Regulatory perspectives for the Ukrainian telecommunications sector
Branch of Communication is characterized as dynamically developing during recent years

Amount of telecommunication services

- 2004 – 4,2 bln. USA
- 2005 – 5,5 bln. USA

The biggest growth (in comparison with 2004)
- mobile services 52%,
- computer communication, e.g. Internet, data transmission (17,1%),
- international and national long distance phone communication (12,6%)

The number of telephone subscribers reached 30,4 mln.,
fixed – 11,8 mln.

Dissemination: mobile communication -62%
Fixed communication – urban 29,7%, rural-10%
The share of mobile communication in general amount of provided services is increasing; the share of fixed communication is on the opposite decreasing.
Characteristic of Telecommunication Market

The next operators are functioning on the Telecommunication Market:

• 2000 operators.

• 500 internet providers 100 IP Telephony providers.
Local Phone Services Market Segmentation

(UNIVERSAL TELECOMMUNICATION SERVICES)

Problems market:

1. The pace of development is very slow (5% per year) under the pressure of high demand.
2. Tariffs on this universal services are regulated by state.
3. Low profitability of urban and unprofitable rural areas services.
4. The financial mechanism of damage cover and investment into development are absent.

81% - Ukrtelecom share
19% - others operators
Mobile Communication Services Market Segmentation

89% are shared by 2 operators, and only 11% - others

Problems market:
1. The absence of important for further development radio frequency resource.
2. Ineffectiveness of radio frequency resource usage by some users
International and National Long Distance Phone Communication Services Market Segmentation

Problems market:

1. Monopolization of the market by Ukrtelecom.
2. The necessity of design and implementation of the strategy of international and national long distance phone communication.
3. The absence of valid mechanisms of control over international and national long distance phone communication traffic separation.
• The opportunities of the telecommunication market of Ukraine has huge potential.

• There are 62% of population mobile phone users and about 24% fixed phone (conventional phone) owners (in developed countries 50-60% fixed phone owners, 100%mobile phone owners.

• Under favorable conditions for market development in Ukraine such parameters can be reached during 3-5 years
Management and Regulation in Telecommunication Sphere
LEGISLATIVE BASE
In the Telecommunication sphere and usage of radio frequency resource

- The law « On telecommunications»
- The law « On radio-frequency resource of Ukraine»
- Decrees of the President «On the National Commission for Communications Regulation of Ukraine» and «On structure of NCCR»
- Other certificates of the President and the Government
Laws on telecommunications and on a radio-frequency resource

Establish a legal basis of activity in the telecommunications sphere and in the sphere of usage of a radio-frequency resource of Ukraine in view of an existing condition of the market of telecommunications of Ukraine and decisions of the international organizations which member is Ukraine, on questions of regulation of telecommunications
MANAGEMENT AND REGULATION

Laws provide:

The government in the telecommunications sphere and usage of radio frequency resource and regulation of activity of subjects of the market of telecommunications and users of radio frequency resource; Clear split of powers of controls and regulations and definition of bases of their activity
### CONTROLS:
The ministry for transport and communication of Ukraine (Administration of communication)

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BODY OF REGULATION
The National Commission for Communications Regulation of Ukraine

FUNCTIONS:
- Licensing and registration of activity in the telecommunications sphere and uses of radio frequency resource;
- Assignment of radio frequencies and distribution of sanctions;
- Realization of supervision of the market of telecommunications and use of radio frequency resource;
- Realization of radio-frequency monitoring;
- Regulation of tariffs for universal services and interconnection in telecommunication networks;
- Pre-court decision of disputes between operators and providers on questions of interaction of networks;
- Distribution of number resource
BASES OF INDEPENDENCE of NCCR:

- NCCR - the central enforcement authority with the special status, under inspection to the President of Ukraine;
- Chairman and 7 members NCCR are personally appointed the President of Ukraine on presentation of the Prime minister;
- Members NCCR can be dismissed only in the cases stipulated by the Law, including, on a condition of health, submissions in resignation, coming into force the bill of particulars, etc.;
- Members NCCR cannot be proprietors of the corporate rights of operators of communication {connection}, manufacturers of the equipment of communication {connection}, to receive from them financial compensation or to hold any post, including, on public principles;
- Decisions NCCR cannot be cancelled by Ministry (unique way of protest through court);
- Powers NCCR are determined concerning compulsory application of rules of law in the cases stipulated by the Law
THE ACCOUNTABILITY ACTIVITY NCCR

- Informing of the President of Ukraine on the accepted decisions and regulative documents, first of all, concerning universal services;
- Granting to the President of Ukraine and to data to the Cabinet of the annual report on the activity
TRANSPARENCY OF ACTIVITY NCCR

- Finishing up to the interested parties of the questions included for consideration at session NCCR, maintenance of an easy approach to listen and to discuss the issues included in the agenda;
- The publication in the official bulletin of decisions and regulating documents NCCR
Rights, duties of consumers, the bases of protection of the information on the consumer are determined

**Rights:** duly reception, a choice of a kind and quantity of services; a choice of the operator of telecommunications; the indemnification for default by the operator of duties; refusal of payment for service which the consumer did not order; conducting tariffs on conversations, etc.

**Protection of the information:** the information on the consumer, including, a name, the address, a phone number of the subscriber and the services received by it, can be given in the cases stipulated by the Law, or at the consent of the consumer.
CONSUMERS OF TELECOMMUNICATION SERVICES

Bases of activity:

Equal rights of operators in the market of telecommunications;
Priority of interests of consumers;
Development of a competition and inadmissibility of discrimination actions on the part of operators - monopolists against other subjects of the market of telecommunications

The law establishes equal opportunities of access of subjects of business on the market of telecommunications. Wishing to carry out activity in sphere of telecommunications should for a month up to it begin to direct the notice of the established sample in NCCR. Within a week NCCR is obliged to bring in the applicant to the register and to send it the corresponding message.

To licensing are subject:

Granting of services of fixed and mobile telecommunication with the right of technical service and operation of telecommunication networks;
Granting of channels in rent;
Maintenance service and operation of networks radio a body and broadcasts, a wire announcement and television networks.

_Licensing cannot be used for restriction of a competition in sphere of telecommunications._
ACCESS ON THE MARKET OF TELECOMMUNICATIONS

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Interconnection TELECOMMUNICATION NETWORKS

PRINCIPLES of CONNECTION TO GENERAL PURPOSE NETWORKS:

Conditions for connection of networks of operators of telecommunications and rates settlement for access to networks. It should be a subject of the contract between the parties (operators);

Commercial conditions of mutual connection and rates settlement for access to networks are determined by proceeding from the services cost price;

Conditions of mutual connection with operators - monopolists, and also rates settlement for access to networks of these operators are adjusted by NCCR;

The contract between the parties about mutual connection can be a subject of intervention NCCR according to the Law;

The NCCR decision on the questions, which have arisen between operators at mutual connection to their network
UNIVERSAL TELECOMMUNICATION SERVICES

Services fixed local, trunk communication, International telecommunication, including service Help services, communications with the help of payphones and Public telephone booths, and also cable Communications (except for such services, which are given with use wireless access)

Granting of an opportunity to the population under tariffs adjustable by the state to satisfy the needs {requirements} for universal services;
Granting of free-of-charge access to services of an emergency call ("01", "02", "03", "04") and an information on telephone numbers of subscribers
The Main of the problem NCCR

- The Assistance universal access to base service telecommunication, in the first place, populations rural region, including, to account of the Fund of the universal services.

- The Stimulation of the development competitive market fixed, mobile relationship, broadband access to modern telecommunication service of the population of the Ukraine, qualitative service, available tariff on facilities.

- The Assistance investment for development of the telecommunication networks and introduction new technology and services.
- The Fortifications of the confidence society by by provision to transparencies of the processes регулирования, including licensings.

- Protection of the rights and interest of the consumers.

- Introduction efficient mechanism joinings of the networks.

- The Optimization of the use limited radio-frequency resource and containing a number.
Thanks for attention