

SLOVENIA

INTRODUCTION

During 2009, despite a rather difficult general economic situation, market trends in the area of electronic communications continued to be positive thanks to the strong take-up of IP-based services (VoIP, Broadband, IPTV) based on high-speed fibre-to-the-home connections. Competition has intensified consistently across the sector and the consumers have benefited from more choice and lower prices, and have availed themselves of a variety of service bundles. 2009 was also a year marked with reorganisation and changes in top management positions of Slovenian authorities responsible for the area of electronic communications.

The regulator (NRA), the Agency for postal and electronic communications (APEK), has been rather active, but a large number of its decisions have again been challenged by the operators. In some cases Court decisions forced the NRA to review its decisions, which delayed the effective implementation of these remedies. Moreover, the regulator designated one additional universal service provider in 2009. On the other hand, more work remained to be done in the area of spectrum management, in particular in relation to spectrum re-farming.

REGULATORY ENVIRONMENT

Main regulatory developments

In December 2009, the Parliament adopted an amendment of the Electronic Communications Act (ECA), which aims at clarifying the legislation in the area of rights of way, powers of the NRA (e.g. functional separation and penalties), frequency management (e.g. with view to prohibit the hoarding of frequencies), user rights (in particular, disabled users rights) and e-privacy. Both functional and voluntary structural separation of the operators is envisaged as a last resort remedy, providing the NRA with additional tools for regulating the market.

In September 2009, in the light of the reorganisation between the ministries, the Directorate for electronic communications in the Ministry of the Economy was merged within the Directorate for information society in the Ministry of Higher Education, Science and Technology, and a new acting director general of the merged directorates was appointed by the Government for a period of six months. An open and competitive procedure for the post of the director general of the Directorate for information society has been launched in November 2009.

Organisation of the NRA

APEK, which has 75 employees, has during 2009 primarily focused on the process of notification of the second round of market analyses and supervision of remedies. In the area of broadcasting, the NRA assigned radio spectrum and monitored obligations on pluralism and content.

In November 2009, the Government took a decision to dismiss APEK's director, appointed in January 2006. This decision was motivated by procedural irregularities related to the regulator's controversial assignment of the fourth UMTS licence in 2008, which was granted to an alternative operator without any tender and without a fee. Against this background, it

remains to be seen whether the NRA's independence in the exercise of its statutory tasks is fully ensured in Slovenia. The Commission services are looking into the matter.

Since April 2008, the national competition authority (NCA) has a possibility to avail itself of the new provision of the competition act which provides that only ex-officio cases may be investigated by the authority. The law lays down higher fines as sanctions for anticompetitive behaviour by market players, and also sets a deadline of two years for the NCA to complete its investigations.

In September 2009, the NCA signed a cooperation protocol with APEK. Against this background, a cooperation group has been set up, which in principle meets once a month in order to discuss issues where supervisory powers of both authorities overlap, in particular in the mobile market.

Cooperation between APEK and the NCA in practice remains to a large extent limited to the market analysis process, mainly due to insufficient human resources of the NCA.

Decision making

APEK has notified nine market analyses and has issued seven decisions. Four retail markets, related to publicly available local, national and international telephone services provided at a fixed location for residential and non-residential customers, were found to be competitive, and the NRA consequently withdrew regulation from these markets, in line with the Commission recommendation on relevant product and service markets within the electronic communications sector susceptible to ex ante regulation. At the time this report was being drafted, APEK planned to issue two additional decisions on the wholesale physical network infrastructure access and wholesale broadband access. However, following the national consultation, the NRA re-notified these two markets. This forced the regulator to delay the adoption of foreseen measures further into 2010.

In 2009 the NRA issued five decisions concerning the supervision of remedies, identifying breaches of several obligations imposed on the fixed incumbent. In this respect, non-compliance with the obligations of equal treatment, transparency and price control issues were identified. As a consequence of this the NRA mandated the incumbent to modify its reference broadband offer (RBO), and also requested the operator to harmonise the prices. In two supervision procedures, which focused on compliance with the obligation of access to, and use of, specific network facilities and the obligation of equal treatment, the NRA issued a decision addressed to the incumbent, mandating a withdrawal of the provisions that pre-conditioned the conclusion of contracts and further provision of services from its reference interconnection offer (RIO) and reference leased lines offer by bank guarantees. The fourth investigation, examining the compliance with the obligation of price control on the market for call termination on individual public telephone networks provided at a fixed location, led the NRA to issue an interim decision, requiring the incumbent to implement cost-oriented prices as calculated by the NRA. The final inspection carried out by the NRA examined the compliance of the incumbent with the obligation of equal treatment and transparency on the wholesale broadband access market. As a result, the regulator issued a decision, obliging the incumbent to ensure the same functionality of the IP/MPLS (multiprotocol label switching that provides traffic isolation and differentiation without substantial overhead) network as it had provided to its retail unit, in order to enable an alternative offering of retail virtual private network (VPN) business services, and include these services in the RBO. The incumbent

appealed to the Court against all the above decisions of the NRA, and the ruling was still pending at the time this report was being drafted.

The NRA furthermore imposed two fines for non-compliance with imposed SMP obligations, the first relating to the incumbent's failure to comply with price control and cost accounting obligations, concerning the renting of virtual channels for stand-alone broadband Internet access (naked DSL), while the second related to non-compliance with the obligation of equal treatment concerning the functionality of modems in the provision of bitstream access. The incumbent, in each case fined €29 210, appealed to the Court, and pending the appeal the regulator's decisions cannot be enforced at the moment. The new amendment of the ECA will significantly increase penalties as from 2010.

The NRA handled six dispute resolution cases between operators until September 2009. The first case, regarding an operator's non-compliance with users' rights authorising a termination of the existing contracts, was dismissed after a month. The second case, concerning the renewal of bank guarantees required by the incumbent, was transferred to the supervision division of the NRA after one month and a half. The third (on a copper line malfunction), the fourth (on ISDN interference with VDSL), the fifth (on mobile termination rates for international calls), which most likely will be resolved in a supervision procedure, and the sixth case (on ISDN interference with VDSL), were still pending at the time this report was being drafted.

Operators are concerned that APEK cannot enforce its decisions on time, as was the case of the naked DSL pricing, where the NRA mandated a decrease in prices as from December 2008, whereas the incumbent only decreased prices as from August 2009.

APEK, in October 2009, launched a consultation on a recommendation in order to improve transparency to end-users on the speed and quality of service of a broadband connection. The results are expected early in 2010.

Moreover, in addition to two pending cases from 2008 concerning wholesale bitstream access, the NCA started investigations on its own initiative in five cases in 2009. Three investigations (two on the local loop unbundling and one on voice origination and termination), which started in February and April 2009 respectively, were related to the incumbent operator's behaviour, while two investigations, which started in March 2009, involved the mobile market leader's alleged predatory pricing and/or margin squeeze for voice and data services. In October 2009, the Administrative Court dismissed a 2007 decision of the NCA concerning findings on the incumbent's abuse of a dominant position with regard to the provision of a dial-up Internet access coupled with ISDN, and requested the authority to renew its analysis.

MARKET AND REGULATORY DEVELOPMENTS

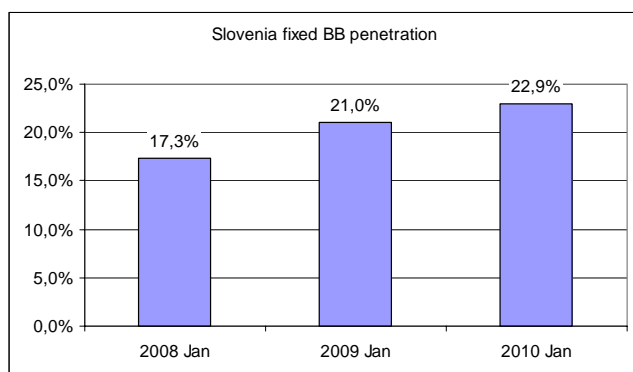
A total of €277 million was invested in the electronic communications sector in Slovenia in 2008 (which was 13.1% more than in 2007). Both alternative operators and mobile operators invested more than in 2007, 14.0% and 44.3% more, respectively, whereas the incumbent's investment dropped by 8.6%. The share of the sector's investment in GDP stood at 0.7%, while the investment over revenues ratio stood at 22.5%, which is above the EU average of 14.0%, and the third best performance in the EU. Revenue in the electronic communications sector in 2008 totalled €1 232 million, which was 11.9% more than in 2007, with both the fixed and mobile market registering growth, by 24.4% and 12.8% respectively. The share of

the electronic communications sector revenue in GDP was 3.3%, which is above the EU average of 2.8%.

Triple play offers were the most significant type of contracts selected by end users in 2009. Mobile operators have started offering bundles, with prices highly competitive to those of fixed operators, while some operators already have started limiting traffic (monthly download capacity caps having been introduced for heavy consumers).

Broadband

Market situation



Fixed broadband penetration increased and stood at 22.9% (465 353 connections) in January 2010, just below the EU average marker. The increase of the fixed broadband (1.9 percentage points in a year) was less dynamic than the EU average growth. Despite growing alternatives such as fibre, with a 14.7% market share, DSL, with a 62.2% market share, remains the predominant technology. The number of fully

unbundled local loop lines grew to 56 349 (a strong 13% increase compared to a year ago), whereas the number of shared access lines decreased for the first time since the introduction of this facility, to 20 320 (which represents a 13% decrease as opposed to a year ago). On the other hand, the number of FTTH connections grew to some 68 442 by 54% since January 2009, to a certain extent thanks to alternative operators' retail prices, which are as much as 20% lower than the incumbent's prices. Migration from cable to fibre is also gaining momentum. The incumbent controlled 46.1% of the market in January 2010, a decrease of 3.1 percentage points since January 2009, while the market share of the closest competitor increased with the same intensity to 19.4%²⁵³.

Fixed broadband speeds remain feeble, with merely 36.1% of all connections exceeding speeds of 2 Mbps, the EU average in January 2010 being 84.6%. The operators, however, indicated that only speeds of Internet access, and not of the entire capacity of a bundle of services, are being reported for statistical purposes. However, Slovenia performs relatively better (17.6% of all fixed connections) as opposed to the EU average (23.4%) in relation to speeds exceeding 10 Mbps, which is to a large extent due to FTTH.

Mobile broadband penetration via dedicated data services facilities (3.2%) remains below the EU average of 5.2%, with some 61 414 cards, modems or keys being used by the end users in January 2010.

The largest cable operator launched services based on DOCSIS 3.0 in November 2009, allowing speeds of 50 Mbps and over. The same operator also provides broadband services in rural areas using the multichannel multipoint distribution system (MMDS) wireless technology in the 2.4 GHz band, but the uptake remains low.

²⁵³

APEK data for July 2009

Competition in rural areas and periphery is predominantly driven by the initiatives of a few municipalities, which have decided to roll out broadband with state-aid support. So far, €45 million have been spent on various municipal projects, and the Ministry of Higher Education, Science and Technology is currently reconsidering its rural broadband strategy, with a view to strengthening the robustness of projects involving EU structural support, while this will inevitably delay the implementation of projects late into 2010.

Regulatory issues

Average monthly total cost per full unbundling and shared access have remained stable compared to 2008, and stood at €9.57 (below the EU average) and €4.81 (above the EU average), respectively.

No new regulatory development, with direct implications for market players, has taken place in 2009. Based on the results of the second round of market analyses, notified and re-notified to the Commission services in September and November 2009, respectively, APEK proposed to maintain the regulation of the market for wholesale physical network infrastructure access and the market for wholesale broadband access, but failed to adopt final measures, initially envisaged for the end of 2009.

As regards the wholesale market for physical network infrastructure access, APEK defined the market as comprising traditional copper-based infrastructure as well as the new high-speed fibre network. It argued that since the uptake of already rolled-out fibre broadband remains low, the mandated wholesale access would only open up possibilities for an additional increase of revenues, and not lead to a loss, resulting from unused capacities. Against the evidence of a growing inter and intra-platform competition in urban areas, the regulator decided not to apply geographical segmentation of the market, and intends to impose a full set of obligations, including price control, and access to local loops, sub-loops and optical loops, access to dark fibres, wavelength, collocation and remote collocation, and access to the incumbent's equipment with alternative operators optical cables. Service level agreements (SLA), key performance indexes (KPI), and further improvements in provision of access to a detailed network topology and common information relay systems for all operators on an equal basis, should also increase the transparency of the incumbent's operations, once the decision is adopted. Asymmetric access obligations in relation to in-house fibre wiring are foreseen, and the proposed regulated price for unbundled optical fibre, which exceeds the price of the fully unbundled copper line (€8.33), is €11.88.

As regards the wholesale broadband access market, the NRA, once the decision is adopted, will mandate access to all services in case of bitstream (analogue or voice over IP (VoIP) fixed telephony service, distribution of TV signals including Internet protocol TV (IPTV) and video on demand (VoD), building of virtual private networks (VPN), usage of MPLS protocol), including naked DSL. This obligation will come with retail-minus margins in the range of 33% to 88%, depending on the level of interconnection and speed, the margins on average still lower than those in the currently applicable regulation.

On the other hand, the effective implementation of the current remedies remains dwarfed by a large number of disputes resulting from loosely defined obligations stemming from the incumbent's reference unbundling offer (RUO) and RBO. In October 2009, the Administrative Court of Ljubljana rejected several appeals by the incumbent related to the obligations imposed by the NRA, and ordered the payment of a fine amounting to €20 865.

Operators are also concerned about the undefined conditions for migration towards the fibre-to-the curb (FTTC).

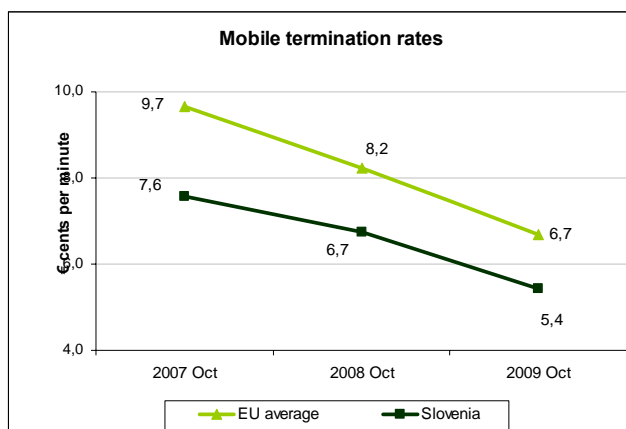
Mobile

Market situation

The market share of the incumbent's mobile retail arm dropped to 57.2% in July 2009, from 62% a year ago, and the share of post-paid subscriptions was 67.8%. Mobile penetration, which finally exceeded the 100% mark and stood at 102.2%, was still significantly short of the EU average, which stood at 121.9%. Price per minute of mobile communications, without VAT, was 14 eurocents, which is slightly above the EU average of 13 eurocents. The average annual revenue per user in 2008 was €294, which is €18 more than a year ago and below the EU average for 2008, which stood at €323. Calls from the mobile networks represent more than 50% of all outgoing calls since 2008. Slovenian operators are becoming more and more net payers in relation to cross-border traffic flows. In addition, fierce competition and low prices led to further decreases in operators' revenues, leaving investment prospects for 2010 rather gloomy. A further consequence of aggressive pricing policies (e.g. flat rates for bundles which go as low as €15/month, and calls as low as 8 €-cents/minute, including free on-net calls and SMSs), might in the mid term be that resellers will quit the market, as they are in no position to compete below the voice wholesale price that they pay to the hosting operator (7.85 €-cents/minute). Operators at the same time argue that the insistent reductions in retail prices (of bundles in particular) simply follow retail pricing policies of fixed operators which are undermining the market with inexpensive DSL and fibre offers.

Regulatory issues

In April 2009, APEK adopted a provisional measure relating to the wholesale mobile call termination market. APEK set a price of 5.23 €-cents, applicable to the two largest operators, which is, according to APEK, being protective of smaller operators' wholesale revenues, neutralised a drastic increase in asymmetry between larger and smaller operators. In August 2009, APEK completed a full review of the wholesale mobile call termination market, and upheld the termination rates (asymmetry 1:1.5 in favour of the two smaller operators) based on the provisional measure. It proposed a five-year glide path for the two smaller operators to align with the prices of the two market leaders. The Commission, however, expressed concerns that APEK, while decreasing the overall level of termination rates, is allowing the largest operator to charge significantly above its own reported costs, which could give it an unfair commercial advantage over its competitors. The Commission has asked the regulator to bring rates down to an efficient level as soon as possible, and revise its underlying cost model sooner than envisaged. APEK nevertheless maintained its initial proposal, which according to some operators could distort competition and negatively affect further investments.



In June 2009, the Commission endorsed APEK's plan to require Slovenia's largest mobile operator to continue to provide its competitors with access to its network at regulated prices, since the wholesale market for access and call origination on mobile networks, unlike in most other EU countries, still is not effectively competitive. Competitors, for the time being, would still rely on the SMP operator's network, benefiting from its full national coverage and a range of competitive services. Once they have rolled out their own networks, and they no longer rely on the SMP operator's network, regulation should be withdrawn in principle.

The Administrative Court rejected, in April and in June 2009, several pending appeals of various operators, regarding decisions made by the regulator. The Court thus sided with APEK in the case of an SMP decision regarding the market leader's obligations in relation to call termination, and in the case of a dispute over call origination and the price of national roaming, involving the incumbent's mobile arm and a smaller operator. The Court also dismissed the alternative operator's request for a renewal of the procedure regarding the assignment of the extended GSM (e-GSM) spectrum to the appellant's competitor. In a different case, the Court rejected the request of another smaller operator seeking the regulator's annulment of a provisional measure relating to the wholesale market for voice call termination on individual mobile networks. In another case, concerning the assignment of the fourth UMTS licence to an alternative operator, in October 2009, the Administrative Court upheld the claims of an MNO, where the regulator formerly dismissed the operator's claims regarding the alleged irregularities in the procedure, recognising that the NRA failed to publish the call in line with the principles of transparency requiring a publication on the website of the regulator in addition to the publication in the Official Gazette of the Republic of Slovenia.

Several operators complained about the market leader's anticompetitive practice on the retail market. The incumbent's mobile arm allegedly charges termination prices above the level of retail prices it charges for its on-net calls. Moreover, the operators protested about the unfair conditions for the participation of smaller operators during the tender organised for its services by the Government in the first half of 2009. The alternative operators maintained that not only were the conditions discriminatory, but the market leader also provided large discounts, including free handsets, rendering competition in the business segment practically implausible. Two alternative operators requested the NCA to investigate the market leader's alleged margin squeeze and/or predatory pricing policies. The NCA started proceedings in March 2009 and the findings were still pending at the time this report was being drafted.

APEK has not taken yet its stand in relation to a new entrant's non-compliance with its rollout obligations based on a decision and commitments stemming from the award of a 2007 UMTS licence.

Roaming Regulation

All Slovenian mobile operators complied duly and on time with the European Regulation (EC) No 544/2009 of 18 June 2009 amending Regulation (EC) No 717/2007 on roaming on public mobile telephone networks within the Community and Directive 2002/21/EC on a common regulatory framework for electronic communications networks and services. In most cases the retail prices were set at or very close to the maximum level indicated by the Regulation.

Fixed

Market situation

In July 2009, according to the NRA, the overall PSTN market share, measured as a number of connections, was 37.9%, down from 46.6% a year ago. In the same period VoIP increased from 20.2% to 33.7%, while the market share of the incumbent in VoIP was 44%, down by 2.5 percentage points since July 2008. The number of VoIP connections exceeded 300 000 in the second quarter of 2009, and it is expected that the IP traffic will surpass the analogue circuit-switched transmission of voice in 2010. The overall market share of the incumbent decreased to 81.1%²⁵⁴ in July 2009 (86.7% at the end of 2008), which is 8 percentage points less than a year ago, suggesting that the advent of an IP based telephony introduced a prospect for competition not only on the international call markets but also on the market for national calls. For example, one traditionally carrier pre-selection (CPS) and carrier selection (CS) based service provider now supplies VoIP services to all major cable operators. The share of subscribers using alternative operators for direct access was 18.9% in July 2009, which is 8.2 percentage points more than a year ago.

Regulatory issues

Following an investigation, APEK concluded in April 2009 that the incumbent failed to comply with the obligations in its RIO. APEK, in its decision, obliged the incumbent not to cancel the existing contracts prematurely, not to cancel already provided services on a temporary basis, not to reject new orders for connections and not to impose new conditions on alternative operators such as the need to present bank guarantees.

Low level of termination rates and the asymmetry calculated by APEK, continue to favour alternative operators for the third consecutive year. However, market conditions remain uncertain, as formal disputes between the incumbent and two alternative operators concerning the level of interconnection rates for IP traffic, resolved via mediation, not yet have provided the necessary technical solution, allowing identification of IP based traffic between the operators.

In the absence of service level agreements (SLAs), based on the incumbent's RIO, guaranteeing the same quality of service as that provided to the incumbent's retail unit, one larger alternative operator brought its fixed operations to an end, focusing merely on the more competitive mobile sector.

Broadcasting

Market situation

Growth of IPTV was strong in 2009 and until July 2009 21.6% of all households had TV connections based on the Internet protocol (DSL or fibre), while the number of cable TV connections decreased to 36.9% (9.5 percentage points less than in July 2008), and the share of terrestrial TV connections decreased to 34.5% (9 percentage points less than in July 2008).

²⁵⁴ NRA data

Even though Slovenia officially announced the switch-off of analogue transmission by the end of 2010, the national advertising campaign promoting the digital switch-off plan started only in December 2009. In parallel, general testing of equipment has been provided for at a national level, the results being published at the end of 2009. Also as of December 2009, consumers are being informed, via an extensive advertising campaign, that they would need to purchase DVB-T receivers or set-top boxes. Without these the viewing of digitally transmitted content over terrestrial networks would not be possible as from January 2011 for some 200 000 Slovenian households. The Ministry of Higher Education, Science and Technology will monitor the degree of public awareness in relation to the ongoing switch-off process.

Regulatory issues

The second multiplexer operator, which was awarded a licence in December 2008, has not yet started with the commercial transmission of terrestrial digital television. The reason why the operator is lagging behind in its network roll-out commitments (70% of population should have been covered by 1 September 2009), is due to difficult and protracted negotiations with broadcasters regarding the price of access. With a view to speed up the switch-over, and to reduce the cost of digital terrestrial television (DTT) network services, the Government, in November 2009, proposed to provide subsidies to broadcasters having to broadcast in analogue and digital techniques simultaneously, amounting to the cost actually occurred as a result of simulcasting. Thus, broadcasting commenced with simulcast in December 2009.

In June 2009, APEK published a call to award additional digital TV broadcasting licences, which resulted in one new DTT licence.

Horizontal regulation

Spectrum management

The two WiMAX operators (one of which is the fixed incumbent), which hold licences in 3.4-3.6 GHz band since 2007, brought their investments to a halt already in 2008. The stated key reasons for this were low transmission speeds not allowing the uptake of bundled services, and a high level of competition stemming from mobile and fibre networks. Against this background, the latest regulator's attempt (in September 2009) to award new licences was reported as a failure, since no operator was willing to pay more than a symbolic price for these individual rights. No frequency re-farming plans have been announced at the time this report was being drafted.

In June 2009, APEK granted a trial licence, in line with the amended GSM Directive 2009/114/EC, allowing 3G operations in the 900 MHz frequency band to the third mobile operator.

The Government adopted a new digital TV strategy in February 2009, based primarily on the conclusions of the RRC06 and WRC07 radio conferences on frequency distribution. The strategy provides an action plan and guidelines as to additional allocation of rights of use of frequency spectrum released as a result of the digital dividend for the third and fourth DVB-T multiplexers, two multiplexers of mobile television, and for broadband networks in 800 MHz band, between 2010 and 2012.

No licensing activities have taken place in the 2500-2690 MHz band in the reporting period. The Slovenian spectrum plan, however, envisages future auctions in line with the Commission Decision 2008/477/EC.

Implementation of spectrum decisions

By October 2009, Slovenia notified the implementation of all relevant Commission Decisions on spectrum harmonisation. Moreover, the NRA in November 2009 granted mobile satellite service (MSS) authorisations to both operators selected by the Commission earlier in 2009.

Rights of way and facility sharing

Alternative operators are concerned that it takes on average six months to obtain permits for construction of new masts, whereas the obtaining of permits to build along highways is nearly impossible. Sharing of masts is provided for in theory, but in practice, with the exception of a few sites, it does not work. Against this background, it remains to be seen how the new Government's amendment of the ECA will improve the implementation record in the area of rights of way.

Numbering

The NRA is perceived as having generally well managed national numbering resources. One case concerning an alternative operator that is obstructed from providing its services on prime numbers (090) to the mobile market leader's customers since 2008, despite several NRA attempts to mediate, remained unsolved, however.

THE CONSUMER INTEREST

Tariff transparency and quality of service

APEK's tariff comparison model for consumers (Komuniciraj.eu), created in 2007, is to be overhauled in 2010, allowing regional comparison of offers in a more user friendly way. APEK has also issued a recommendation on the prevention of bill shocks, requiring operators to adopt best practices in order to avoid users having to face bill shocks, and a recommendation on broadband speeds, requiring operators to adjust actual transmission speeds to the ones advertised and provided for in the contracts.

In July 2009, APEK launched a price tool that would help MNO's to calculate their MTR levels, based on LRIC bottom up or top down cost models.

Universal service

In June 2009, APEK published a call for a selection of universal service (US) providers. Until now only the fixed incumbent was obliged to provide new telephone connections, telephone booths and assistance for users under non-market conditions. While the public tender was open for all operators that wished to provide universal service for the period of the next five years, no operators submitted bids for the entire scope of the US. Therefore, in September 2009, the Slovenian telecoms regulator again designated the incumbent as the provider of access at a fixed location and public pay phones, whereas another market player (the incumbent's directory arm), based on the results of a tender, was designated to provide directory enquiry services and directories (including the services for disabled users).

Users' access to the Internet and network management

While no political debate on net freedoms has taken place between the Slovenian authorities and the industry in the reporting period, operators and service providers, in practice, already dealt with issues of traffic prioritisation and speed limits.

Number portability

Slovenia registered 77 284 fixed number porting transactions and 49 830 mobile number porting transactions in the first nine months of 2009, a 138% increase compared to previous year. For both fixed and mobile numbers, the average porting time is three days, which is below the EU average, and the wholesale price to port a number is €5.

Consumer complaints and out-of-court dispute resolution

The consumer protection authority registered some 2 000 complaints in 2009, mainly dealing with rights and obligations stemming from the contracts (e.g. contract price increase, termination of contracts). Based on consumer protection law and electronic communications law, the authority usually provides advice to consumers within five working days. Another organisation, an NGO, *Zveza Potrošnikov Slovenije (ZVP)*, also represents the interests and rights of consumers in the area of electronic communications.

In July 2009, the incumbent operator, after having informed its existing subscribers in writing, introduced new IPTV content packages, but at the same time increased the subscription fees. Customers who had chosen not to opt for any of the newly proposed packages were by default given a new standard package with a higher monthly subscription rate. This raised a number of questions on whether the customers could have withdrawn from the existing contracts without having to pay any compensation. Both the Consumer protection office and the Market Inspectorate suggested that the incumbent's practice represented a breach of the Consumer protection law, whereas the regulator, after having launched the supervisory procedure, identifying the irregularities, instructed the incumbent to notify the affected end users about their contractual rights. The Commission services are closely following the issue.

In the light of the events following a decline in retail price, the market inspectorate of the Ministry of the Economy (at the time responsible for the area of electronic communications) launched an investigation against a reseller for breach of good business practice. Allegedly, the market player attempted to deceive consumers regarding the price level of a one minute call. The outcome of the investigation is still pending at the time this report was being drafted.

In the first three quarters of 2009 the NRA dealt with 243 requests related to dispute resolution for end users, which is similar to 2008. Disputes primarily concerned issues with billing, contract conditions and the quality of service. In 127 cases the procedure of dispute resolution was initiated, a large number among them resolved in mediation. While 11 cases resulted in a positive decision for the end users, in three cases the consumers were exonerated from the payment of operators' claims, in amounts of up to €28 000.

European emergency number 112

The emergency number 112 is reachable from the networks of all operators (including VoIP) that provide publicly available telephone services (PATs). Also, in the event where domestic mobile subscribers are out of coverage of their home network, the users may call 112 by using

another available domestic mobile network (i.e. national emergency roaming). However, it is not possible to call 112 from mobile handsets without SIM cards. As of July 2009, the ratio of unsuccessful calls was considerably low (1.2 %), while the average response time for 112 calls was 8.9 seconds, with a relatively high percentage of calls answered within 20 seconds (97.5 %). Public safety answering point (PSAP) call handlers can take also calls in English, Italian (in the border region with Italy) and Hungarian (in the border region with Hungary), but there exists no option to have recourse to an interpretation service. Slovenia plans to establish a help centre for people with hearing disabilities. Caller location information using the "push" method is provided by four fixed and five mobile operators, whereas at least four larger operators still provide information by using the "pull" method.

Harmonised numbers for harmonised services of social value (116)

Numbers 116000 and 116111 have not been assigned yet in Slovenia. However, the number 116123, assigned in 2008, has started to become operational in June 2009.

Data protection

A comprehensive legal framework against spam is in place. Slovenia has established an informal cooperation mechanism with other Member States to fight international spam. Malware is limited to certain individual cases, and some 50 cases of malware are reported to state attorneys each year. Information on malware is provided by the consumer protection authority.

The NRA was active in a number of areas regarding the e-safety of consumers. Projects such as Safe.si regarding the protection of children against abusive actions to which they might be exposed via the Internet or mobile phone, Web eye (Spletno oko, with respect to anonymous reports about child pornography and abusive speech on the Internet), and SMS clubs (regarding unsolicited SMS) have been the main focus of the NRA.