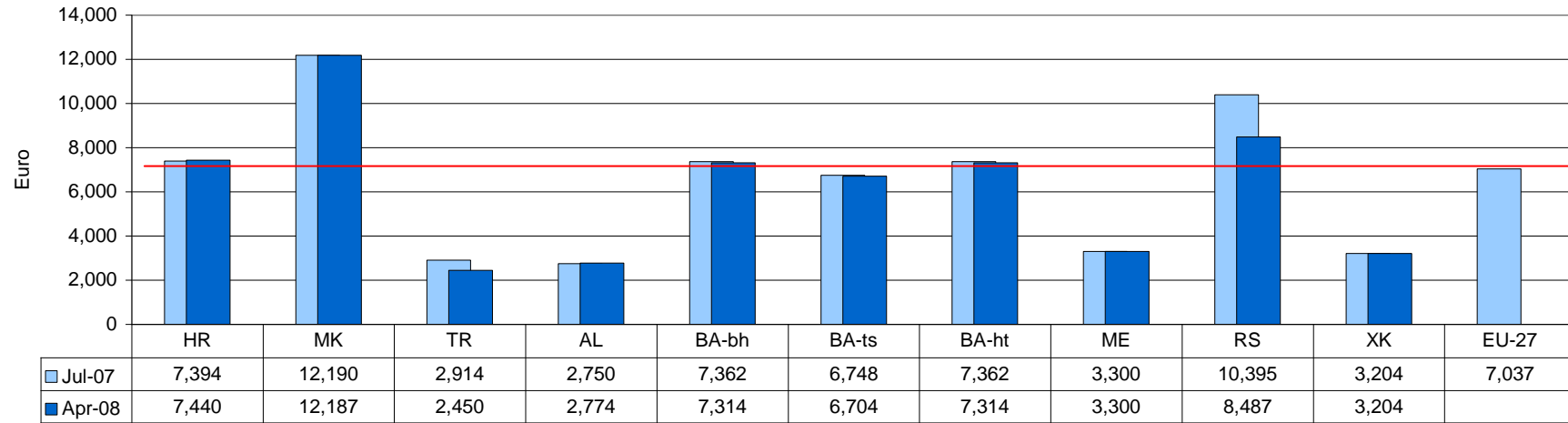


Figure 52 - Annual prices for a 2km 2Mbps/s leased line

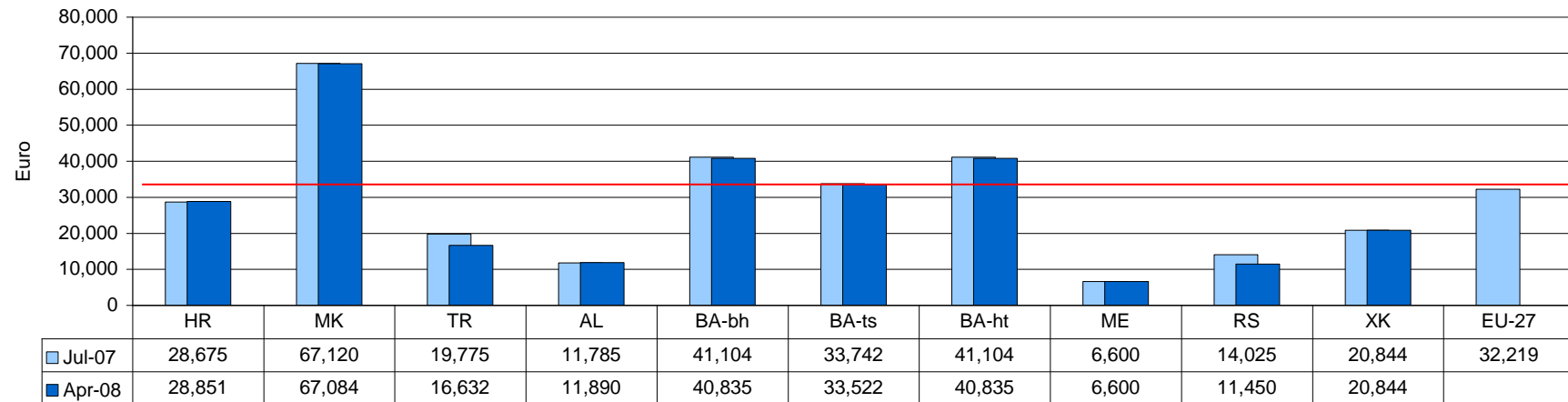


Figure 53 - Annual prices for a 200km 2Mbps/s leased line

The next two figures show the prices for faster leased lines at 34Mbps/s.

Figure 54 shows the shorter 2km circuits which are not available in Albania and in FYROM. The prices in Kosovo and Turkey are relatively low, while Serbia is expensive. The 200 kilometre circuits are shown in

Figure 55, again not available in Albania and FYROM. The price in Montenegro is the same as for 2km, making it very cheap. Serbian prices are above the EU average.

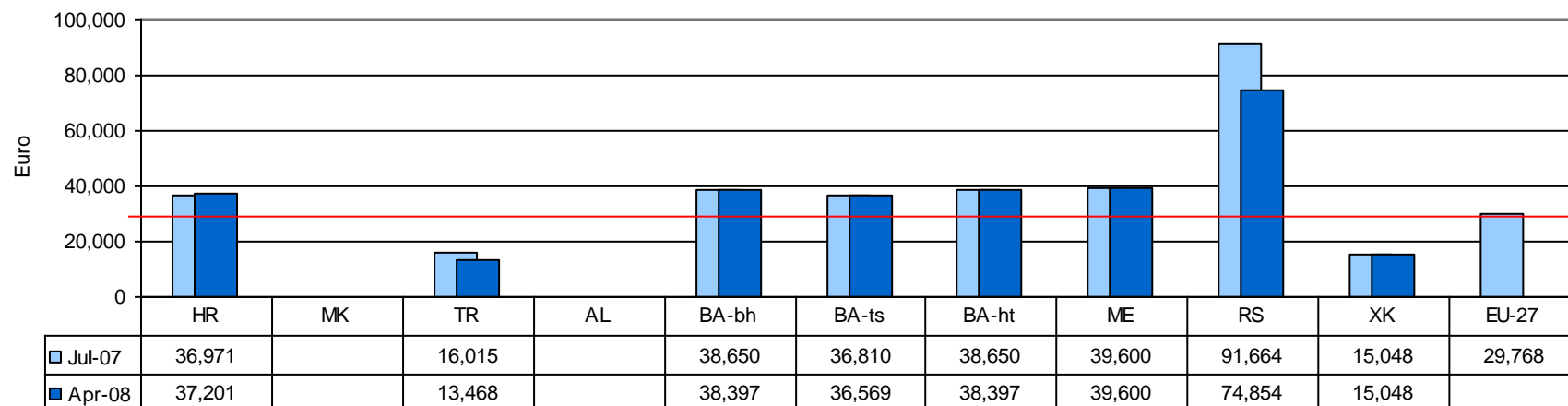


Figure 54 - Annual prices for a 2km 34Mbps/sec leased line

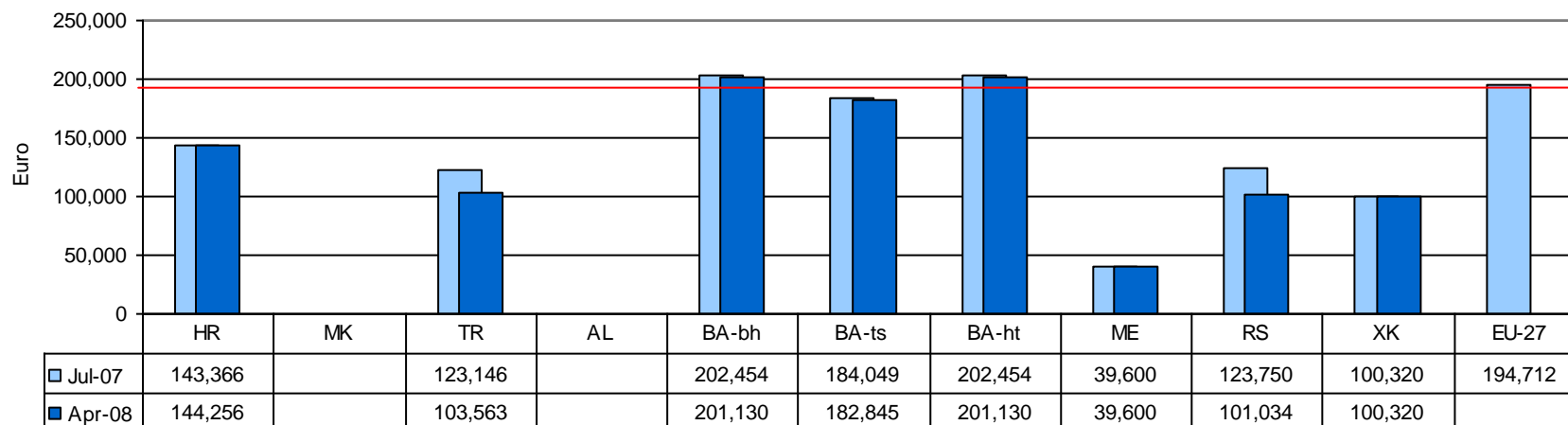


Figure 55 - Annual prices for a 200km 34Mbits/sec leased line

2. International leased lines

International leased lines have traditionally been provided in the form of two half-circuits, one national half-circuit being connected to another half-circuit or to a transit circuit near the border, with the corresponding arrangement in the destination country. International circuits can be provided in the form of double routing or single routing. Double routing includes an additional element of redundancy and such lines have a higher charge. Only single routing lines are only available in Turkey, otherwise the tariffs are for double routing half-circuits.

The annual prices (excluding VAT) for international half-circuits are given for:

- 64 kbit/s to a near country and to the UK
- 2 Mbit/s to a near country and to the UK

For comparison, EU averages have been taken from the 13th Implementation report, showing prices in the autumn of 2006. These are to a near and to a distant country which, for this report, has been uniformly taken to be the United Kingdom.

Figure 56 shows the annual charges for 64 kbit/s half-circuits, mostly below the EU average. Albania and FYROM are the obvious exception on the longer routes to the UK.

Figure 57 shows the 2 Mbits/s prices, where again Albania and Macedonia are expensive on the longer routes.

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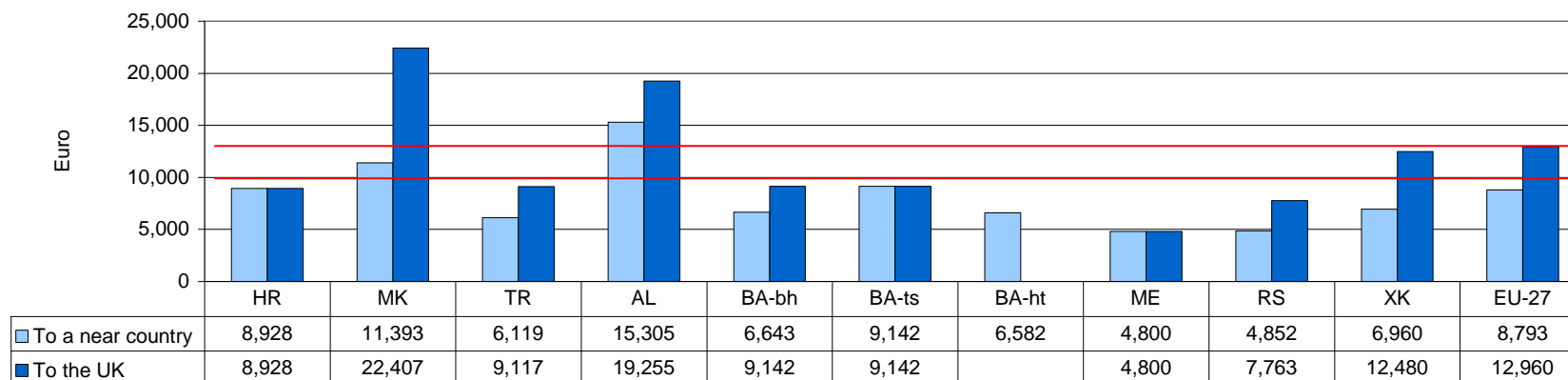


Figure 56 - Annual prices for a 64kbit/sec international half-circuit

Notes:

For BA-ts the rate quoted is to Croatia. For lines to Montenegro and Serbia there is a price of €4,876 per annum.
The EU average is to a distant country taken from the 13th Implementation Report of the European Commission, March 2008.

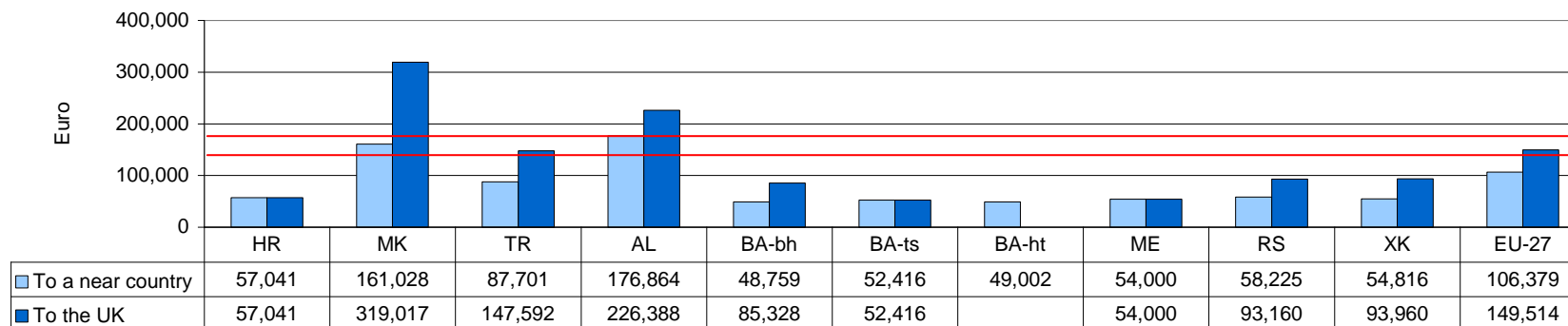


Figure 57 - Annual prices for a 2Mbit/sec international half-circuit

Notes:

For BA-ts the rate quoted is to Croatia. For lines to Montenegro and Serbia there is a price of €48,758 per annum.

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The EU average is to a distant country taken from the 13th Implementation Report of the European Commission, March 2008.

K. Internet and broadband retail prices

1. Dial-up Internet access cost

Access to the Internet for households in South-East Europe has primarily been by dial-up on fixed telephone lines. While FYROM, Turkey and Kosovo have moved into broadband as the major form of Internet access, dial-up service remains a significant and even a predominant form of access in Albania, Croatia, Bosnia & Herzegovina, Montenegro and Serbia.

Table K.1 shows the cost of forty hours of dial-up access to the Internet. The prices in Euros range considerably between countries and even within Bosnia. The most expensive are is FYROM followed by Croatia. The cheapest are Turkey and Serbia.

Country	ISP charge		PSTN usage		Total	
	€	PPP	€	PPP	€	PPP
Croatia	40.34	64.65	20.17	32.32	60.51	96.97
FYROM	74.03	200.97	0.00	0.00	74.03	200.97
Turkey	4.02	7.64	18.32	34.80	22.34	42.44
Albania	12.02	25.95	23.78	51.35	35.80	77.30
Bosnia & Herzegovina / BH Telecom	7.31	16.17	14.26	31.55	21.57	47.72
Bosnia & Herzegovina / Telekom Srpske	11.88	26.29	21.39	47.33	33.28	73.62
Bosnia & Herzegovina / HT Mostar	5.94	13.15	31.38	69.41	37.32	82.56
Montenegro	9.80	23.34	28.08	66.86	37.88	90.20
Serbia	13.01	28.79	10.54	23.34	23.55	52.12
Kosovo	0.00	-	27.60	-	27.60	-

Table K.1 - Dial-up Internet access cost - 40 hours at peak time including VAT

Notes:

FYROM:

The price for 40 hours is based on standard prices - weighted average price per minute is lower.

Turkey:

The ISP charge includes the monthly subscription fee (for the standard voice package with no additional ISP charge) but excludes VAT and the Special Communication Tax.

Albania:

The costs comprise: ALL 2,400 for an Albtelcom customer using the Albtelcom ISP or ALL 2400 plus 1212.8 for PSTN usage and an alternative ISP.

Montenegro:

The prices are for residential users. The ISP price depends only on the category of user: for residences 40 hours = €9.80 (including VAT) or for businesses 40 hours = €15.80 (including VAT). These are from T-Com, the largest ISP. Both residential and business users have several tariff packages available to them: 10, 20, 50 or 100 hours and unlimited monthly access. The PSTN price is for residential users at peak-time (07:00-19:00) €24.00 (40 x 60 x 0.01) at off-peak time (19:00-07:00) it would be: €12.00 (40 x 60 x 0.005) (Source: T-Com price list March 13, 2008. www.t-com-cg.com).

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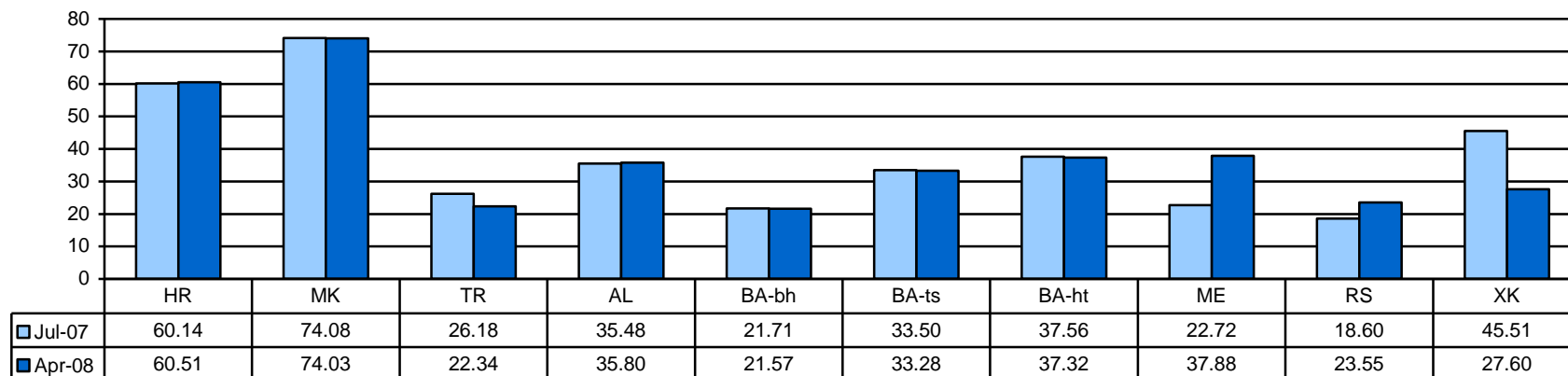


Figure 58 - 40 hours peak time use of Internet (2007-2008), in Euro

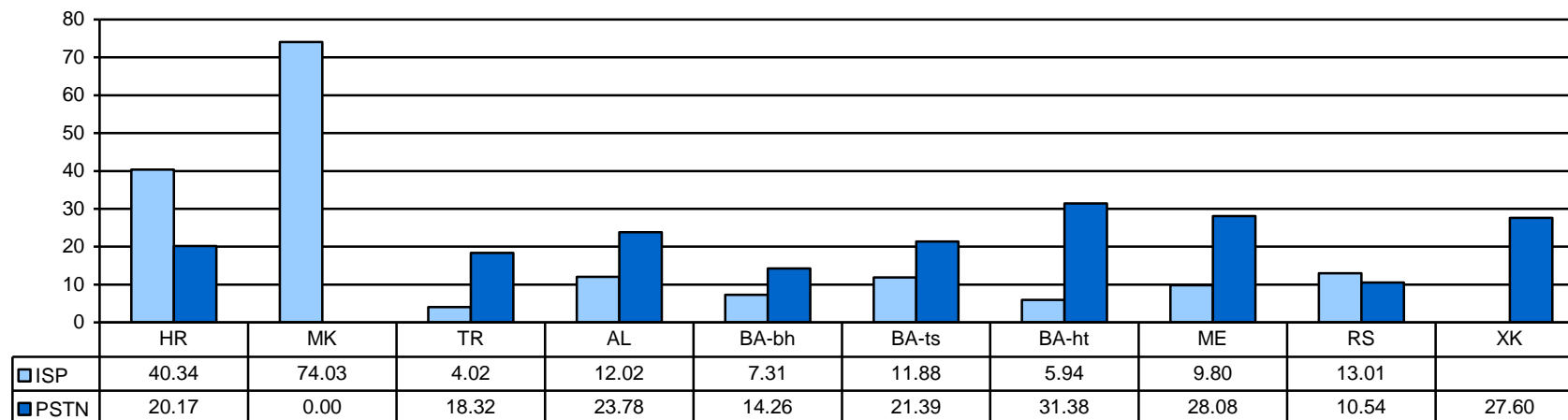


Figure 59 - 40 hours peak time use of Internet: PSTN/ISP charges, in Euro

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For twenty hours a similar range of prices can be seen in Table K.2. The cheapest is Serbia, while the most expensive are Bosnia & Herzegovina and Croatia.

Country	ISP charge		PSTN usage		Total	
	Euro	PPP	Euro	PPP	Euro	PPP
Croatia	10.09	16.16	5.04	8.08	15.13	24.24
FYROM	12.72	34.54		0.00	12.72	34.54
Turkey	8.10	15.38	4.58	8.71	12.68	24.09
Albania	4.09	8.83	9.51	20.54	13.60	29.37
Bosnia & Herzegovina / BH Telecom	11.72	25.92	3.57	7.89	15.28	33.81
Bosnia & Herzegovina / Telekom Srpska	7.31	16.17	7.13	15.78	14.44	31.94
Bosnia & Herzegovina / HT Mostar	2.97	6.57	9.27	20.51	12.24	27.08
Montenegro	5.94	14.15	7.02	16.71	12.96	30.86
Serbia	4.94	10.94	2.64	5.83	7.58	16.78
Kosovo	0.00	0.00	13.80	0.00	13.80	0.00

Table K.2 – Dial-up Internet access cost – 20 hours at off-peak time, in Euro

Notes:

FYROM: Off-peak is Monday to Friday 18:00 to 06:00 and on all day on weekends and national holidays. Prices are for the "Surfer 20" package excluding VAT.

Turkey: The ISP charge includes the monthly subscription fee (for the standard voice package, no additional ISP charge) and excludes VAT and the Special Communication Tax.

Montenegro: The prices are for residential users, in off-peak-time. The ISP price from T-Com is dependant only on user's category: residential users 20 hours = €4.90 (including VAT) or business users 20 hours = €7.90 (including VAT). Both residential and business users have a choice from several tariff packages: 10, 20, 50 or 100 hours and unlimited monthly access. Price is dependant only on traffic period: peak time (07:00-19:00) €12.00 (20 x 60 x 0.01) off-peak time (19:00-07:00) 6.00 EUR (20 x 60 x 0.005). Source: Pricelist of T-Com Montenegro, dated from 13.03.2008. (www.t-com-cg.com)

2. Broadband Internet access cost

Table K.3 shows the prices for the initial connection for broadband Internet access for both xDSL from the incumbent operator and for an alternative operator. This excludes any refundable deposits, modems, routers and other charges. Clearly any initial charges can be seen by consumers as a barrier to adoption or to switching from dial-up, therefore some service providers try to keep these costs low. In FYROM and for Hrvatska Telekom the fees are zero and effectively zero, while in Albania the charges are extremely high.

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Country	Incumbent DSL €	Alternative operator €	Alternative operator and technology
Croatia	22.59	0.11	OT-Optima telekom d.o.o.
FYROM	0.00	0.00	On Net DOO Skopje, ADSL over LLU
Turkey	10.40	10.76	Turksat A.S., Cable
Albania	57.80	85.00	ABCOM
Bosnia & Herzegovina / BH Telecom	5.08	5.08	Logosoft d.o.o. Sarajevo, DSL
Bosnia & Herzegovina / Telekom Srpske	15.24	0.00	
Bosnia & Herzegovina / HT Mostar	0.51	0.00	
Montenegro	25.64	0.00	M:Tel, Wi-Max
Serbia	0.01	0.00	PTT net, Verat net, EUNET, SBB; ADSL and cable Internet
Kosovo	8.70	0.00	Ipko, Cable

Table K.3 - One-off broadband connection charge (including VAT)

Having paid the initial charge, customer must then pay a flat-rate monthly fee as shown in Table K.4.

Country	Speed	Incumbent DSL €	Alternative operator €	Alternative operator and technology
Croatia	256 kbit/s		-	
	512 kbit/s		-	
	2 Mbit/s	8.92	7.68	OT-Optima telekom d.o.o.
FYROM	256 kbit/s	8.15	8.15	On Net, ADSL over LLU
		16.32		
		22.86		
	512 kbit/s	18.89		
		46.66		
		77.44		
	2 Mbit/s	-	17.81	On Net, ADSL over LLU
			24.34	
			24.34	

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Country	Speed	Incumbent DSL €	Alternative operator €	Alternative operator and technology
			51.47	
			97.21	
Turkey	256 kbit/s	N/A	3.59	Turksat A.S., Cable
	512 kbit/s	N/A	5.02	
	2 Mbit/s	17.58	7.18	
Albania	256 kbit/s	41.28	24.39	Abcom, ADSL - USB modem (own infrastructure to customer premises). Family package.
	512 kbit/s	82.57	32.56	Abcom, ADSL - modem router (own infrastructure to customer premises). Family package 384/128 kbps supporting up to three PCs.
	2 Mbit/s	123.85		
Bosnia & Herzegovina: BH Telecom	256 kbit/s	9.65	7.62	Logosoft d.o.o. Sarajevo, DSL
	512 kbit/s	12.70	12.70	Logosoft d.o.o. Sarajevo, DSL
	2 Mbit/s	22.86	22.86	Logosoft d.o.o. Sarajevo, DSL
Bosnia & Herzegovina: Telekom Srpske	256 kbit/s	12.70		
	512 kbit/s	25.40		
	2 Mbit/s	50.79		
Bosnia & Herzegovina: HT Mostar	256 kbit/s	9.65		
	512 kbit/s	14.73		
	2 Mbit/s	24.89		
Montenegro	256 kbit/s	-	-	
	512 kbit/s	-	12.82	M:Tel, Wi-Max
	2 Mbit/s	-	32.48	M:Tel, Wi-Max
Serbia	256 kbit/s	12.23	-	
	512 kbit/s	14.79	16.53	PTT net, Verat net, Eunet, SBB; ADSL and cable Internet
	2 Mbit/s	29.58	36.74	PTT net, Verat net, Eunet, SBB; ADSL and cable Internet
Kosovo	256 kbit/s	7.39	-	Ipko
	512 kbit/s	13.04	13.00	
	2 Mbit/s	39.13	21.69	

Table K.4 - Broadband Internet monthly subscription (including VAT)

Notes:

FYROM:

Prices are for the "Surfer 20" package, excluding VAT. Off-peak is 18:00 to 06:00 weekdays and all day weekends and national holidays.

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Turkey:

The ISP charge includes monthly subscription fee (for the standard voice package, no additional ISP charge) and excludes VAT and the Special Communication Tax. 256bit/s and 512kbit/s services are not provided by TTNNet (subsidiary of Türk Telekom) at the retail level. The min. speed offered by the incumbent is 1 Mbit/s.

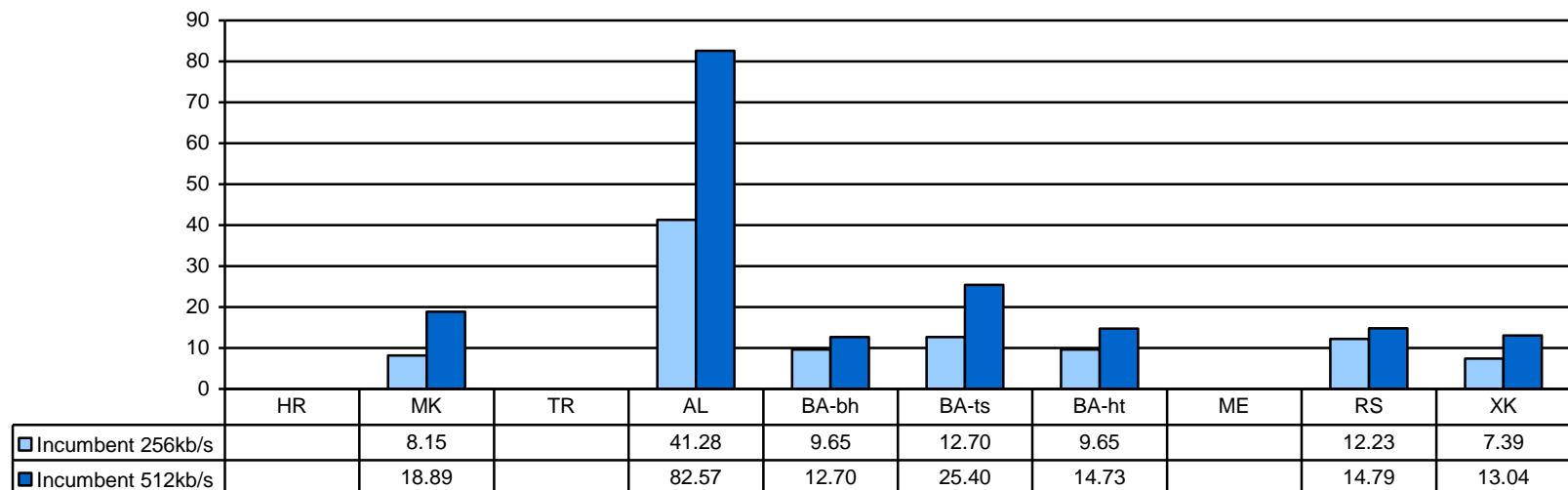


Figure 60 – ADSL monthly subscription charges, in Euro

Note:

Croatia: The incumbent operator does not offer 256kbit/s or 512 kbit/s. The price for 2Mbit/s is €8.92 per month, which compares quite favourably with the price of the lower speed offerings in other countries.

L. Wholesale tariffs

The information in this section has a reference date of April 1, 2008, unless stated otherwise.

1. Call termination on incumbent and alternative operators' fixed networks

The local level interconnection tariffs for termination on the incumbents' networks are reasonably aligned with, although slightly higher than, the EU average.

Country		Local, €				Single transit, €				Double transit, €			
		Peak		Off-peak		Peak		Off-peak		Peak		Off-peak	
		setup	Per min.	setup	Per min.	setup	Per min.	setup	Per min.	setup	Per min.	setup	Per min.
Croatia		0.0021	0.0077	0.0010		0.0021	0.0131	0.0010	0.0065	0.0021	0.0171	0.0010	0.0085
FYROM		0.0000	0.0070	0.0000		0.0000	0.0103	0.0000	0.0069	0.0000	0.0144	0.0000	0.0095
Turkey		N/A	N/A	N/A	N/A	0.0000	0.0082	0.0000	0.0082	0.0000	0.0129	0.0000	0.0129
Albania		0.0003	0.0102	0.0003	0.0102	0.0005	0.0179	0.0005	0.0179	0.0007	0.0217	0.0007	0.0217
Bosnia & Herzegovina	BH Telecom	0.0000	0.0099	0.0000	0.0050	0.0000	0.0149	0.0000	0.0074	0.0000	0.0203	0.0000	0.0102
	Telekom Srpske	0.0000	0.0099	0.0000	0.0083	0.0000	0.0149	0.0000	0.0083	0.0000	0.0203	0.0000	0.0203
	HT Mostar	0.0000	0.0099	0.0000	0.0074	0.0000	0.0149	0.0000	0.1117	0.0000	0.0203	0.0000	0.0152
Montenegro		0.0000	0.0225	0.0000	0.0225	0.0000	0.0270	0.0000	0.0270	N/A	N/A	N/A	N/A
Serbia		0.0036	0.0140	0.0018	0.0070	0.0036	0.0224	0.0018	0.0112	0.0036	0.0350	0.0018	0.0175
Kosovo		0.0000	0.0200	0.0000	0.0200	0.0000	N/A	0.0000	N/A	0.0000	N/A		N/A

Table L.1 - Call termination on the incumbent operator's fixed network (fixed to fixed)

Notes:

Turkey: The figures are from the "Standard Reference Interconnection Charges" determined by the NRA. They are to be inserted into the RIO of the incumbent operator and will be used in the resolution of any disputes.

Montenegro: Prices exclude VAT. There are no peak and off-peak times. The price per minute is paid by other operators to the fixed incumbent operator (T-Com). There are no setup charges for any type of call termination, only the price per minute. Double transit is not available, because of the hierarchical structure of the incumbent operator's network. (Source: T-Com Montenegro RIO April, 2008 www.t-com-cg.com).

Serbia: The interconnection agreements between mobile and fixed operators are commercial in confidence.

Figure 61, Figure 62 and

Figure 63 present the termination prices in the fixed network of the incumbent operator. These charts include the additional information on the termination charges for traffic from the mobile operators for those countries where this information is available. According to the EU framework, the termination charges should be the same regardless of the originating network. The graph shows that this is the case for FYROM, Montenegro, Serbia and Kosovo. For Albania, the tariffs are different for local and single transit termination as the mobile operators always pay the double transit charge.

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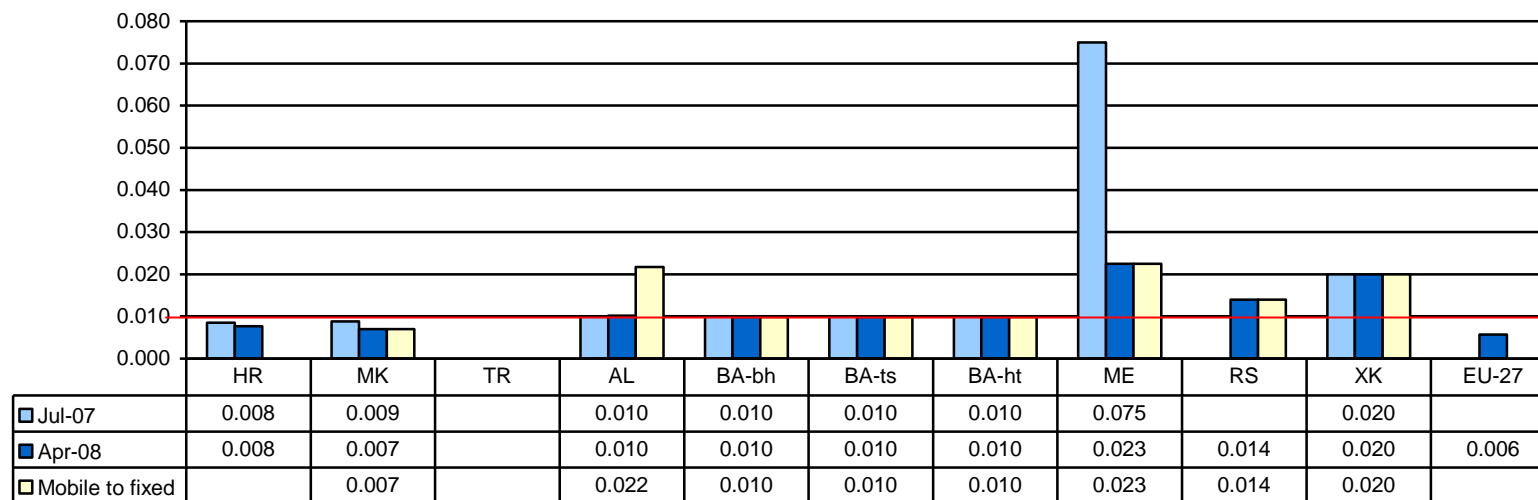


Figure 61 - Fixed incumbent local termination in peak hours, in Euro

Notes:

The EU-27 average is taken from the 13th Implementation Report of the European Commission, March 2008.

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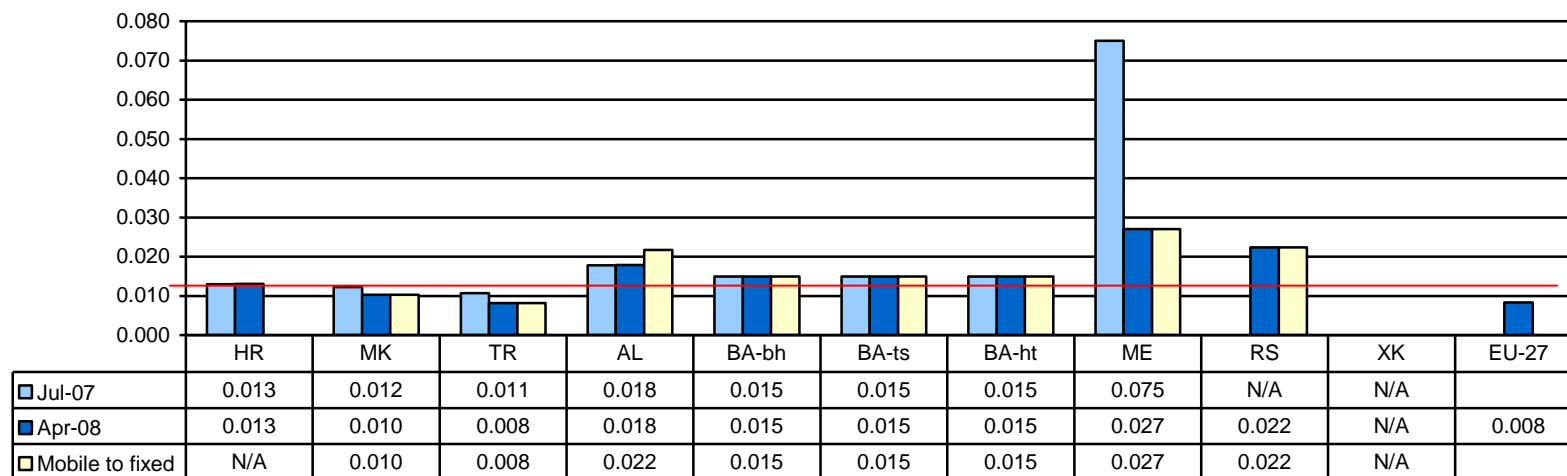


Figure 62 - Fixed incumbent single transit termination in peak hours, in Euro

Notes:

The EU-27 average is taken from the 13th Implementation Report of the European Commission, March 2008.

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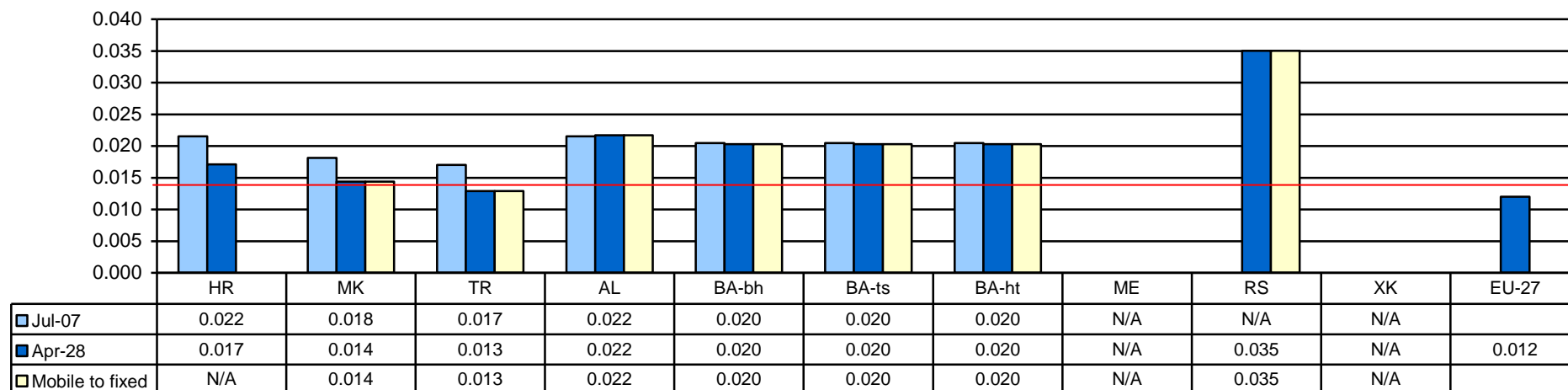


Figure 63 - Fixed to fixed incumbent double transit termination in peak hours, in Euro

Notes: The EU-27 average is taken from the 13th Implementation Report of the European Commission, March 2008.

Table L.2 presents the information on call termination charges in the largest alternative fixed network. This information is not available from all countries, either because it is seen as confidential information or simply because there is no alternative fixed network.

Country	Local, €				Single transit, €				Double transit, €			
	Peak		Off-peak		Peak		Off-peak		Peak		Off-peak	
	Setup	Per min.	Setup	Per min.	Setup	Per min.	Setup	Per min.	Setup	Per min.	Setup	Per min.
Croatia	0.0000	0.0110	0.0000	0.0055	0.0000	0.0110	0.0000	0.0055	0.0000	0.0110	0.0000	0.0055
FYROM	-	-	-	-	-	-	-	-	-	-	-	-
Turkey	-	-	-	-	-	-	-	-	-	-	-	-
Albania	0.0007	0.0248	0.0007	0.0248	0.0007	0.0248	0.0007	0.0248	0.0007	0.0248	0.0007	0.0248
Bosnia & Herzegovina	-	-	-	-	-	-	-	-	-	-	-	-
Montenegro	0.0000	0.0300	0.0000	0.0300	0.0000	0.0300	0.0000	0.0300	N/A	N/A	N/A	N/A
Serbia	-	-	-	-	-	-	-	-	-	-	-	-
Kosovo	-	-	-	-	-	-	-	-	-	-	-	-

Table L.2 - Call termination on the largest alternative network (fixed-to-fixed)

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Notes:

FYROM: The operator has submitted completed interconnection agreements to the NRA on a confidential basis.

Turkey: There are no alternative networks.

Albania: For mobile-to-fixed termination, Albtelecom and the alternative local and regional operators have only a single point of interconnection, consequently the charge is not dependant on the segment (local, single or double). Albtelecom applies a single price to mobile and to fixed operators. The only exception is one alternative operator active in urban areas that has agreed with Albtelecom on a local termination charge for those urban areas at ALL 1.50.

Montenegro: Prices exclude VAT, with differences between peak and off-peak times. There are no setup charges for any type of call termination, only a price per minute to be paid to alternative fixed operator (M:Tel). Double transit is not available, because of the hierarchical structure of the network. (Source: Interconnection agreement between T-Com and M:Tel.)

Figure 64 below makes a comparison between the termination cost of the fixed network of the incumbent operator and the fixed network of the largest alternative operator for those countries where this information is available. For Albania and Montenegro, the termination cost of the incumbent operator is always higher than the corresponding rate of the incumbent and the rates do not distinguish between local, single and double transit. The rate is always the same. This is also the case for Croatia, but here the termination rate of the alternative operator is lower than that of the incumbent for single and double transit.

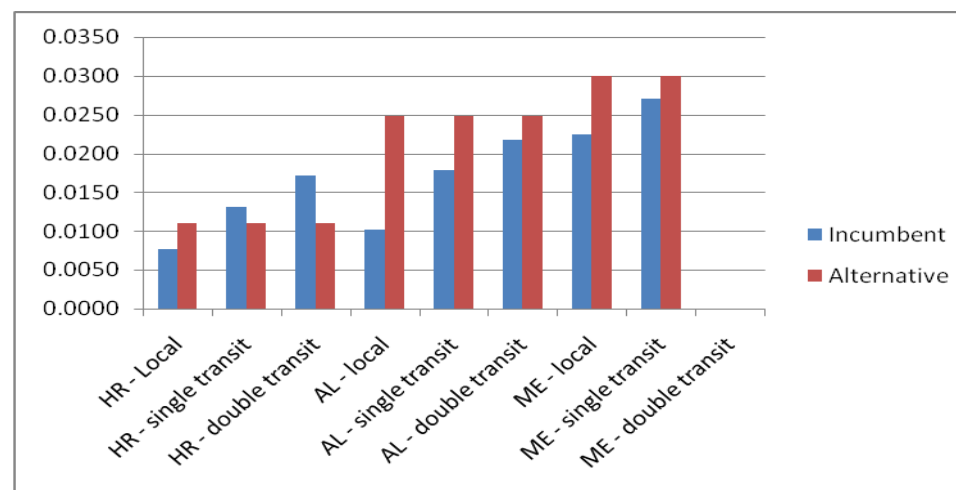


Figure 64 – Termination in the incumbent’s and the alternative operator’s fixed network, in Euro

Table L.3 below presents the corresponding termination rates if the call originates in a mobile network. The termination rates are the same as for termination from a fixed network in Albania and Montenegro. In the case of Croatia, the termination rates are somewhat higher if the traffic originates in a mobile network and there are also different rates for different mobile networks.

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Country		Local, €				Single transit, €				Double transit, €			
		Peak		Off-peak		Peak		Off-peak		Peak		Off-peak	
		Setup	Per min.	Setup	Per min.	Setup	Per min.	Setup	Per min.	Setup	Per min.	Setup	Per min.
Croatia	T-Mobile	0.0021	0.0131	0.0010	0.0065	0.0021	0.0131	0.0010	0.0065	0.0021	0.0131	0.0010	0.0065
Croatia	VIP and Tele2	0.0000	0.0193	0.0000	0.0096	0.0000	0.0193	0.0000	0.0096	0.0000	0.0193	0.0000	0.0096
FYROM		-	-	-	-	-	-	-	-	-	-	-	-
Turkey		-	-	-	-	-	-	-	-	-	-	-	-
Albania		0.0007	0.0248	0.0007	0.0248	0.0007	0.0248	0.0007	0.0248	0.0007	0.0248	0.0007	0.0248
Bosnia & Herzegovina		-	-	-	-	-	-	-	-	-	-	-	-
Montenegro		0.0000	0.0300	0.0000	0.0300	0.0000	0.0300	0.0000	0.0300	N/A	N/A	N/A	N/A
Serbia		-	-	-	-	-	-	-	-	-	-	-	-
Kosovo		-	-	-	-	-	-	-	-	-	-	-	-

Table L.3 - Call termination on the largest alternative fixed operator (mobile to fixed)

Notes:

FYROM:

The operator submitted completed interconnection agreements to the NRA on a confidential basis.

Turkey:

There are no alternative networks.

Albania:

For termination mobile-to-fixed operators (Albtelecom and Alternative -local and regional) the charge is not dependant on the segment (local, single or double). Operators have only one POI between them. The charge applied for Albtelecom (alternative)-fixed termination is also not dependent on the segment of termination, and is just one tariff applied the same as mobile to fixed.

Montenegro:

Prices are without VAT (17%) and there are differences between peak and off-peak times. The price per minute is paid by the other operator to the alternative fixed operator (M:Tel). There are no setup charges for any type of call termination, only price per minute charges to be paid to alternative fixed operator. Double transit is not available, because of the hierarchical structure of the alternative fixed operator's network. (Source: Interconnection agreement between T-Com Montenegro and M:Tel.)

Serbia:

There are no alternative networks.

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2. Call termination on mobile networks – all mobile operators

Table L.4 below presents the termination rates of the mobile operators for all countries where this information is available.

Country	Operator	Peak, €		Off-peak, €	
		setup	per min.	setup	per min.
Croatia	T-Mobile Hrvatska	0.0000	0.1083	0.0000	0.1083
	VIPnet	0.0000	0.1083	0.0000	0.1083
	Tele2	0.0000	0.1240	0.0000	0.0620
FYROM	T-Mobile	0.0000	0.123	0.0000	0.049
	Cosmofon	0.0000	0.123	0.0000	0.049
	VIP Operator	0.0000	0.123	0.0000	0.049
Turkey	Turkcell	0.0000	0.0434	0.0000	0.0434
	Vodafone	0.0000	0.0453	0.0000	0.0453
	Avea	0.0000	0.0534	0.0000	0.0534
Albania	AMC	0.0037	0.1259	0.0037	0.1259
	Vodafone Albania	0.0037	0.1259	0.0037	0.1259
	Eagle Mobile	0.0042	0.1404	0.0042	0.1404
Bosnia & Herzegovina	BH Telecom	0.0000	0.1371	N/A	N/A
	Telekom Srpska	0.0000	0.1295	N/A	N/A
	Hrvatska Telekom	0.0000	0.1371	N/A	N/A
Montenegro	ProMonte	0.0000	0.1000	0.0000	0.1000
	T-Mobile	0.0000	0.1000	0.0000	0.1000
	M:Tel	0.0000	0.1000	0.0000	0.1000
Serbia	mts	0.0000	0.0600	0.0000	0.0600
	Telenor	0.0000	0.0600	0.0000	0.0600
	Vip Operator	0.0000	0.0600	0.0000	0.0600
Kosovo	Vala	0.0000	0.1250	0.0000	0.0625
	Ipko	0.0000	0.1280	0.0000	0.1130

Table L.4 – Call termination on all mobile networks from a fixed network

Notes:

Bosnia & Herzegovina: The termination rates are those that apply when the traffic has been originated in the fixed network that belongs to the owner of the mobile network. This fixed operator represents the incumbent operator in the corresponding region.

Figure 65 below presents the development in the termination costs in mobile networks from July 2007. Where mobile operators in a country have different termination rates, the lowest rate is presented in the chart. Significant reductions have taken place in Turkey, Montenegro and Serbia.

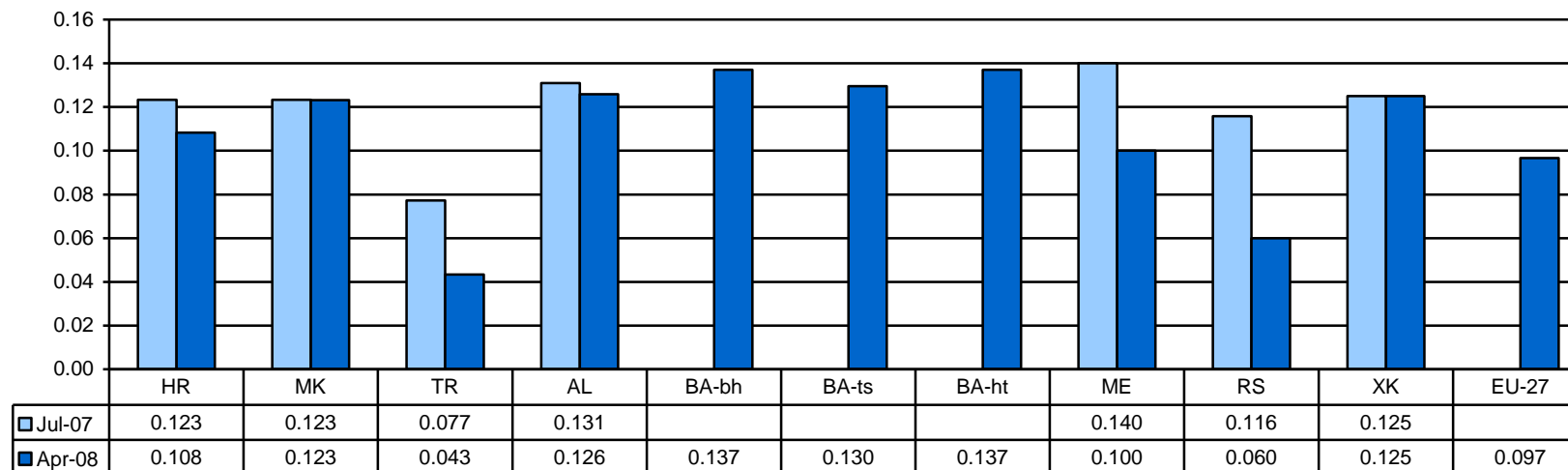


Figure 65 - Fixed to mobile termination, in Euro

Notes:

FYROM: In April 2008 the NRA approved RIOs for T-Mobile and Cosmofon, being operators with SMP on Market 16. The operators appealed against the decision of the Director, which will be heard before the NRA Commission. As yet, there is no final of the Commission, with the proposed prices for call termination having been kept confidential.

Turkey: The figures are the Standard Reference Interconnection Charges determined by the NRA. They are to be inserted to the RIOs of the mobile operators and will be used in the resolution of any disputes.

The EU-27 average is taken from the 13th Implementation Report of the European Commission, March 2008.

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Table L.5 below presents the termination rates that are applied by mobile operators when calls have been originated in another mobile network.

Country	Operator	Peak, €		Off-peak, €	
		setup	per min.	setup	per min.
Croatia	T-Mobile Hrvatska	0.0000	0.1083	0.0000	0.1083
	VIPnet	0.0000	0.1083	0.0000	0.1083
	Tele2	0.0000	0.1240	0.0000	0.0620
FYROM	T-Mobile	0.0000	0.0618	0.0000	0.0618
	Cosmofon	0.0000	0.0618	0.0000	0.0618
	VIP Operator	0.0000	0.1268	0.0000	0.0471
Turkey	Turkcell	0.0000	0.0434	0.0000	0.0434
	Vodafone	0.0000	0.0453	0.0000	0.0453
	Avea	0.0000	0.0534	0.0000	0.0534
Albania	AMC	0.0037	0.1259	0.0037	0.1259
	Vodafone Albania	0.0037	0.1259	0.0037	0.1259
	Eagle Mobile	0.0042	0.1404	0.0042	0.1404
Bosnia & Herzegovina	BH Telecom	0.0000	0.1554	N/A	N/A
	Telekom Srpska	0.0000	0.1468	N/A	N/A
	Hrvatska Telekom	0.0000	0.1554	N/A	N/A
Montenegro	ProMonte	0.0000	0.1000	0.0000	0.1000
	T-Mobile	0.0000	0.1000	0.0000	0.1000
	M:Tel	0.0000	0.1000	0.0000	0.1000
Serbia	mts	0.0000	0.0000	0.0000	0.0000
	Telenor	0.0000	0.0000	0.0000	0.0000
	Vip Operator	0.0000	0.0000	0.0000	0.0000
Kosovo	Vala	0.0000	0.0680	0.0000	0.0600
	Ipko	0.0000	0.1280	0.0000	0.1130

Table L.5 – Call termination on all mobile operators – from another mobile network

Notes:

FYROM:

In April 2008 the NRA approved RIOs for T-Mobile and Cosmofon, being operators with SMP operators on Market 16. The operators submitted an appeal against the decision of the Director to be heard before the NRA Commission. Since, as yet, there is no final of the Commission, the new prices for call termination in mobile networks in T-Mobile and Cosmofon have not been made public.

Turkey:

The figures reflect the Standard Reference Interconnection Charges determined by the NRA. They are to be inserted to the RIOs of the mobile operators and to be used in any procedures to resolve disputes

M. Information society statistics

1. Computer and Internet usage by individuals

The percentage of individuals regularly using the Internet is policy indicator A.2 of the eEurope 2005 benchmarking framework

- population is defined as being from 16 to 74 years
- regularly is defined as at least weekly
- usage includes all locations and methods of access
- eEurope analyses used background variables of age, gender, employment status and education level
- i2010 benchmarking framework added bandwidth as a variable

Table M.1 provides data on computer and Internet usage by individuals.

Country	Individuals regularly using computers (%)			Individuals regularly using the Internet (%)			Comments (different data definition, date of survey)
	Total	Female	Male	Total	Female	Male	
Croatia	N/A	N/A	N/A	N/A	N/A	N/A	The Central Bureau of Statistics plans to collect these data by the end of the 2008.
FYROM	37.07	29.16	44.90	25.78	19.46	32.05	Survey of April 2007, asking for persons aged 15-74 that used computers/Internet at least weekly within the last three months.
Turkey	29.46	20.92	37.88	26.67	18.47	34.76	Survey of July 2007, usage within the last three months.
Albania	N/A	N/A	N/A	[14.98]	N/A	N/A	The figure is not based on a survey asking for regular usage, but on the estimated number of Internet users in 2007 (471,200) in relation to the whole population.
Bosnia & Herzegovina	[36,47]	N/A	N/A	[27.25]	N/A	N/A	Estimation based on various sources (statistical institutes in BiH, studies of WB, UNDP and EC and some NGOs, i.e. BAIT, BHIST)
Montenegro	[44.5]	[46.6]	[42.4]	N/A	N/A	N/A	Source: ISSP ICT Survey December 2007 The table shows the answers on the question "Are you a PC user", without reference to a certain period The survey also asked "Do you use the Internet": 33.4% yes, 16.1% no, 50.6% no answer

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Country	Individuals regularly using computers (%)			Individuals regularly using the Internet (%)			Comments (different data definition, date of survey)
	Total	Female	Male	Total	Female	Male	
Serbia	33.6 Eurostat: 41	29.4 Eurostat: 37	39.2 Eurostat: 46	23.9 Eurostat: 26	-	-	Survey of December 2006, usage within last three months. Source: Statistical Office. Eurostat data of 2007
Kosovo	30	22	38	23	17	29	Estimation based on subscriber numbers of the main ISPs and surveys of the Riinvest Institute.

Table M.1 – Computer and Internet usage by individuals

2. Computer and Internet usage by enterprises

Table M.2 provides data on computer and Internet usage by enterprises, as collected by national statistics institutes and, where available, grouped by the size of the enterprises. Indicator B.1 of the eEurope 2005 benchmarking framework asks for the percentage of persons employed using computers connected to the Internet, in their normal work routine. However, these data are generally not collected in South-East Europe. Instead, the table includes:

- percentage of enterprises using computers;
- percentage of enterprises having access to the Internet (eEurope indicator B.2); and
- comments, in particular on the date of the survey and eventually different data definitions.

Country	Percentage of enterprises using computers (by number of employees)				Percentage of enterprises having access to the Internet (by number of employees)				Comments (different data definition, date of survey)
	Total (10+)	10-49	50-249	250+	Total (10+)	10-49	50-249	250+	
Croatia	97.0	96.0	100.0	100.0	93.0	92.0	98.0	100.0	Survey 2007. Source: Eurostat
FYROM	90.7	88.6	97.4	100.0	73.3	70.1	81.9	97.4	Survey 2007.
Turkey	87.8	86.1	96.3	99.8	80.4	78.0	92.3	99.2	Survey 2005. See comment below.
Albania	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	A survey conducted in December 2007 by IDRA showed that 84% of big business companies have access to the Internet.

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Country	Percentage of enterprises using computers (by number of employees)				Percentage of enterprises having access to the Internet (by number of employees)				Comments (different data definition, date of survey)
	Total (10+)	10-49	50-249	250+	Total (10+)	10-49	50-249	250+	
Bosnia & Herzegovina	[85]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Estimation based on several sources.
Montenegro	92.9	N/A	N/A	N/A	90.5	N/A	N/A	N/A	Data are based on ISSP ICT Survey, December 2007.
Serbia	97.3 Eurostat: 92	96.7 Eurostat: 90	98.7 Eurostat: 98	100 Eurostat: 100	90.2 Eurostat: 87	89.7 Eurostat: 86	90.9 Eurostat: 86	94.1 Eurostat: 94	Survey of December 2006, usage within last three months (source Statistical Office – Usage of ICT in Republic of Serbia)Eurostat data of 2007
Kosovo	87.4	86.0	95.6	99.0	78.1	77	92.3	98.3	Survey made by Riinvest, Ministry of Transport and Telecommunications

Table M.2 – Computer and Internet usage by enterprises

Notes:

Turkey: The data collection of 2007 community survey on ICT usage and e-commerce in enterprise was finished at the end of December 2007. The quality controls, which were made by telephone interviews, detected measurement errors for some questions. TURKSTAT is not planning to publish and disseminate the results for the year 2007 for the present. TURKSTAT will decide on dissemination after comparing the 2007 results with the results of the year 2008 survey period.

3. Body responsible for Information society statistics

Table M.3 shows body, whether the national statistics institute or another organisation, that collects and publishes data on information society indicators. The indicators were defined in the Council Resolution of February 18, 2003 on the implementation of the eEurope 2005 Action Plan and further developed under the i2010 Benchmarking Framework, in particular on:

- supply and demand of e-government, e-learning and e-health services;
- buying and selling online; and
- ICT skills and Internet users' experience regarding ICT security.

Country	Responsible body for information society statistics	Short description of available statistical data, URL
Croatia	Central Bureau of Statistics https://www.dzs.hr/	No information society statistics available, besides Eurostat data on the use of information technologies in enterprises

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Country	Responsible body for information society statistics	Short description of available statistical data, URL
FYROM	Statistical Office of the Republic of Macedonia http://www.stat.gov.mk/	Use of information technologies in households Use of information technologies in enterprises
Turkey	Turkish Statistical Institute (TURKSTAT) http://www.turkstat.gov.tr/	Use of information technologies in households (computer and Internet usage by gender and age group, by education level and by labour force status, also separately for rural and urban areas) Use of information technologies in enterprises (computer usage and Internet access grouped by economic activity and size of the company, data on the type of Internet connection, on the purpose of Internet usage and the proportion of enterprises which have a website) http://www.turkstat.gov.tr/VeriBilgi.do?tb_id=60&ust_id=2
Albania	Institute of Statistics (INSTAT) http://www.instat.gov.al/	No information society statistics available
Bosnia & Herzegovina	Agency for Development of the Information Society of BiH (ARID), to be established	No information society statistics available
Montenegro	Secretariat for Development http://www.rsr.cg.yu/ Institute for Strategic Study and projects (ISSP) http://www.isspm.org/	See comment below Annual ICT surveys on usage of computers, telephony and Internet access, e-education, e-commerce, e-government and other information society topics
Serbia	Statistical Office of the Republic of Serbia http://webrzs.statserb.sr.gov.yu/	Use of information technologies in households Use of information technologies in enterprises
Kosovo	Telecommunication Regulatory Authority (TRA) http://www.art-ks.org/ Statistical Office of Kosova http://www.ks-gov.net/esk/	No information society statistics available

Table M.3 – Body responsible for Information society statistics

Notes:

Albania: AKEP (former TRE) and MPPTT have some market data of the electronic communications markets.

Bosnia & Herzegovina: According to strategic documents for the development of the information society of BiH (Policy for Development of the Information Society of BiH, Strategy for Development of the Information Society of BiH and Action Plan for Development of the Information Society of BiH), the responsible body for information society statistics shall be the Agency for Development of the Information Society of BiH (ARID). ARID has not been established yet, but a Law for the Agency for Development of the Information Society of BiH has been drafted. The statistical institutes will be in charge for data collection, ARID will be focal point to distribute and follow up the final reports.

Montenegro: MONSTAT is the governmental statistics office, but does not collect data on information society statistics. The Secretariat for Development is the key institution of the Information society issues, including the collecting of data regarding the reports requested.

N. Network and information security

To address security challenges to the information society, the European Union institutions have developed three main lines of action:

- the regulatory framework on electronic communications requires providers of publicly available electronic communications services to safeguard the security of their services and addresses specific questions such as spam and cookies (Directive on Privacy and Electronic Communications);
- the fight against cybercrime, through the adoption of a framework decision (which echoes the Council of Europe Convention on Cybercrime) and initiatives specifically aimed at protecting minors; and
- specific network and information security measures.

This last line of action is achieved through the development of an EU strategy for a secure information society, a dialogue with stakeholders and the setting up of the European Network and Information Security Agency (ENISA) whose tasks include the collection of information, the analysis of current and emerging network risks, the development of common methodologies and the promotion of exchanges of best practices as well as methods of alert.

1. Network security obligations

Table N.1 shows the:

- legal provisions obliging providers to safeguard the security of their services (see Article 4, Privacy Directive);
- the classes of providers obliged by these provisions (publicly available electronic communications services – PECS, publicly available telephone services – PATS or other definition); and
- the national body or bodies responsible for supervision (for example the NRA, the data protection authority, a body responsible for disaster prevention, a body responsible for network security or several of such bodies).

Country	Legal provisions on security of electronic communications services	Scope of obliged providers	Body/bodies responsible for supervision
Croatia	Article 105, Telecommunications Act (until June 30, 2008)	Providers of public telecommunications services	NRA
	Article 99, Electronic Communications Act (since July 1, 2008)	Providers of public communications services	NRA
FYROM	Article 110, Law for Electronic Communications Law for personal data protection, adopted in January 2005	Operators of public communications networks and service providers of communications services	NRA is responsible for technical measures. Data privacy protection for end consumers is a responsibility of a newly established Directorate for personal data protection.

Country	Legal provisions on security of electronic communications services	Scope of obliged providers	Body/bodies responsible for supervision
Turkey	Articles 6 and 7, By-law on Personal Information Processing and Protection of Privacy in the Telecommunications Sector	Providers of telecommunications services for profit	NRA
	By-law on Security of Electronic Communications (since July 20, 2008), see note	Equity companies which provide electronic communications networks and/or services	NRA
Albania	Article 22, Law on Telecommunications (until June 25, 2008)	Public telecommunications operators	NRA
	Article 122, Law on Electronic Communications (since June 26, 2008)	Providers of public electronic communications networks and services	NRA
Bosnia & Herzegovina	Article 5, Law on Communications	Providers of public telecommunications services and networks	NRA
Montenegro	Article 66, Law on Telecommunications	Providers of public telecommunications networks and services	NRA
	Art. 112 of Law on Electronic communication (adopted by Parliament on July 29, 2008)	Providers of public communications networks and services	NRA
Serbia	Article 54, Telecommunications Law	Public telecommunications operators	NRA
Kosovo	Article 43, Telecommunications Law	Providers of public telecommunications services	NRA

Table N.1 - Network security obligations

2. Cybercrime

The main EU actions on the fight against cybercrime have been:

- Council Framework Decision of February 24, 2005 on attacks against information systems that provides that committing, commissioning, attempting, instigating or abetting the following acts, intentionally and unlawfully, is a criminal offence:
 - accessing the whole or part of an information system (i.e. 'hacking');
 - interfering with an information system (such as the sending of viruses or 'denial of service attacks') seriously to interrupt or hinder its functioning;
 - interfering with computer data (e.g., alteration, deletion or damaging of data) on an information system (even in the absence of damage to a person).

NB. This framework decision echoes the Council of Europe Convention on Cybercrime, which also covers other computer-related offences and some traditional offences that take place over networks as well as procedural measures and measures on international cooperation.

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- other more specific regulatory initiatives, in particular to fight sexual exploitation of children and child pornography including through computer systems (Framework Decision 2004/68), and to fight fraud and counterfeiting of non-cash means of payment (Framework Decision 2001/413).
- policy initiatives, for example, to address new forms of cybercrime (e.g., identity theft) and improve cross-border enforcement cooperation.

Table N.2 shows:

- whether the country has ratified and transposed into national legislation the Council of Europe Convention on Cybercrime;
- whether national legislation considers attacks against information systems as criminal offences;
- whether national legislation considers other computer related acts as criminal offences; and
- the policy framework on the fight against cybercrime, and the main lines of that policy.

Country	Ratification of Council of Europe Convention on Cybercrime	Are attacks against information systems considered as criminal offences?	Are other computer-related acts considered criminal offences?	Policy framework on the fight against cybercrime
Croatia	Yes, on July 8, 2002 (Official Gazette 9/2002)	Yes, in the Criminal Code: <ul style="list-style-type: none"> • illegal access and interception (art. 223 para. 1) • systems interference (art. 223 para. 2) • data interference (art. 223 para. 3) 	Yes, in the Criminal Code: <ul style="list-style-type: none"> • child pornography (art. 196) • computer forgery (art. 223a) • computer fraud (art. 224a) • the provisions on copyright do not explicitly refer to computer related acts but include all forms of communicating works to the public (art. 229ff). 	No explicit policy framework
FYROM	Yes, on June 16, 2004 Ratification of the Protocol to the Convention on cyber crime concerning the criminalization of acts of racist and xenophobic nature committed through computer systems on July 5, 2005	Yes The Criminal Code considers as criminal offences: <ul style="list-style-type: none"> • illegal access to computer resources, • unauthorized use of computer data, • illegal use and multiplication of computer data, • illegal manipulation with computer data, • changing, damaging of data or programs, • introduction of viruses, • abuse of passwords. 	<ul style="list-style-type: none"> • Computer fraud (Article 251b) • Issuance of a bad cheque and abuse of credit cards (Article 274) • Violation of copyright and similar rights (Article 157) • Violation of the right of the distributor of a satellite signal with special protection (Article 157a) • Piracy of audio and visual work (Article 157b) • Piracy of a phonogram (Article 157c) • Production and distribution of child's pornography through a computer system (Article 193a). 	No explicit policy framework

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Country	Ratification of Council of Europe Convention on Cybercrime	Are attacks against information systems considered as criminal offences?	Are other computer-related acts considered criminal offences?	Policy framework on the fight against cybercrime
Turkey	No	<p>Yes</p> <ul style="list-style-type: none"> • illegal access (art. 243 para. 1 Penal Code) • illegal interception (Art. 243 para. 1 and Art. 132 Penal Code) • attacks against conditional access systems (Art. 243 para. 2 Penal Code) • system interference (Art. 244 para. 1 Penal Code) • data interference (Art. 244 para. 2 Penal Code) 	<p>Yes</p> <ul style="list-style-type: none"> • Under Penal Code: <ul style="list-style-type: none"> • Art. 158 and 245 (fight fraud and counterfeiting of non-cash means of payment), • Art. 163 (fights benefit from using telephone lines, frequencies and coded or uncoded broadcasts without consent of the owner or possessor); • Art. 226/3 (fights sexual exploitation of children through audio-visual and written means) is considered criminal offences. • Infringement of copyright and related rights (Art. 71, 72 and 73 of Law No. 5846 on intellectual and artistic works) • Turkey has adopted the Law numbered 5651 on May 23, 2007, which aims to fight with nine catalogue criminal offences committed through internet publications. These offences are provocation for committing suicide, sexual harassment of children, to incite the usage of drugs, to supply drugs which are dangerous for health, obscenity, prostitution, to provide place and opportunity for gambling and crimes determined in the Law on crimes against Atatürk. 	<p>Within the Acquis Alignment Programme of Turkey which was declared by the chief negotiator in 2007, the Ministry of Justice has been assigned to draft a specific Law on the fight against cybercrime.</p> <p>Additionally, the Information Society Strategy (2006-2010) and Action Plan includes a line on “internet security” with the following direction:</p> <ul style="list-style-type: none"> • Enactment of necessary regulations for a safe internet environment in order to increase the motivation of individuals towards ICT usage. With these regulations as well as training and awareness raising activities mental and physical healthcare of children, personal rights, family values and public order will be sustained.

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Country	Ratification of Council of Europe Convention on Cybercrime	Are attacks against information systems considered as criminal offences?	Are other computer-related acts considered criminal offences?	Policy framework on the fight against cybercrime
Albania	Yes, on June 20, 2002	Yes Interference in computer transmissions and programs (art. 192/b Penal Code)	No Amendments to the Penal Code are being drafted by the Ministry of Justice	On January 9, 2008 the Government approved a sector strategy of public order, with the following main items on cybercrime: <ul style="list-style-type: none"> to establish a special organisational unit to deal with cybercrime; to recruit officers with special knowledge on the field; and to improve the legislation in the field of cyber crime.
Bosnia & Herzegovina	Yes, in 2006	No provisions in the Penal Code	No provisions in the Penal Code	No explicit policy framework
Montenegro	Not ratified	Yes, in the Criminal Code <ul style="list-style-type: none"> data interference (art. 349) computer sabotage (art. 350) distribution of viruses (art. 351) unauthorised use (art. 353) disturbing electronic processing (art. 354) illegal access (art. 355) preventing access to networks (art. 356) 	Yes, in the Criminal Code: <ul style="list-style-type: none"> criminal offences against copyright (art. 234) computer fraud (art. 352) electronic distribution of child pornography covered by art. 211 	No explicit policy framework
Serbia	Not ratified	Yes Criminal Code: <ul style="list-style-type: none"> damaging computer data and programs (art. 298) computer sabotage (art. 299) creating and introducing computer viruses (art. 300) unauthorised access (art. 302) preventing or restricting access to a public computer network (art. 303) unauthorised use of a computer (art. 304) Law on Organisation and	Yes Criminal Code: <ul style="list-style-type: none"> computer fraud (art. 301) child pornography (art. 185) criminal offences against intellectual property (art. 198 to 202) Law on Organization and Competences of public Authorities for Fighting High Technology Crime (Official Gazette No. 61/05)	No explicit policy framework

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Country	Ratification of Council of Europe Convention on Cybercrime	Are attacks against information systems considered as criminal offences?	Are other computer-related acts considered criminal offences?	Policy framework on the fight against cybercrime
		Competences of public Authorities for Fighting High Technology Crime (Official Gazette No. 61/05)		
Kosovo	No, ratification is currently in first reading in Parliament	Yes <ul style="list-style-type: none"> Intrusion into computer systems, data interference (Article 264, Penal Code) Illegal access to information systems (Article 98, Law on information society services) Illegal interference with information systems (Article 99, Law on information society services) 	Child pornography will be addressed by a new law (Article 16, Draft law on prevention and fight of the cyber crime, June 2008)	No explicit policy framework

Table N.2 - National measures to fight against cybercrime

3. Bodies in charge for security policy

Table N.3 shows:

- the body (or bodies) responsible for network and information security policy, in particular for collection of information, the analysis of current and emerging network risks, the development of common methodologies and the promotion of exchanges of best practices as well as methods of alert;
- a short description of the body's responsibilities; and
- references to relevant policy documents, websites promoting security awareness or alert networks.

Country	Body/bodies responsible for network and information security policy	Description of responsibilities	Policy documents, websites, alert networks
Croatia	Office of the Council on National Security (UVNS)	<ul style="list-style-type: none"> Central state body responsible for information security Coordinate activities in implementation of measures and standards of information security Coordinate activities in classified and unclassified data exchange between Republic of Croatia and other countries and organizations 	

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Country	Body/bodies responsible for network and information security policy	Description of responsibilities	Policy documents, websites, alert networks
	Institute for Information Systems Security	<ul style="list-style-type: none"> • Central state body for technical aspects of information security in information systems of government bodies and legal entities • in charge of information systems security accreditations procedures 	
	National CERT in Croatian Academic and Research Network - CARNet	<ul style="list-style-type: none"> • National body for prevention and protection from computer threats to public information systems 	http://www.cert.hr/
FYROM	Not yet established		
Turkey	TR-CERT	<ul style="list-style-type: none"> • Public information security awareness activities via national information security portal • Technical training on information security (for public officials) • Consultancy to state institutions to establish Information Security Management System (ISMS) • Penetration tests for information technology systems of state institutions • Preparation of the policy document of "minimum security requirements for government information and information systems" (in progress) • Preparation of the policy document "security categorization for government information and information systems" (in progress) • International cooperation • Prepare guidance documents on information security (see www.bilgiguvenligi.gov.tr) • Design and implement the "Threat Monitoring System" (TMS) for national information systems (in progress) • Design and implement information security projects of state bodies (Government, Military) • Operate Turkish National CERT/CC (Coordination Center) (Entered into "accreditation candidate" status of "Trusted Introducer for CSIRTs in Europe" on March 2008) 	http://www.bilgiguvenligi.gov.tr/ (National Information Security Portal) http://www.tr-cert.gov.tr/ (National CERT Coordination Center)

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Country	Body/bodies responsible for network and information security policy	Description of responsibilities	Policy documents, websites, alert networks
Albania	Directorate for the Security of Classified Information (accountable to the Council of Ministers)	<ul style="list-style-type: none"> preparing policy documents, programs and procedures for securing information classified as “state secret” supervising the implementation of rules on classified information security; collecting data on classified information security proposing secondary legislation on security of classified information issues; collaboration with state institutions on information security issues 	<p>Law no. 8457 On Information Classified as State Secret, dated February 11, 1999</p> <p>Council of Ministers Decision no. 922, dated December, 19 2007, “On security of information classified “state secret”, that is produced, stored, processed and transmitted by communication systems (Infosec)”</p>
	Directorate of Encryption, which consists of two authorities under the auspices of the State Information Service: <ul style="list-style-type: none"> National authority of communications security National authority of detachment 	<ul style="list-style-type: none"> Safety and security of information classified as “state secret” in information networks, devices and transmission equipment 	
Bosnia & Herzegovina	No dedicated body responsible		
Montenegro	Secretariat for Development http://www.rsr.cg.yu/ Directorate of protection of secret data	<ul style="list-style-type: none"> Governmental institutions network 	
Serbia	The National Information Technology and Internet Agency to improve and monitor electronic government development, standardize the fields of ICT, ICT security and Internet use.	<ul style="list-style-type: none"> Improve and monitor electronic government development, standardize the fields of ICT, ICT security and Internet use. 	Strategy on Information Society Development in Serbia
Kosovo	Ministry of Public Services for Government Networks The NRA and the Ministry of Transport & Post-Telecommunication for public & telecom network	<ul style="list-style-type: none"> Prepare policy documents for the government Collect data on information security Public awareness activities Coordinate information security projects of state institutions 	

Table N.3 – Bodies responsible for network and information security policy

O. Electronic contracts and electronic signatures

1. Legal recognition

Table O.1 shows whether the legislation in South-East Europe has been adapted to recognise the conclusion of electronic contracts and whether electronic signatures are legally recognised. These questions are important pre-conditions to ensure the take-up of electronic commerce.

The Electronic Commerce Directive (2000/31/EC) requires Member States to remove any legal obstacles for the use of electronic contracts. This means that a contract cannot be deprived of legal validity on the ground that it has been made by electronic means. The Directive lists categories of contracts which would not automatically be legally valid and whose electronic conclusion could be restricted. These categories relate to contracts creating or transferring rights in real estate, requiring the involvement of courts or public authorities; of suretyship and collateral securities supplied by people acting for non-business purposes or that are governed by family law or by the law of succession.

The Electronic Signatures Directive (1999/93/EC) distinguishes between ordinary electronic signatures and ‘advanced electronic signatures’ that are based on ‘qualified certificates’ and created by a ‘secure signature-creation device’ (referred to in the table as ‘qualified electronic signatures’). The technical requirements of qualified electronic signatures are specified in the three annexes of the directive. They are based on public key cryptography, involving the intervention of ‘certification service providers’.

The Directive specifies that there is no automatic legal recognition of ordinary electronic signatures but that they cannot be denied legal effect or refused as evidence in courts solely on the grounds that they are in electronic format or because they are not ‘qualified signatures’.

Qualified electronic signatures on the other hand must be legally recognised as equivalent to hand-written signatures and be admissible in courts.

Country	Are there any regulatory obstacles to the conclusion of electronic contracts (if yes, specify type of problem)?	Are ordinary electronic signatures denied legal effect or refused as evidence in courts?	Are qualified electronic signatures recognised as equivalent to hand-written signatures?
Croatia	No The Croatian E-Commerce Act transposes the E-Commerce Directive.	No The Law on Electronic Signature (Official Gazette 10/2002) specifies some exclusions of the rule that electronic signature cannot be denied its legal effect. It also specifies that if any other law specifically prescribes that only hand-written signature can be accepted as legally effective an electronic signature has no legal power.	Yes
FYROM	No From a legal perspective there are no obstacles to concluding online contracts as the Law on Electronic Commerce (chapter 3) is based on the EU E-Commerce Directive.	No Art. 12 of Law on data in electronic form and electronic signature	Yes Art. 13 of Law on data in electronic form and electronic signature

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Country	Are there any regulatory obstacles to the conclusion of electronic contracts (if yes, specify type of problem)?	Are ordinary electronic signatures denied legal effect or refused as evidence in courts?	Are qualified electronic signatures recognised as equivalent to hand-written signatures?
Turkey	No However, according to Article 5 of Electronic Signature Law No. 5070 secure electronic signature shall not be applicable to legal proceedings subject to a special procedure or an official form pursuant to laws and warranty contracts. *	No Ordinary electronic signatures do not have the same effect as qualified electronic signature which are positive evidence. They are deemed under the scope of the judicial discretionary power. **	Yes According to Article 5 of Electronic Signature Law No. 5070 “A secure electronic signature shall have the same legal effect as that of a handwritten signature.”
Albania	No Article 5, Law no. 9880 on Electronic Signature recognises the electronic contract with a qualified electronic signature. Article 7 of the same Law excludes some contract types such as contracts regarding family and inheritance law which are under the control of other specific legislation; other legal acts which require a public legalisation, authorisation by a court or a notary act; legal acts related to guarantee about probation and when law prohibits the use of electronic form.	No	Yes Article 4, Law no. 9880 on Electronic Signature.
Bosnia & Herzegovina	No	No	Yes Article 5, Law of Electronic Signature
Montenegro	No	No	Yes
Serbia	No	No	Yes Article 10, Law on Electronic Signature ('Official Gazette No. 135/04)*
Kosovo	No	No	Yes Article 1 of Law on the information society services (1.1. This Law shall make electronic documentation legally equivalent to its traditional counterpart in paper format...) Art. 86 of Law on the information society services (86. Equal Treatment of Signature Technologies)

Table O.1 – Legal recognition of electronic contracts and signatures

Notes:

FYROM:

Law on data in electronic form and electronic signature: http://www.finance.gov.mk/gb/laws/law_on_data_in_electronic_form_and_electronic_signature.pdf

Link to Law on electronic commerce: http://www.sio.gov.mk/files/pdf/na_angliski/Law_on_%20e-Commerce_2007_REV_final.pdf

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- Turkey: *This Article creates an exception for special legal proceedings like contracts to be concluded under the custody of notaries or other public bodies.
 **With Article 23 of Electronic Signature Law No. 5070, the following 295/A article has been added to Article 295 of the Turkish Code of Civil Procedure numbered 1086: "Article 295/A – Electronic data that are generated with secure electronic signatures in accordance with procedures are equivalent to bill. These data are accepted positive evidence until the contrary is proved."
- Kosovo: Link to the Law on the Information Society Services: http://www.assembly-kosova.org/common/docs/ligjet/2005_02-L23_en.pdf The law was approved by Kosovo Parliament on July 22, and is applicable according to UNMIK Regulation nr. 2006/32 of May 8, 2006. This law includes the Law on electronic commerce, the Law on electronic signature, and the Data protection and privacy law.

2. Market access, supervision and accreditation

According to Article 3 of the Electronic Signatures Directive, Member States:

- shall not make the provision of certification services subject to prior authorisation;
- may introduce voluntary accreditation schemes aiming on enhanced levels certification-service provision; and
- shall ensure the establishment of a supervision scheme for certification-service providers issuing qualified certificates.

Table O.2 shows whether prior authorisation, a voluntary accreditation scheme and/or supervision have been established and which institutions are responsible.

Country	Is prior authorisation required?	Voluntary accreditation scheme established?	Supervision established?
Croatia	No	No	Yes Ministry of the Economy, Labour and Entrepreneurship
FYROM	Yes Article 16, Law on Data in Electronic Form and Electronic Signature , according which certification-service providers are required to notify their activities to the Ministry of Finance and register themselves at the Register of CAs, at least 30 days before starting provision of certification services	No	Yes Ministry of Finance http://www.finance.gov.mk
Turkey	No Electronic Certificate Service Providers shall notify Telecommunications Authority before commencing its operations according to Article 8, Electronic Signature Law No 5070.	No	Yes According to Article 15 of Electronic Signature Law No. 5070 "The supervision of Electronic Certificate Service Providers' operations and transactions regarding the implementation of this Law shall be fulfilled by the Telecommunications Authority"

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Country	Is prior authorisation required?	Voluntary accreditation scheme established?	Supervision established?
Albania	No Article 11, Law on Electronic Signature provides the registration and unregistration of the certification service provider by the national authority for electronic certification.	No	According to the Law on Electronic Signature, the national authority of electronic signature is depending on the Ministry of the Interior. This authority is under construction.
Bosnia & Herzegovina	Yes Article 7, Law on electronic signature requires certification-service providers to register their activities at the Supervision Body.	No	No According to article 20 of the Law on electronic signature, the office for accreditations and supervision (supervision body) shall be established in the Ministry authorised for information society (Ministry of Communications and Transport of BiH). It is expected that the office will be established up to the end of this year.
Montenegro	No	No	Yes Secretariat for Development
Serbia	Yes, for qualified electronic signatures Article 15, Electronic Signatures Act requires certification-service providers to register their activities at the Ministry of Telecommunication and Information Society.	No	Yes Ministry of Telecommunication and Information Society http://www.mtid.sr.gov.yu/
Kosovo	No Article 17, Law on The Information Society Services	No	No

Table O.2 – Market access for providers of certification services

3. Electronic signature market data

Table O.3 shows:

- certification service providers, which issue qualified certificates in the respective country;
NB. The table shows certification service providers, which are established in the respective country, as well as certification service providers, which are established in another country, but are active on the respective national market, for example by establishing a network of registration services, or by gaining a voluntary accreditation.
- available market data on usage of electronic signatures, in particular: number of valid qualified certificates and % of enterprises using electronic signatures.

Country	Certification service provider(s) issuing qualified certificates Name(s) and URL(s)	Data on usage of electronic signatures
Croatia	Financial agency (Fina) http://www.fina.hr/	N/A

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Country	Certification service provider(s) issuing qualified certificates Name(s) and URL(s)	Data on usage of electronic signatures
The former Yugoslav Republic of Macedonia	KIBS AD Skopje http://ca.kibs.com.mk/ Makedonski Telekom http://ca.mt.net.mk	N/A
Turkey	E – Güven Corp. http://www.e-guven.com/ TUBITAK UEKAE (NRIEC) http://www.kamusm.gov.tr/ TurkTrust Corp. http://www.turktrust.com.tr/ E – Tuğra Corp. http://www.e-tugra.com.tr/	14,000 traditional qualified electronic certificates 22,500 mobile qualified electronic certificates
Albania	No such providers	N/A
Bosnia & Herzegovina	No such providers	N/A
Montenegro	No such providers	e-Mon (http://www.emon24.net) issues non-qualified certificates that are used like qualified certificates, but only in closed systems of e-banking
Serbia	see note	N/A
Kosovo	No such providers	N/A

Table O.3 – Market data on electronic signatures

Notes:

Serbia: The regulation on technical-technological procedures and criteria for the creation of a qualified electronic signature was published in the Official Gazette on March 17, 2008. The registration procedure for certification service providers that issue qualified certificates signatures is ongoing.

P. Data protection and data retention

1. Protection of confidentiality of communications

According to Article 5 of the Privacy Directive, member states shall ensure the confidentiality of communications and the related traffic data through national legislation. In particular, they shall prohibit listening, tapping, storage or other kinds of interception or surveillance of communications and the related traffic data by persons other than users, without the consent of the users concerned, with the exception of lawful interception.

Table P.1 shows:

- legal provisions for the protection of confidentiality of communications;
- the scope of the protected communications: content of the communications and/or related traffic and location data;

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- whether the provisions only refer to interception by an operator and its staff or also to interception by third parties;
- which penalties are prescribed by the provision; and is interception considered a criminal offence, a misdemeanour or can intercepted persons only enforce the provision by a lawsuit under civil law.

Country	Legal provisions on confidentiality	Scope of protected communications: content and/or traffic data	Interception by operator/by third parties	Penalties
Croatia	Art. 106 Telecommunications Act (until June 30, 2008)	All data in telecommunication traffic	Interception by operator and interception by third parties	Misdemeanour (article 116a)
	Art. 100 Electronic Communications Act (since July 1, 2008)	All data in telecommunication traffic	Interception by operator and interception by third parties	Misdemeanour (article 119) The head of the legal entity will be fined with an amount from 20,000 to 100,000 HRK (€2,755 to €13,774). The person who broke the law will be fined with an amount from 10,000 to 50,000 HRK (€1,377€ to €6,887). It is possible to penalise the legal entity with the protective measure of prohibiting practice for 3 months to one year and for the person or responsible person in the legal entity the same measure for one to six months.
	Art. 131 of the Penal statute (O.G. 110/1997)	All data in telecommunication traffic	Interception by anyone	Criminal offence. The penalty can vary between a monetary fine and one year in prison. If the offence is done during performing official duties, the offender can be penalised with a sentence between one year and three years in prison.
FYROM	Articles 111 of the Law on electronic communications	<ul style="list-style-type: none"> • Content of communications • Traffic data and location data relating to communications • Unsuccessful attempts to establish a connection. 	Interception by operator	Misdemeanour fines (Electronic Communications Law): A fine in the amount of 2 to 4%, 4 to 7% or 7 to 10% of the total annual revenue acquired during the commercial year prior the year when the misdemeanour was performed or of the total revenue acquired for a shorter period of the year preceding the misdemeanour.
	Art. 151 of the Criminal Code	This provision does not explicitly refer to communications data, it applies to everyone who taps or records <i>on audio</i> a conversation or statement that	Interception by anyone	Criminal offence Imprisonment up to one year or a pecuniary fine Imprisonment up to three years, if the

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Country	Legal provisions on confidentiality	Scope of protected communications: content and/or traffic data	Interception by operator/by third parties	Penalties
		was not intended for him.		crime was committed by an official while performing his duty
Turkey	Art. 132, 135, 136 Penal Code Art. 6, Law Number 5651 (traffic data) Art. 8 and 9, By-law on processing of personal data and protection of privacy in the telecommunications sector	Content data and traffic data	Interception by operator and interception by third parties	Criminal offence in Penal Code <ul style="list-style-type: none"> • Imprisonment from 6 months to 2 years (Art. 132) • Imprisonment from 6 months to 3 years (Art. 135) • Imprisonment from 1 year to 4 years (Art. 136) Misdemeanour – 10,000 to 50,000 TRY (€4,762 to €23,810), Art. 6 Law Number 5651 No penalty provided in the by-law.
Albania	Art. 22 of Law on telecommunications (until June 25, 2008)	Content data	Interception by operator and interception by third parties	Misdemeanour with a fine from 1,000,000 to 10,000,000 ALL (€8,257 to €82,570)
	Art. 123 of Law on electronic communications (since June 26, 2008)	Content data and traffic data	Interception by operator and interception by third parties	Misdemeanour with a fine from 4% to 7% of annual revenue
Bosnia & Herzegovina	No explicit legislation, but operators and service providers ensure confidentiality (content data and traffic data) according to their licences.			
Montenegro	Art. 64 of Law on telecommunications	Content data and traffic data	Interception by operator and interception by third parties	No penalty
	Art. 119 of Law on electronic communications (adopted by Parliament on July 29, 2008)	Content data and traffic data	Interception by operator and interception by third parties	Misdemeanour, but the provision only covers infringements by the operator, not infringements by third parties Art. 131, premise 1, point 38 Law on electronic communications
Serbia	Chapter V, Art. 54 and 55 of the Telecom Act Art. 142, 143, 144, 146 of the Criminal Code	Content data and traffic data	Interception by operator and interception by third parties	Infringements by an operator are a misdemeanour according to Art. 97 of the Telecom Act, with a fine of at least 60,000 RSD (€735).

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Country	Legal provisions on confidentiality	Scope of protected communications: content and/or traffic data	Interception by operator/by third parties	Penalties
Kosovo	Art. 74 of the Telecommunications Law Art. 74 and 98 of the Law on the information society services	Content data and traffic data	Interception by operator and interception by third parties	Infringements of art. 98 of the Law on the information society services are criminal offences and punishable with imprisonment of a maximum of no less than one year in serious cases. Serious cases are defined as excluding cases where the conduct resulted in no damage or economic benefit (art. 101 of this law).

Table P.1 - Protection of confidentiality of communications

Notes:

Turkey: The By-law on processing of personal data and protection of privacy in the telecommunications sector, as published in the official gazette on February 6, 2004 is currently in force. Works are underway to publish an amended version of the by-law in order to transpose the Data Retention Directive (2006/24/EC).

2. Traffic and location data

According to Article 6 Privacy Directive, traffic data relating to subscribers and users must be erased or made anonymous when it is no longer needed for the purpose of a communication, for billing and interconnection payments, or for lawful interception. Some countries transpose this provision by defining a certain period of time (which is typically the same for all operators and subscribers), some refer to the period during which the bill may be lawfully challenged or payment can be pursued (which is typically dependent on the contract between the operator and the subscriber).

NB. See the separate table on data retention below. Data retention means that operators are obliged to retain traffic data for the purpose of lawful interception, for a longer period than needed by the operator for its own purposes, in particular billing. This table does not cover lawful interception or data retention. It only refers to legal provisions that specify the period for which the operator can store and use the data for its own purposes.

Article 6 para. 3 Privacy Directive requires the subscriber's informed consent before providers can use traffic data for marketing their own services or for the provision of value added services.

Article 9 Privacy Directive contains provisions to protect location data, in particular that the usage of location data typically needs informed consent by the user or subscriber and even where consent has been obtained, the user or subscriber must be able to temporarily refuse the processing of location data.

The table below shows:

- how the member state defines the maximum period for storage and processing of traffic data for purposes of the operator, e.g. billing (regardless of eventually longer periods defined in data retention legislation);
- whether informed consent is required before traffic data can be used for marketing purposes or for provision of value-added services;

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- whether informed consent is required before location data can be used; and
- whether the user/subscriber can, even after giving consent, temporarily refuse the processing of location data.

Country	Traffic data		Location data		
	Maximum storage period	Informed consent required for marketing?	Informed consent required?	Possibility to temporarily refuse?	
Croatia	As long as needed for billing (period of statute of limitation – 1 year) Art. 107 Telecommunications Act (until June 30, 2008)	Yes	Yes Art. 109 Telecommunications Act (until June 30, 2008)	Yes	
	As long as needed for billing (period of statute of limitation – 1 year) Art. 102 Electronic Communications Act (since July 1, 2008)	Yes	Yes Art. 104 Electronic Communications Act (since July 1, 2008)	Yes	
The former Yugoslav Republic of Macedonia	As long as needed for billing. Article 112 of the Law on electronic communications	Yes	Yes Article 114 of the Law on electronic communications	Yes	
Turkey	<ul style="list-style-type: none"> • 6 months – 2 years for Art. 6, Law No: 5651 (This storage period is obligatory for access providers) • 1 year – Draft By-law on processing of personal data and protection of privacy in the telecommunications sector 	Yes By-law on processing of personal data and protection of privacy in the telecommunications sector	Yes By-law on processing of personal data and protection of privacy in the telecommunications sector	Yes By-law on processing of personal data and protection of privacy in the telecommunications sector	
Albania	As long as needed for providing the service Art. 22 of Law on telecommunications (until June 25, 2008)	No	No	No	
	As long as needed for billing Art. 124 of Law on electronic communications (since June 26, 2008)	Yes Art. 124 of Law on electronic communications	Yes Art. 126 of Law on electronic communications	Yes Art. 126 of Law on electronic communications	

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Country	Traffic data		Location data		
	Maximum storage period	Informed consent required for marketing?	Informed consent required?	Possibility to temporarily refuse?	
Bosnia & Herzegovina	Not regulated	Not regulated	Not regulated	Not regulated	
Montenegro	As long as needed for billing. Art. 65 Law on telecommunications	No	Not regulated by the Law on telecommunications	Not regulated by the Law on telecommunications	
	As long as needed for billing. Art. 121 Law on electronic communications (adopted by Parliament on July 29, 2008)	Yes	Yes Art. 123 Law on electronic communications (adopted by Parliament on July 29, 2008)	Yes	
Serbia	As long as needed for billing. Art. 54 Telecommunications Act	Not regulated	Yes	Yes	
Kosovo	As long as needed for billing. Art. 75 and 76 of the Telecommunications Law Art. 75 of the Law on the information society services	Yes	Yes Art. 78 of the Law on the information society services	Yes	

Table P.2 – Processing of traffic and location data

Notes:

Turkey: Access provider is the natural or legal person that provides access to the Internet to his users (Art. 2, Law No. 5651). The By-law on processing of personal data and protection of privacy in the telecommunications sector, as published in the official gazette on February 6, 2004 is currently in force. Works are underway to publish an amended version of the by-law in order to transpose the Data Retention Directive (2006/24/EC).

3. Data retention

According to the Privacy Directive, providers typically have to erase traffic data as soon as they do not need them any more for their legitimate purposes (in particular for billing, see the table above). However, Art. 15 (1) Privacy Directive establishes an exception to that principle and allows Member States to adopt legislation providing for the retention of data for a limited period where this constitutes a necessary, appropriate and proportionate measure in a democratic society to safeguard national security (i.e. State security), defence, public security, and the prevention, investigation, detection and prosecution of criminal offences or of unauthorised use of electronic communication systems.

Directive 2006/24/EC on Data Retention harmonises Member States' laws on the retention of traffic, location and identification data to ensure the investigation, detection and prosecution of 'serious crimes'. All categories of data covered by the directive must be retained for a minimum of six months and for a maximum of two years specifies the principles, the types of data to be retained and the retention periods.

The table below shows:

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- the legal basis for an obligation to systematically retain traffic data
- the types of data covered, in particular telephony data and/or Internet data (Internet access, Internet mail and/or Internet telephony);
- the retention periods (minimum and/or maximum); and
- who bears the costs of retaining data (in particular investments to set up a data retention system) and whether the operator has a right to being compensated

Country	Legal basis for data retention obligations	Types of data covered (telephony data and/or Internet data)	Retention period (Min. or max.)	Who bears the costs? Right to compensation?
Croatia	No provision in the Telecommunications Act (which was in force until June 30, 2008)			
	Art. 109 and 110 Electronic Communications Act (these two articles will come into force on July 1, 2009)	Telephony data and Internet data	12 months	Operators bear the costs. No right to compensation.
FYROM	No legal provisions on data retention			
Turkey	No provisions on data retention in legislation in force			
	Draft by-law on processing of personal data and protection of privacy in the telecommunications sector	Telephony data	Maximum 1 year	Operators bear the costs. No right to compensation.
Albania	Amendments to the Law on telecommunications, passed by Parliament on October 16, 2006	Telephony data	Two years	Operators bear the costs. No right to compensation.
	Art. 101 of Law on electronic communications (since June 26, 2008)	Telephony data Although art. 101 of the new law obliges all providers of public electronic communications networks and services, the list of retained data refers to telephony data; there is no specific requirement for Internet data.	Maximum 2 years	Operators bear the costs. No right to compensation.
Bosnia & Herzegovina	Law of legal interception of communications	Telephony data and Internet data	Maximum 12 months	Operators bear the costs. No right to compensation.
Montenegro	No provisions on data retention in legislation in force			
	Art. 126 to 128 Law on electronic communications (adopted by Parliament on July 29, 2008)	Telephony data and Internet data	Minimum 6 months Maximum 2 years	Operators bear the costs. No right to compensation.
Serbia	No legal provisions on data retention			
Kosovo	No legal provisions on data retention			

Table P.3 - Data retention obligations

4. Spam

Art. 13 of the Privacy Directive requires unsolicited commercial communications by e-mail to be subject to the individual's prior consent (opt-in), except for the sending of direct marketing emails to existing customers. For companies, Member States are free to require an opt-in or an opt-out.

NB. In addition to other requirements, Art. 7 of the Electronic Commerce Directive states that when unsolicited commercial communications by e-mail is allowed, it must be clearly identifiable and service providers who send such communications must respect opt-out registers.

The table below shows whether spam is authorised or prohibited in the countries and whether there is a dedicated public authority to fight the phenomenon.

Country	Is spam prohibited or allowed?			Authority to fight spam
	To companies	To individuals	Legal basis	
Croatia	Prohibited	Prohibited	Art. 111 Telecommunications Act (until June 30, 2008)	No dedicated public authority
	Prohibited	Prohibited	Art. 107 Electronic Communications Act (since July 1, 2008)	
FYROM	Prohibited	Prohibited	Article 117 of the Law on Electronic communications Article 17 of the Law on Personal Data Protection	No dedicated public authority Directorate for personal data protection is responsible for individuals (www.dzlp.mk) Agency for electronic communications for network operators and service providers (www.aec.mk)
Turkey	Prohibited	Prohibited	Art. 20 of By-law on processing of personal data and protection of privacy in the telecommunications sector	No dedicated public authority. TÜBİTAK-UEKAE (NRIEC) designs and implements awareness raising activities against security threats including spam. http://www.uekae.tubitak.gov.tr/
Albania	No explicit legislation	No explicit legislation	No provision in the Law on telecommunications (until June 25, 2008)	No dedicated public authority
	Prohibited	Prohibited	Art. 128 of Law on electronic communications (since June 26, 2008)	No dedicated public authority NRA inspectors can prosecute infringements by misdemeanour proceedings
Bosnia & Herzegovina	No explicit legislation	No explicit legislation	No explicit legislation on spam	No dedicated public authority

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Country	Is spam prohibited or allowed?			Authority to fight spam
	To companies	To individuals	Legal basis	
Montenegro	No explicit legislation	No explicit legislation	No provision on spam in legislation currently in force	No dedicated public authority
	Prohibited	Prohibited	Art. 124 of Law on electronic communications (adopted by Parliament on July 29, 2008)	
Serbia	No explicit legislation	No explicit legislation	No explicit legislation on spam	No dedicated public authority
Kosovo	Allowed, under conditions	Allowed, under conditions	Art. 19 and 20 of the Law on the Information Society Services: 20.1. Unsolicited commercial communications by electronic mail are permitted provided however that such communications by a service provider need to be clearly identifiable and unambiguously as such According to article 20.2 service providers must respect opt-out registers	No dedicated public authority.

Table P.4 - Legal provisions on spam

5. Itemised billing

Art. 10 and Annex I of the Universal Service Directive give subscribers the rights to receive itemised bills in order to allowing them verification and control of the charges, adequately monitor their usage and thereby exercise a reasonable degree of control over their bills. The details shall be laid down by the NRAs.

Art. 7 of the Privacy Directive addresses privacy concerns in relation to itemised billing, in particular the rights of calling users (because telephones are often used by persons other than the subscriber) and called subscribers. It also gives subscribers the right to receive non-itemised bills.

The table below shows:

- whether subscribers have the right to receive itemised bills;
- whether subscribers have the right to receive non-itemised bills;
- the applied methods for protection of privacy in itemised bills, e.g. anonymisation of last digits;
- a reference to the relevant legislation.

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Country	Right to receive itemised bills	Right to receive non-itemised bills	Methods for protection of privacy	Reference to the relevant legislation
Croatia	Yes	Yes	Calls to toll free numbers, including emergency numbers, may not be included in the itemised bill	Art. 44 Telecommunications Act (until June 30, 2008)
	Yes	Yes	Calls to toll free numbers, including emergency numbers, may not be included in the itemised bill	Art. 44 Electronic Communications Act (since July 1, 2008)
FYROM	Yes The law allows that the standard form of itemised bills shows the number of accounting units accumulated for local calls, national calls, international calls, calls to mobile networks, data transfer and other additional services, but in practice subscribers receive a fully itemised bill in case of complaints.	No	Calls to toll free numbers, including emergency numbers, may not be included in the itemised bill	Article 101 of the Law on electronic communications
Turkey	Yes	Yes	No	Art. 5 of the By-law on the consumer rights in the telecommunications sector
Albania	Yes	No	No	Art. 30 of Law on telecommunications (until June 25, 2008)
	Yes	No	Calls to toll free numbers, including emergency numbers, may not be included in the itemised bill	Art. 106 of Law on electronic communications (since June 26, 2008)
Bosnia & Herzegovina	Yes	Yes	No	Licenses for public telecommunications operators and providers of telecommunications services
Montenegro	Yes The law does not oblige operators to show details for every call; it only requires operators to show the number of accounting units accumulated for local calls, intercity calls, international calls, calls to mobile networks, calls to value added services and data transfer and other additional services.	Yes	No	Art. 113 Law on electronic communication (adopted by Parliament on July 29, 2008)
Serbia	Yes	Yes	No	Art. 92 Telecom Act
Kosovo	Yes	Yes	-	Art. 71 – Telecommunications Law Art. 76 – Law on The Information Society Services

Table P.5 – Itemised billing

Q. Subscriber directories

Directory information and a directory enquiry service constitute an essential access tool for publicly available telephone services. Two types of activities can be distinguished:

- collecting directory information from different providers of publicly available telephone services, aggregating this information into a single database and maintaining this database;
- providing access to such aggregated directory information, in particular by printing directories and providing directory enquiry services which are accessible via phone or online.

The European legislation addresses directories in the Universal Service Directive and the Privacy Directive:

- The Universal Service Directive addresses directory access for end-users. According to Art. 5 of the Universal Service Directive, at least one comprehensive directory (printed or in electronic form) and at least one comprehensive telephone directory enquiry service shall be available to end-users. These directories shall comprise all subscribers of publicly available telephone services. Art. 25 (1) Universal Service Directive gives all subscribers the right to have a directory entry.
- The Privacy Directive addresses subscribers' privacy interests. According to Art. 12 (2) Privacy Directive subscribers shall be given the opportunity to determine whether their personal data are included in a public directory, and if so, which data, and to verify, correct or withdraw such data. Not being included in a public subscriber directory, verifying, correcting or withdrawing personal data from it shall be free of charge.

1. Legislation on directories

The table below shows the legislation on subscribers' rights to be included or not included in directories:

- Are operators obliged to ask new subscribers whether they want to be included in the directory?
- Do subscribers have the right to be included in the directory, free of charge?
- Do subscribers have the right to be not included in the directory, free of charge?
- Does the legislation establish an opt-in or opt-out principle?

Such a principle would refer to those subscribers who have not stated an explicit opinion whether they want to be included. Opt-in means that only subscribers are included who explicitly wanted it. Opt-out means that all subscribers are automatically included unless they explicitly do not want it. Legislation often does not establish such a principle, but only requests that subscribers are given the opportunity to determine whether they want to be included.

- Does the scope of these provisions include all subscribers of publicly available telephone services (in particular: including mobile subscribers, pre-paid subscribers)?

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Country	Obligation to ask new subscribers?	Right to be included? Free of charge?	Right to be not included? Free of charge?	Opt-in or opt-out?	Scope mobile subscribers? pre-paid subscribers?
Croatia	Yes Art. 48 Telecommunications Act (until June 30, 2008) Art. 47 Electronic Communications Act (since July 1, 2008)	Yes	Yes	Opt-out	All subscribers of publicly available telephone services
FYROM	Subscribers must be informed free of charge of the purposes of directories and of the use of such data before being included in printed or electronic directories available to the public. The costs of informing subscribers shall be borne by the publisher of the directory. Art. 119 of the Law on electronic communications.	Yes, all subscribers have the right to be included (free of charge).	Yes, but not free of charge. Refusal to be included in a public directory, and verifying, altering or erasing personal data shall be charged on the basis of real costs.	No explicit provision The law states that subscribers must be informed before being included and must have the opportunity to determine which, if any, of their personal data will be included. However, the law does not set up a rule whether subscribers who do not express their opinion will be included.	All subscribers (including mobile subscribers and pre-paid subscribers)
Turkey	Yes, operators are obliged to ask new subscribers whether they want to be included or not Art. 8 of the By-law on consumer rights in the telecommunications sector	Yes, all subscribers have the right to be included (free of charge).	Yes, subscribers may request not to be included (free of charge).	Opt-in in practice	All subscribers
Albania	No explicit obligation to ask new subscribers whether or not they want to be included	Yes, all subscribers had the right to be included.	Yes, all subscribers had the right not to be included.	No explicit provision	All subscribers (including pre-paid subscribers) Art. 34 Law on Telecommunications (until June 25, 2008)
	Subscribers must be informed free of charge of the purposes of directories and of the use of such data before data is made available to the public. The costs of informing subscribers shall be borne by the undertaking.	Yes, all subscribers have the right to be included.	Yes, but not free of charge. All subscribers have the right not to be included, based on real costs.	No explicit provision The law states that subscribers must be informed before being included and must have the opportunity to determine which, if any, of their personal data will be included. The law does not set up a rule	All telephony subscribers Art. 104 and 130 Law on electronic communications (since June 26, 2008)

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Country	Obligation to ask new subscribers?	Right to be included? Free of charge?	Right to be not included? Free of charge?	Opt-in or opt-out?	Scope mobile subscribers? pre-paid subscribers?
				whether subscribers who do not express their opinion will be included.	
Bosnia & Herzegovina	No explicit obligation to ask new subscribers whether or not they want to be included.	Yes, all subscribers have the right to be included (free of charge).	Yes, subscribers may request not to be included (free of charge).	Opt-out, all subscribers are included unless they explicitly do not want it.	All subscribers (including mobile subscribers and pre-paid subscribers)
Montenegro	Yes Art. 111 Law on Electronic Communications (adopted by Parliament on July 29, 2008)	Yes, all subscribers have the right to be included (free of charge)	Yes, all subscribers may request not to be included (free of charge)	Opt-out, all subscribers are included unless they explicitly do not want it.	All subscribers
Serbia	No explicit obligation in legislation. However operator asks this question when first time registering subscriber.	Yes, all subscribers have the right to be included (free of charge).	Yes, subscribers may request not to be included (free of charge).	Opt-out in practice, all subscribers are included unless they explicitly do not want it.	Fixed subscribers only
Kosovo	Art. 76 para. 3 of the Law on Telecommunications states that subscriber data may only be included in directories if the subscriber consents in writing. Art. 81 of the Law on the Information Society Services states that service providers must give subscribers the opportunity to decide whether they want to be included.	Yes, all subscribers have the right to be included (free of charge).	Yes, subscribers may request not to be included (free of charge).	According to the Law on Telecommunications: Opt-in, subscribers are only included after they consent in writing. According to the Law on the Information Society Services: No explicit provision	All subscribers (including mobile subscribers and pre-paid subscribers) Art. 76 of the Telecommunications Law and Art. 81 of the Law on the Information Society Services

Table Q.1 – Subscriber inclusion in directories

R. Internet backbone infrastructure

This table provides data on the Internet backbone infrastructure in the monitored countries.

- An Internet exchange point (IXP) is a node where different Internet service providers (ISPs) exchange Internet traffic. An IXP typically consists of several network switches to which all participating ISPs connect. Often, the provider of the IXP is not an ISP itself, but a commercial data centre or a non-profit organisation like a university data centre. Many European IXPs are organised in the European Internet Exchange Association (Euro-IX). The table shows the IXPs in the monitored countries.
- The second column shows the total capacity of international Internet bandwidth in Mbps. If the capacity is asymmetric (more incoming than outgoing), the incoming capacity is provided.

Country	Internet exchange points (name, URL)	International Internet bandwidth (Gbps)
Croatia	CIX (Croatian Internet eXchange) http://www.cix.hr/	N/A
FYROM	No	N/A
Turkey	No	102 Gbps
Albania	No	N/A
Bosnia & Herzegovina	No	N/A
Montenegro	No	0.9 Gbps
Serbia	No	N/A
Kosovo	No	3 Gbps

Table S.1 – Internet backbone infrastructure

S. Management of Internet domains

1. National domain name registry

The table below shows:

- the name and website of the national registry in charge of the country codes Top Level Domains (ccTLD). The registry is the body which manages the central database and the domain name servers.
- the legal basis of to the registry in the national legislation, for example a body could be given the responsibility to act as the national registry by law, by an ordinance, by a contract with the government, or it could not have a formal legal basis.
- the legal basis of the national domain name policy, in particular the rules on who can register a domain name, rules on accrediting registrars and dispute settlement provisions. For example, such rules could be defined by an ordinance of a minister or the registry could have the legal power to adopt such rules.

Country	Name and website of the national registry	Legal basis of the national registry	Legal basis of the national domain name policy
Croatia	CARNet DNS služba http://www.dns.hr/	Contract with Internet Assigned Number Authority (IANA), Since July 1, 2008: art. 79 of the Electronic Communications Act	Currently: Regulations of CARNet In future: ordinance of the minister responsible for the information society, based on art. 79 of the Electronic Communications Act

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Country	Name and website of the national registry	Legal basis of the national registry	Legal basis of the national domain name policy
FYROM	http://dns.marnet.net.mk/	Operates within the Macedonian Academic Research Network (MARNet). MARNet was established in 1994 as department of the “Ss Cyril and Methodious” University (biggest national university) by endorsement of the Ministry of Sciences and decision of the University Board. At the same time MARNet was ordered to manage domain name service.	MARNet, in cooperation with the legal department of the University and the major national ISPs and other affected parties from the internet community have elaborated General Terms and Conditions (a Statute) as an instrument for regulating for national domain name policy. This Statute is adopted by the MARNet Board, University Board and published in National official gazette. It has no formal recognition as a national law.
Turkey	Nic.tr - ".tr" Domain Names Administration https://www.nic.tr	Nic.tr is an organizational unit of Middle East Technical University (METU), operating since 1991 when first worldwide Internet connection of the country has been established by METU. No explicit legislation on domain name management except ICANN contract.	General Terms and Conditions, as adopted by the DNS Working Group of Internet Council that has been formed under the auspices of Ministry of Transportation.
Albania	Telecommunication Regulatory Entity (since June 26, 2008: Authority of Electronic and Postal Communications) http://www.akep.gov.al/	Under article 8 point k) of the new Law 9918/2008 on electronic communications (in force since June 26, 2008), AKEP is the responsible authority for the administration of ccTLD .al and other subdomains.	TRE has adopted the Regulation “On the Registration and Administration of the Domain Names under .AL and Subdomains .gov.al, .mil.al, .edu.al, .com.al, .org.al and .net.al” approved by the TRE Board, decision No. 437 date 21.02.2008.
Bosnia & Herzegovina	University Teleinformatic Centre (UTIC) http://www.utic.ba/	From 1996 UTIC has been authorised by IANA. Also, 1996 Government of B&H gave the authorization to UTIC. No explicit legislation on domain name management.	Regulations regarding the registration and use of the domain name under the Bosnia & Herzegovina country Internet .BA domain” adopted by UTIC.
Montenegro	.ME Register (doMEn) http://www.domen.me/	On the basis of article 7(1) of the Law on the property of the Republic of Montenegro the government adopted a decision establishing the Council for “.me” domain. This council announced a public invitation for selection of the Agent for domain registration. GoDaddy.com won this public tender.	Decision of the Council for „me“ domain of July 14, 2007.
Serbia	Register of National Internet Domain of Serbia (RNIDS) http://www.rnids.rs/	RNIDS is an non profit association of Internet Service Providers and university institutions, established under Serbian law in July 2006. No explicit legislation on domain name management	General Terms and Conditions, as adopted by the General Assembly of RNIDS on October 26, 2007
Kosovo	N/A	N/A	N/A

Table S.1 - National domain name registry

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Notes:

Albania: According to the Regulation, entities entitled to possess one or more domain names in “.al” zone and in subdomains “.com.al, .org.al, and .net.al” under the administration of TRE, are public and private juridical entities as well as physical commercial persons.

2. Registrars of domain names

The management of Internet domain names consists of two different functions, which can be performed by different bodies:

- administrating the registry, in particular a central database and domain name servers (registry function); and
- registering individual domain names, customer contact and billing (registrar function).

For some top-level domains, the registry is the only registrar. In many countries, the registrar function is performed by many different registrars in a competitive environment. Usually, such registrars are accredited (and to some extent supervised) by the registry and have access to the registry's central database by means of an electronic interface.

The table below shows:

- whether the registry itself is the only registrar or competition between registrars has been established;
- whether foreign registrars become accredited and, if yes, if accreditation of foreign registrars is restricted to certain countries;
- whether registrars are accredited by the registry or by a different body;
- whether an electronic interface between registrars and registry exists; and
- the number of active registrars.

Country	Competition between registrars exists?	Can foreign registrars become accredited?	Who accredits registrars?	Electronic interface exists?	Number of active registrars
Croatia	No	No	-	-	1
FYROM	No	No	-	-	1
Turkey	Yes	No (for the time being)	The registry	Yes	7 (expected to be 20 before the end of 2008)
Albania	No	No	-	-	1
Bosnia & Herzegovina	Yes	No	The registry	Yes	20
Montenegro	Yes	Yes	The registry	Yes	87
Serbia	Yes	No	The registry	Yes	35 by July 1, 2008

Country	Competition between registrars exists?	Can foreign registrars become accredited?	Who accredits registrars?	Electronic interface exists?	Number of active registrars
Kosovo	N/A	N/A	N/A	N/A	N/A

Table T.2 – Registrars of domain names

3. Cybersquatting and dispute resolution

Cybersquatting is registering, trafficking in, or using a domain name with intent to profit from the goodwill of a trademark belonging to someone else. The cybersquatter then offers to sell the domain to the person or company who owns a trademark contained within the name at an inflated price.

The table below describes the national policies against cyber squatting, including the availability of alternative dispute resolution mechanisms.

Country	Policies against cybersquatting	Dispute resolution mechanism
Croatia	Regulations regarding organisation of the top-level 'hr' Internet domain and the principles of managing the top-level 'hr' domain and Arbitrage rules made by national DNS service (www.dns.hr)	Arbitrage provided by national DNS service
FYROM	There are certain general statements in the aforementioned Statute that the registrants shall not use the domain names for impersonating third party identity and use the domain name in bad faith but there are no instruments for enforcing such policy apart from the dispute resolution policy.	A dispute resolution policy has been stipulated that has three mechanisms: <ul style="list-style-type: none"> • mutual negotiation and resolution between the affected parties (an obvious one) • by means of an independent Arbitrage Committee • by means of an of authoritative court resolution
Turkey	As it is stated in the “.tr” Domain Names Policies, Rules and Procedures’ document, domain names under “.tr” are not to be sold, rented or transferred. In the case of violation, all domain names registered to the owner of the relevant domain name will be subject to deletion. Domain names may only be transferred, on the condition that certified rights are also transferred (trademark and patent rights etc.).	Domain name disputes can be ultimately resolved by court proceedings or by DNS Working Group. The Ministry of Transportation established the "DNS Working Group" in 2000 which functions under the authority of the Internet Council and consists of eleven corporate members of sector representatives, as a means to apply the division of legislative, executive and judicial powers for “.tr” Domain Names. In this context, DNS Working Group operates as the pre-legislative authority and is in charge of determining policies, rules and procedures.
Albania	No explicit legislation on cybersquatting or domain name disputes. TRE, during the registration procedure acts on faith based on the principle of “transparency”, taking for granted the genuineness, accuracy, authenticity and legitimacy of the data provided by the applicant in the respected application forms. The applicant is legally responsible based on the legislation in force, for the genuineness, accuracy and authenticity of all the information in compliance with the requirements foreseen in the Regulation. For this reason, the applicant signs a written statement of good faith about his/her legal	Domain name disputes can be resolved in court proceedings or by arbitration.

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Country	Policies against cybersquatting	Dispute resolution mechanism
	responsibilities regarding the above mentioned and also that he/she has acted according to all the rules especially that he does not harm the other parties rights foreseen in the law for Competition, the law for Copyrights”, intellectual, cultural property, etc.	
Bosnia & Herzegovina	WIPO’s ccTLD best practices for the prevention and resolution of Intellectual Property disputes No explicit legislation on cybersquatting or domain name disputes	ICANN’s Uniform Domain Dispute Resolution Policy
Montenegro	Art 28. of the Regulations regarding Registration and use of the Domain Name: Responsibility for the Domain Name	ICANN’s Uniform Domain Dispute Resolution Policy
Serbia	No explicit legislation on cybersquatting or domain name disputes	Rules on Arbitration Proceedings for Settling Disputes Arising out of Registration of .rs Domains, as adopted by the General Assembly of RNIDS on October 26, 2007. Each registrant must in advance give his consent to participate in arbitration proceedings and to comply by the final decision (Art. 18 of the General Terms and Conditions). Domain name disputes can be resolved in court proceedings or by arbitration in accordance with Criminal code (Official Gazette of the Republic of Serbia”, No. 85/05), Art. 298-304
Kosovo	-	TRA has approved a regulation on “ Dispute Resolution Procedures ” based on Art. 4 and 11 of the Telecommunications Law , This also applies to domain name disputes. In case that TRA cannot resolve domain name disputes, they can be resolved in court proceedings or by arbitration.

Table T.3 – Policies against cybersquatting and dispute resolution mechanism

4. Domain market data

The table below shows:

- the number of registered sub domains of the relevant ccTLD;
- the price charged by the registry per sub domain and year (excluding VAT);
- whether this price covers solely the registry functions (for countries with separated functions of registry and registrars) or if it also includes registrar functions (for countries where the registry is the only registrar).

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	Number of domains	Price per domain and year (excl. VAT)	Services covered by this price
Croatia	53,432 (end of 2007)	180 HKR (€24.79)	Including registrar functions
FYROM	Approx. 12,000 (May 2008)	<ul style="list-style-type: none"> 525 MKD (€8.58) for the first year, half that price yearly subscription afterwards for local registrants. The price is double for foreign registrants. 	Registration and 3 free of charge updates within the subscription period. Further changes are charged 160 MKD (€2.61) per change. Including registrar functions
Turkey	150,000 registered .tr domain names (April 2008)	1-year registration fee (excl. VAT) ranges from 4 to 21 TRY (€1.90 to €10) Some domain names (gov.tr, edu.tr, pol.tr, mil.tr) are free of charge. Discounts applicable for 2 to 5 year registrations.	Annual registration and some other operations such as contact changes, DNS server changes, domain name information update etc. Registrar functions not included.
Albania	850 (end of April 2008)	The price is \$75 per 2 years; \$37.5 (€24.20) per year	The fee includes registrar functions.
Bosnia & Herzegovina	.ba about 7,000 (end of 2007)	68.38 BAM (€34.73)	.ba domain name registration by the registry (includes yearly maintenance for the first year, registrar functions not included)
Montenegro	.me: more than 30,000 domain names as of July 1, 2008 (sunrise and quiet phase of land rush, before open registration) 50,000 new domain names after the first two days of open registration, which started on July 17, 2008 .cg.yu (valid till the end of 2009) 1,348 domains	Sunrise - €110 (min. registration 5 years) – closed Land Rush – €29.99 (min. registration – 2 years) – closed Open registration – €11.99 (minimum of registration – 2 years)	Annual registration for .me domain by the registry. Lower prices for sub-domains. All prices are the prices for registrars, not for users.
Serbia	.rs sunrise started in March 2008 A total of 23,668 domains have been registered by June 20, 2008 .yu: 34,000 (end of 2007)	1,500 RSD for .rs (€18.37)	Annual registration for .rs domain by the registry (registrar functions not included) Lower prices for sub-domains .in.rs, .co.rs., edu.rs., org.rs.
Kosovo	N/A	N/A	N/A

Table T.4 – Domain market data

Notes:

Montenegro: Sunrise period (trademark registration) from May 1 to May 20, 2008, Land Rush period (applications for domains) from June 2 to June 26, 2008 and Open registration (first come, first served) since July 17, 2008.

Serbia: RNIDS price list for different domain services is available on its website. Accredited registrars have different (higher) prices per domain (examples: EUNET charges 2,500 RSD (€30.62) for registration of .rs per year, Sezampro for registration of domains .rs + .co.rs charges 2,950 RSD (€36.13) per year).