

Global Symposium for Regulators (GSR-20)

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Contribution of CRC-Bulgaria

„Vectors of regulatory action: Inclusiveness, agility, and resilience“

The digital technologies are fundamentally changing the daily lives and behaviour of consumers and also lead to unprecedented levels of automation and digitization of the real manufacturing and business processes. The development of new generations of digital technologies is a leading factor and basis for building a competitive digital economy over the next decades.

Digital communications and their interaction with social networks, e-commerce and the digital economy are leading to the generation of an increasing amount of data, as well as to new requirements for connectivity and quality of service. Electronic communications networks are expected to provide connectivity to millions of new devices as a result of the development of IoT and M2M, which in turn need real-time connectivity, low latency and low packet loss.

In connection with the new connectivity requirements, European regulators are adopting strategic priorities to stimulate the deployment of very high capacity networks and the introduction of new generation 5G networks, which requires appropriate government policy and a coordinated approach among all stakeholders. CRC Strategy includes goals to improve the conditions for investing in very high capacity networks and to ensure wide availability of electronic communications services provided through these networks, as well as to provide conditions for market entry of new 5G technologies and services through effective allocation and provision of a limited resource - radio frequency spectrum. It should be noted that CRC reports a high level of competition in the retail broadband market. In 2019, more than 64% of users use broadband access via fibre-optic networks (FTTx). CRC is initiator and actively participates in public discussions on the implementation of 5G networks in the country with stakeholders, including relevant ministries, business and experts from academia. The main issues the sector is facing have been discussed. They are related to an additional spectrum release, license fees and restrictive construction regulations in the country.

Cross-sectoral synergies are expected to expand over the next decade, which in turn leads to the need to incorporate relevant regulatory approaches. The approaches chosen for digital transformation should provide flexibility and ability of the networks to respond in real time to the changes, as well as resilience to meet the challenges posed by the COVID-19 crisis.

With regard to regulatory cross-sectoral approaches, the development of digital platforms and the emergence of large multinational providers controlling the entry into the relevant digital market have led to the need to extend the scope of regulation beyond the electronic communications sector. In this regard CRC considers that NRAs taking into account the experience in the regulation of electronic communications could join a large working group

with the participation of regulators from various sectors of the economy to regulate digital platforms. In this way, a more in-depth analysis of the problems and constraints that might arise could be carried out allowing for the appropriate ex ante regulations to be elaborated. This will ensure that all specificities in the various sectors of the economy, including the regulations, are taken into account.

It should be noted that the long-standing expertise and experience of NRAs in ex ante market regulation refers only to the field of electronic communications. The NRAs' competences in monitoring and data collection, market analysis, bottlenecks and dominance analysis, and analysis of competition problems, including the application of these remedies, concern only the regulation of access, but not the content. For example, NRAs are not competent to collect and analyse relevant information on online service providers such as search engines, social media, e-commerce platforms, app stores, websites, etc. In order to do this, the regulatory framework for electronic communications should be reviewed, in line with the relevant European legislation regarding digital/online platforms and services.

The main pros which would arise from the inclusion of the NRAs in the implementation of this regulatory approach are the ability to track the social and economic development at national and European level and the results achieved in the digitalisation of economy. The cons are associated with the risk for imposing over-regulation and intervention in sectors other than electronic communications, with specific sectoral regulation. The latter may lead to contradiction of regulatory decisions.