



# FOUNDATION OF KNOWLEDGE SOCIETY

*> The tremendous development and application of Information and Communication Technologies (ICT) have created the opportunity for revolutionary changes in the overall development of society, but it required the elimination of the monopoly in the field of providing public telecommunication services and changes in national policies, which were aiming at creating state operators. The opening of the telecom market in the EU has been achieved by means of liberalization of the monopolized sector, accompanying measures of harmonization of the laws and enforcement of equal competition. The general goal is a modern society, a knowledge society, and an Information Society. <*

Institutional reforms in the telecommunication sector represent an important element of overall economic reforms in Republic of Serbia over years to come. These reforms will provide a regulatory framework in compliance with WTO and EU demands.

The first attempt in Republic of Serbia to follow these tendencies, by introducing new regulations in the telecommunications sector, began in early 2001. This led to the adoption of the Law on Telecommunications on April 24, 2003. The basic objective of its adoption was to institute a new, qualitatively different law, which would be harmonized with current international principles and EU standards. The first step brought about by its enforcement is the diminution of government influence and limitation, or elimination, of the state operator's monopoly. The law divides the competence between the government, the responsible ministry, and new independent regulatory body – the Republic Telecommunication Agency (RATEL) thus separating between political, operational and regulatory functions. The regulatory framework is set in such a way that the providing of contents by telecommunication systems is kept out of telecommunication regulations.

The basic principles of the regulation of relations in the telecommunications sector, contained within the governing law, are as follows:

- Activities of all participants in the telecommunications market should contribute to the creation of conditions for the further development of telecommunications in the Republic of Serbia
- Interests of users of the telecom service should be placed in the forefront
- Creation of a liberalized and open market, where equal position is guaranteed for all participants
- Rational and efficient usage of all scarce resources
- Harmonization of regulations, standards, technical requirements and practices with the appropriate international regulations

With these principles, Serbia is looking to create such conditions for existing and future operators and providers that will allow them to develop their activity to the greatest extent, thus leading to the general development of services and improvement of their quality.

The regulatory function is transferred to an independent regulatory body, which is separated legally and functionally from

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the government. The Agency is independent from the government, the influence of interest groups, and the telecommunications operators, whose rights and duties are decided on by this regulatory body, guided by the above stated principles.

The competencies of public authorities are limited to the most important and the most general issues, while almost all activities related to the definition of relations in the field of telecommunications are passed on to the Agency. The law provides for the government to design the Policy and the Strategy of Telecommunications Development following the proposal of the authorized ministry. The Agency is required to ensure the implementation of the strategy according to the law.

The regulatory function of this body

ensures that the liberalization of the market does not lead to the absence of rules of conduct. The Agency's competencies include: drafting and adoption of general bylaws, which regulate specific activities in the field of telecommunications issuance of licenses, permits and certificates implementation of the procedures for the issuance of permits for radio frequency usage and performing all activities related to numbering, interconnection, setting up and application of national and international standards and regulations.

The role of the Agency is to monitor and oversee it provides for the application of legal provisions and supervises the work of public operators. The Agency also has the power to take appropriate legal measures, as well as to serve as arbiter in the case

of disputes between operators and service users, or operators and property owners. It has the function of an arbiter in relations/disputes between operators too. A special competency of the Agency concerns the operators with dominant market power, since they can significantly influence the market relations. It involves the possibility of tariff regulation for such operators.

In the part of the conclusion, talking about the current state of the telecommunications development, the strategy states:

"In terms of regulations governing the telecommunications sector, the formal conditions have been created for the de facto elimination of monopoly in telecommunications, liberalization and establishing a competitive market."

"The development and regulation of the telecommunications infrastructure and services market are within the authority of RATEL."

In decision-making, RATEL will continue to utilize the opinions and recommendations of the Advisory Council, views expressed in public consultations, and suggestions received in consultations with all participants in telecom sector: operators, providers, industry and end users.



Direct activities of RATEL, pursuant to the Strategy in the following period will be:

- Rational usage of frequency spectrum.
- Establishing of a universal service fund and full availability of universal service.
- Interconnection. The issues concerning international interconnection, leased lines and telecommunication ducts.
- Methods and models for introduction of cost-based principles.
- Uniform development of telecom infrastructure and gradual migration to advanced packet switched networks.
- Development of advanced networks, as well as broadband and wireless Internet access.
- Harmonization and modernization of legislation.