

RATEL'S FRAMEWORK BUSINESS PLAN FOR 2008

1. GENERAL ASSUMPTIONS

The basis for preparing the RATEL's Business Plan is as follows: provisions of the Telecommunications Law and the Strategy for the Development of Telecommunications, the Strategy for the Development of Information Society, the National Strategy for the Economic Development and the Memorandum on Budget for 2008. According to these documents, the telecom sector is the basis for the development of other economic sectors and it should directly provide for the development of the Information Society according to the EU standards. Under the Law, RATEL, which was established as an autonomous, independent organization, empowered to regulate telecommunications market by implementing the national Strategy. The Strategy for Telecommunications is the basis for system reform in the telecommunications field and for drafting normative and other documents in the telecommunications field.

Accordingly, following the adopted principles of legality, competence, impartiality and transparency, the Managing Board (MB) of the Agency will seek to fulfil its basic role of providing the unhindered development of the telecom market in the Republic of Serbia in good time and within its competence, so as to create the following regulatory conditions:

- Forming of free and open market, guaranteeing equal treatment to all participants
- Behaviour of all participants in the telecom market in function of creating the conditions for Information Society development
- The best interest of the telecom services users placed in the foreground
- Rational and efficient usage of all limited resources
- Harmonization of rules, standards, technical regulations and practice with the relevant EU regulations

These requirements will provide to the existing and future operators, providers and distributors the conditions in which they can develop their business fully, leading to the increase in the number and quality of services.

Considering the regulatory conditions of the telecom market, the Managing Board hereby defines the RATEL's Framework Business Plan, listing the goals arranged under the following categories:

1. Enhancement of the regulatory framework in telecom sector
2. Monitoring and analysis the telecom market
3. Activities in the field of standardization and technical requirements
4. Organization and development of the Agency
5. Co-operation with other institutions and organizations

2. 1. ACTIVITIES RELATED TO THE ENHANCEMENT OF TELECOM SECTOR

A. Goals

A1. Co-ordination with the competent authorities, with the aim of:

- Harmonization of the legal and regulatory framework with the EU,
- Detailed elaboration of the implementation dynamics for the Strategy, with a particular regard to development of broadband networks,
- Preparation and launching of public tender for FWA based service provision license issuance,
- Preparation and launching of public tender for CDMA based service provision license issuance,
- Preparation and launching of public tender for MMDS based service provision license issuance,
- Collaboration in drafting the Strategy for Digital Television.

A2. Development of infrastructure and promotion of new services:

- Consider regulatory measures and conditions such as to ensure investments in the development of modern telecommunications infrastructure in the underdeveloped areas,
- Consider regulatory measures and conditions such as to ensure a speedy development of broadband networks, including the development of the broadband access network (with deployment of different technologies) and optical transport network,
- Enhance the work on creation of conditions and adoption of regulatory framework for the usage of the latest technologies and new services. Ensure the conditions for the application of VoIP, 3Play, IPTV, DTV, *e-government services*,...
- Adopt normative provisions for the introduction of practice applied in the EU in the area of certificates and technical regulations.

A3. Numbering:

- Update and complete the numbering and addressing plan.

A4. Number portability, carrier pre-selection:

- Consider the possibilities for number portability, prepare relevant regulations,
- Consider the possibilities for carrier pre-selection, prepare relevant regulations.

A5. Local loop unbundling (LLU):

- Study the effects of local loop unbundling on the business and the development of telecommunications, consider best procedures for the implementation of LLU.

A6. Enhancement of regulations:

- Adoption of general bylaws and directives regulating international cooperation and signing of different international agreements,
- Adoption of general bylaws concerning value added services, closed user groups, data transmission, DTH, etc.
- Adoption of general bylaws concerning telecom market regulation (procedures for cost-based model application, market principles and procedures for identification of SMP operators, special tariff regime, etc.)
- Adoption of bylaws on Universal Service Fund establishment and management,
- Adoption of general bylaws laying down the standards for telecom networks, systems and facilities,
- Adoption of general bylaws regulating user protection. Record-keeping on the QoS and other specific data on public operators,
- Work on amending the existing bylaws towards their modernization and harmonization with the EU practice.

3. TELECOM MARKET ANALYSIS AND MONITORING

A. Goals

A1. Telecom market monitoring and analysis:

- Definition of production (by products and services) and geographic (by coverage degree) market dimension, according to the 1998 Framework, as follows:
 - Fixed telephony markets,
 - Mobile telephony markets,
 - Leased lines markets and
 - Interconnection markets,

where new markets will be identified and followed according to the EU experience, to the extent possible,

- Systematic analysis and continuous monitoring of defined markets aimed at timely identification and prevention of anti-competitive behaviour, and at the promotion of competition among the market players based upon the known economic principles,
- Definition and systematic monitoring of SMP criteria (e.g. market share, size of the undertaking, control of infrastructure, technological advantages, absence of countervailing buying power, access to capital markets, possibility of products diversification, economies of scope, economies of scale, vertical integration, degree of development of the distribution and sales network, barriers to market entry),
- Adoption of a set of measures and regulations to regulate markets with SMP operators,
- Development of a model for telecom market monitoring and control,
- Further data collection and processing in order to establish a non-financial database on particular operators and their customers, according to the methodology adopted by the Agency,
- Further application of the methodology for performance measuring in the telecom sector, as well as the adoption of indicators of the development in this sector (recommendation e-Europe 2005),
- Publishing of the annual report on the situation of the telecom market development in the Republic of Serbia.

A2. Tariff policy control, introduction of cost-based model and benchmarking analysis:

- Introduction of cost-based model according to historic costs, accompanied by adoption of relevant regulations (Rules), definition of dynamics and manner of application and definition of control procedures for the selected model,
- Collection of information on cost allocation, calculations of cost price and selling price for single products and services according to the historic cost based model, ,
- Benchmarking analysis of operators and tariffs in the defined markets and the markets of the surrounding countries,

- Creation of tariff regime and control of its application, in particular for SMP operators,
- Further elaboration of cost based principle in order to follow the experience of the developed countries concerning competitive and non-discriminatory policy,
- Coordination of activities with other relevant government authorities and institutions, in promotion of national and foreign investments in the telecom market,
- Coordination with the Anti-monopoly Commission in the process of regulation of SMP operators.

A3. Introduction of the Universal Service (US):

- Definition of collection mechanisms for the US Fund. Definition of form and means of financing and economic principles for the USF management,
- Consideration of compensation mechanisms, taking into account all economic parameters, in particular development, costs and tariffs. Consideration of potential ways of compensation for the cost of the US and selection of the best one in terms of overall economic parameters relevant for this issue,
- Establishment of the USF,
- Screening of the real situation concerning the possibilities for telecom services provision and analysis of the need for the introduction of an adequate form of US,
- Definition and adoption of the set of basic US services.

A4. Interconnection:

- Prepare bylaws and procedures for mediation in disputes between operators and in court,
- Protect market players. Agency mediation in dispute resolution between operators concerning interconnection, Internet access, leased lines, facility sharing, co-location, etc.

A5. User protection:

- Provide for the possibility of QoS control for on behalf of users,
- Establish a coordinated and permanent activity of all Agency departments in this area,
- Adopt principles and legal framework for user protection,
- Prepare adequate regulations within the Agency (quality protection, personal data protection, definition of user-operator agreement form between, call centre).

4. ORGANIZATION AND DEVELOPMENT OF THE AGENCY

A. Goals

A1. Agency business:

Continue with the modernization of the Agency business. Undertake activities designed to further improve the competence, efficiency and transparency in the work of the Agency:

- Investment in human resources, constant training of the employees,
- New, modern, user-oriented web site of the Agency, designed to facilitate navigation and access to information, which should provide the possibility of electronic business with the clients in the forthcoming period,
- Organization of public presentations, attendance at expert conferences and forums, organization of expert discussions and roundtables,
- Creation of conditions for an active role of the Advisory Council, scientific and expert institutions in solving current expert issues within the authority of the Agency,
- Network development and protection of the Agency information system, including the spectrum monitoring and enforcement centres,
- Creation of an integral database for the needs of the Radiocommunications Department, Spectrum Monitoring and Enforcement Department and Finance Department,
- Providing of the spectrum monitoring and enforcement centres with advances measuring equipment.

5. CO-OPERATION WITH OTHER INSTITUTIONS AND ORGANIZATIONS

A. Goals

A1. Co-operation with the players in the national market:

In performing its principle role, this being the creation of necessary conditions for an unhindered development of telecom market in the Republic of Serbia, providing the development of the information society, RATEL needs to co-operate with relevant government authorities, operators, providers, distributors, industry, scientific and educational institutions and consumer associations.

- Regular contacts and consultations with all participants of the telecom sector
- Organization of public discussions, panel discussions and roundtables, in order to obtain expert and impartial conclusions on particular current issues

A2. International co-operation:

Dynamic development of ICT, i.e. services and equipment, requires constant introduction of new regulations. This requires a developed and direct international co-operation with the regulatory authorities and other expert international institutions in the region and the EU states.

- Organization of bilateral and multilateral meetings with the Agencies from the region
- Co-operation with and membership in the international organizations