

LAW OF THE REPUBLIC OF ARMENIA
ON ELECTRONIC COMMUNICATIONS

CHAPTER 1
INTRODUCTION

Article 1. Objectives of the Law

The principal objectives of this Law are as follows:

- (1) To support the development of electronic communications in the territory of the Republic of Armenia;
- (2) To guarantee – to the extent possible – fair and open competition in the sectors of providing electronic communications services, facilities, and equipment;
- (3) To ensure availability of electronic communications services throughout the territory of the Republic of Armenia;
- (4) To ensure – under an open market economy – the protection of the interests of users of electronic communications services, operators of electronic communications networks, and providers of electronic communications services;
- (5) To ensure rebalancing of tariffs, bringing them more closely in line with actual costs, and to promote the improvement of the effectiveness of sector operations;
- (6) To ensure the effective regulation of the electronic communications sector, including fair and timely handling of consumers' complaints and effective application of legislation;
- (7) To ensure an effective approvals regime for terminal equipment;
- (8) To ensure the effective use of limited resources, including radio spectrum, orbital slots and numbers;
- (9) To promote the development of the electronic communications industry in the Republic of Armenia by encouraging efficient investments in the infrastructure and the use thereof to provide electronic communications services;
- (10) To promote the introduction of advanced technologies and an increased range of services;
- (11) To implement the above objectives in such a way as to enable the Republic of Armenia to comply with its international commitments pertaining to the liberalisation of electronic communications markets.

Article 2. Concepts used in this Law

The main concepts used in this Law have the following meaning:

“Affiliate” – a person which (directly or indirectly) holds or controls another person, is held or controlled by the latter, or, together with the latter, belongs to the same owner(s). For purposes of this concept, “to hold” means to have a share interest of more than 20 % (or the equivalent thereof);

“Amateur radio” – a not-for-profit radio communication between radio amateurs, including communication directly related to the prevention of a threat to human life or of an accident, or to the elimination of consequences of accidents;

“Competent authority” – a public administration body authorised by the Government of the Republic of Armenia, which is competent to exercise powers vested by this Law;

“Radio call sign” – a combination of numbers or letters used for the identification of the radio transmission station;

“Collocation” – the provision – by the network operator – of physical premises and technical conditions for an authorised service provider for the purpose of ensuring the adequate placement and connection of the equipment of the latter through physical and virtual collocation;

“Regulator” – the Commission established under the Law of the Republic of Armenia “On Public Services Regulatory Authority”;

“Dominant operator” – an operator identified by the Regulator as occupying a dominant position in the operation of public electronic communications networks;

“Dominant service provider” – a service provider identified by the Regulator as occupying a dominant position in the provision of a public electronic communications service;

“Electronic communications network” – a transmission system and, if applicable, also switching or routing equipment and other resources, which enable signal transmission by cable, radio, optical or other electromagnetic means, including by satellite network, fixed network, mobile land network, and electric power line systems, so that these are used for transmitting signals, regardless of the type of information conveyed;

“Electronic communications service” – a service which is normally provided for consideration and which consists, in whole or in part, of transmitting, and, if applicable, routing of signals on electronic communications networks, but does not include services providing or exercising editorial control over the content transmitted via electronic communications networks;

“Customer” or “subscriber” – any person using or requesting public electronic communications services. This concept does not extend to persons offering or providing telecommunications services;

“End-user” – any person that uses public electronic communications services but does not offer such services to third parties;

“Radio frequency authorisation” – an authorisation issued under this Law that authorises the licensee to use a portion of the radio spectrum;

“Identification code” – a combination of location numbers which is used to organise the use of a public electronic communications network or of a part thereof for the purpose of identifying the operator providing a public electronic communications service or operating a public electronic communications network;

“Incumbent operator” or **“incumbent service provider”** – the Armenia Telephone Company and its successors;

“Interconnection” – the physical and logical linking of two public electronic communications networks used by the same or different electronic communications service providers as a result of which the users of one service provider are able to exchange information with the users of the same or another service provider, or to access services of another service provider;

“Internet access” – access to the Internet or any similar global system for the purpose of linking networks together by using, as the basis for communications, transmission protocols or Internet protocols or any other protocols amending or replacing them;

“Internet service provider” – a person that provides an Internet access service;

“Leased line” – all electronic communications facilities that provide transparent transmission capacity between network termination points, but do not contain switching functions controlled by the user;

“Licensee” – a person holding a network licence, service provider licence, number or code reservation authorisation, or radio frequency authorisation;

“Line facility” – the part of a public electronic communications network, which is permanently attached to the land or to the bottom of a body of water, and which includes, but is not limited to, cables, wires, cable conduits and ducts, radio towers or pole attachments, as well as the necessary cross connections. This concept does not include switching facilities;

“Number series” – a series of numbers in sequential order used for the operation of a public electronic communications network and provision of public electronic communications services;

“Number or code reservation” – the allocation of numbers to a public electronic communications network operator or public electronic communications service provider, which guarantees the use of a number series, identification code or short code by the operator or service provider concerned;

“Operator” – any person authorised by the Regulator to hold and operate a public electronic communications network for the purpose of providing electronic communications services. When providing services over its network, an operator shall be treated as a service provider;

“Network licence” – a complex licence issued under this Law, which entitles the licensee to own and operate a public electronic communications network;

“Person” – a natural or legal person as defined by the legislation of the Republic of Armenia;

“Service provider licence” – a simple licence issued under this Law, which entitles the licensee to provide public electronic communications services;

“Public electronic communications network” – an electronic communications network used wholly or mainly for the provision of public electronic communications services;

“Public electronic communications service” – an electronic communications service offered to the public or to such classes of end-users with the help of which it becomes, as a matter of fact, directly available to the public;

“Real-time or near real-time” – transmissions on paths with specifications of network delays of less than 400 milliseconds for each direction or longer delays, provided that the Regulator finds that the transmitting parties in such a case also perceive the transmission as one occurring in real time;

“Short code or service code” – a number consisting of up to five figures which enables subscribers to use simplified dialling to access an operator or public electronic communications service provider, directory assistance or other persons, including the police, ambulance, and rescue service;

“Service provider” – any person authorised by the Regulator, which offers public electronic communications services;

“Voice service” – provision of a domestic or international public electronic communications service comprised, wholly or partly, of real-time or near real-time two-way audio communications, regardless of the underlying technology, using, in whole or in part, the public switched network;

“Tariff” – conditions for, and price of the services provided to consumers;

“Terminal equipment” – equipment or a part thereof which is connected to a public electronic communications network at the demarcation point where the end-user and the equipment and/or lines of the service provider meet, thus enabling to send, process, or receive information (voice, data, pictures, etc.).

Article 3. Scope of the Law

1. This Law prescribes the rights, obligations, and liability of the end-users, operators of public electronic communications networks, providers of public electronic communications services, operators of private electronic communications networks, and of public authorities, pertaining to regulation of the electronic communications sector, creation, development, and operation of electronic communications networks, and provision of electronic communications services, as well as state control and supervision over the allocation and use of limited resources such as radio frequencies, orbital slots and numbers.
2. This Law does not extend to persons providing transmitted television and audio programme services, or to facilities used exclusively for such programme services.
3. This Law does not extend to electronic communications networks held, operated, and used exclusively by, or provided exclusively to the Government of the Republic of Armenia.
4. This Law does not govern the relations pertaining to the electronic communications networks other than public electronic communications networks, except when there is a need to obtain an authorisation to use limited resources, or there exists a requirement to comply with the equipment certification conditions provided for by this Law, or there is a need to exercise the powers and rights of the competent authority with respect to emergencies specified in Article 4(4).

CHAPTER 2

STATE ADMINISTRATION AND REGULATION

Article 4. Functions of the competent authority or authorities

The functions of the competent authority shall be as follows:

- (1) To develop and implement the electronic communications sector development policy;
- (2) To define the policy objectives for provision of universal services in the Republic of Armenia;
- (3) To allocate, from time to time, particular portions of the radio spectrum for specific uses, on its own motion or at the request of the Regulator or any person. For the purpose of ensuring the fulfilment of this obligation, the competent authority shall be obliged to:
 - (a) adopt and further modify, after public notice and observations, the legal act approving the Table of Frequency Allocations of the Republic of Armenia, which shall conform – as

closely as possible – to the Table of Frequency Allocations of the International Telecommunication Union (ITU) and shall exclude interference into the allocated range of radio spectrum. The procedure for meetings and discussions (the working procedure) of the radio frequency management co-ordinating committee in the Republic of Armenia shall be defined by the Government of the Republic of Armenia;

(b) modify the Table of Frequency Allocations of the Republic of Armenia to allocate radio spectrum for commercial use, upon the Regulator's recommendation of such modification or requirement of such modification in the Final Acts of any ITU World Radiocommunication Conference meeting held after the entry into force of this Law, except where such allocation is not in the public interest for national security reasons;

(4) assume — in the event of declaring an emergency situation, as well as in the event of martial law or another national emergency — responsibility for the operation and management of any or all electronic communications networks or services for the whole period of such emergency;

(5) detect and locate radio emission sources not conforming to this Law or other requirements of the legislation;

(6) investigate and inspect — where an appropriate warrant is available — the use of radiocommunication equipment.

Where emissions not conforming to the established requirements derive from activities subject to the jurisdiction of a public (government) authority, the competent authority may order and require their immediate cessation; where such non-conforming emissions derive from activities of a non-public (government) authority, the competent authority shall forward the information to the Regulator for appropriate actions, including issuance of a cease-and-desist order, suspension or withdrawal of authorisation, and/or imposition of penalties;

(7) implement the commitments – pertaining to the electronic communications sector – set forth by the international agreements of the Republic of Armenia;

(8) represent the Republic of Armenia before the International Telecommunication Union and other international telecommunication organisations. The composition of such representation shall include representatives from both public and private sectors (including the Regulator) selected by the competent authority after consultation with the Regulator. The competent authority shall be obliged to direct and lead the work of such delegations unless it delegates such authority in writing to other public authorities having competent jurisdiction;

(9) develop, in consultation with the Regulator, standards (including radio frequency emissions and network compatibility) which must be in line – in whole or in part – with the standards adopted

by the European Telecommunications Standards Institute, the International Telecommunication Union, the American National Standards Institute, the Institute of Electrical and Electronics Engineers, or by the standard setting body of the Republic of Armenia;

(10) *(Point 10 repealed by HO-160-N of 9 April 2007);*

(10¹) support the protection of public and national security interests;

(11) adopt rules relating to the construction, painting, and illumination of radio antenna structures where the presence of such structures constitutes or there is a reasonable possibility that such presence may constitute a menace to air navigation. The competent authority shall be obliged to coordinate the adoption of such standards with the Regulator;

(12) technical functions related to the use of radiocommunication equipment shall be performed by a state non-commercial organisation operating under the jurisdiction of the competent authority.

(Article 4 amended and supplemented by HO-160-N of 9 April 2007)

Article 5. Functions of the Regulator

The Regulator shall be obliged to:

(1) ensure competition in the sector of public electronic communications services and networks by:

(a) ensuring that end-users derive maximum benefit in terms of choice, price, and quality of provided services and ancillary facilities thereof;

(b) excluding any distortion of competition in the sector of electronic communications services and networks;

(c) encouraging effective investment in infrastructures and promoting innovation;

(d) encouraging effective use of radio spectrums, orbital slots, and numbering resources, thus ensuring the effective management thereof;

(2) regulate public electronic communications networks and services in accordance with this Law, and for that purpose shall:

(a) classify services and/or facilities;

(b) set standards and procedures for applying for, as well as issuance, modification, suspension, and withdrawal of network licence and service provider licence, number or code reservations, and frequency authorisations;

(c) establish universal service obligations;

- (d) conduct inspections and audit – on its own initiative or at the request of interested parties – to guarantee compliance with the requirements of the legislation and the licence;
- (e) ensure fair and effective competition in the competitive services and networks sector;
- (f) develop regulations governing interconnection of public electronic communications networks;
- (g) establish and enforce rate regulation rules;
- (h) establish certain operational quality standards for public electronic communications network operators and service providers;
- (i) propose to the competent authority technical standards for public electronic communications sector;
- (j) establish accounting standards and reporting requirements for public electronic communications network operators and service providers;
- (k) establish record retention standards for regulated persons;
- (l) apply sanctions, including penalties and fines, for violating the provisions of this Law, conditions of licence or authorisation, or the legal acts (including rules and regulations) adopted by the Regulator, and, where appropriate, modify, suspend the licence or authorisation, or file a withdrawal request with a court. The Regulator shall be obliged to approve – following a public consultation – the rules and procedures for applying sanctions;
- (m) enforce rules and regulations, investigate and supervise activities of regulated persons;
- (n) dispose of limited resources, including radio spectrum, numbers and orbital slots subject to its disposal;
- (o) introduce and apply dominant operator's or dominant service provider's cost calculation and allocation methodology to prevent unnecessary cross-subsidies, to calculate fair interconnection prices, and to establish the cost and charges for universal services. This methodology may be modified only if doing so will promote competition or increase end-user choice;
- (p) approve reference interconnection offers upon determining that each such offer is consistent with this Law;
- (q) ensure that end-users have equal and maximum access to leased lines offered by operators and service providers;
- (r) settle disputes between a dominant operator and any other operator, a service provider and end-user, as well as a dominant service provider and end-user;

- (s) intervene in and settle disputes within the scope of the jurisdiction vested in it by this Law;
 - (t) develop a methodology which will enable determining operators or service providers occupying a dominant position, as well as adopt special rules governing the activities of such operators or service providers (including special rules on universal services);
 - (u) elaborate regulations governing the use as well as connection of terminal equipment to public electronic communications networks;
 - (v) approve the Numbering Plan of the Republic of Armenia, publish it and grant – in a non-discriminatory manner –reservations in blocks or individually for short numbers and short codes;
 - (w) establish and publish, to the extent this does not conflict with the security of the Republic of Armenia, a register of persons authorised to use the radio spectrum;
 - (x) perform other functions as prescribed by law;
 - (y) assist competent authorities, upon their request, in the implementation of the functions listed in Article 4;
 - (z) adopt, if the public interest so requires, special regulations for the phased introduction of competition in connection with certain services or in certain geographic areas by limiting the number of licences for those services or geographic areas for a specific period of time, which, however, may not extend beyond the year of 2012;
 - (aa) adopt special rules and procedures in the interests of public safety or national security;
- (3) allocate, with respect to radiocommunications, radio frequencies for specific purposes from the portion of the radio spectrum allotted to it. For this purpose, the Regulator shall:
- (a) arrange, after public notice and observations, for the effective and purposeful use of radio spectrum;
 - (b) assist the competent authority in representing the Government of the Republic of Armenia in international organisations and standard setting bodies;
 - (c) plan and co-ordinate the use of the part of the radio spectrum allotted to it;
 - (d) establish a procedure for transmission of non-governmental radio call signs, bringing them, to the extent possible, into conformity with the Radio Regulations annexed to the Convention of the International Telecommunication Union;
 - (e) terminate any unauthorised use of radio spectrum unless it is used by a public (government) authority of the Republic of Armenia;

- (f) adopt a Procedure for authorisation of amateur radio operators, as well as rules governing the use by such operators of radio spectrum allocated for that purpose;
- (4) adopt reasoned, fair, and transparent decisions conforming to the laws and public interest, and establish procedures for the implementation thereof.

(Article 5 amended and supplemented by HO-160-N of 9 April 2007)

Article 6. Powers of the Regulator

1. The Regulator shall have the powers necessary to perform its functions.
2. The Regulator, in particular, shall have the following powers:
 - (1) adopt decisions, establish rules and procedures, and issue orders;
 - (2) settle disputes between non-dominant operators, non-dominant operators and end-users, as well as between non-dominant service providers and end-users where the Regulator considers the appropriateness of such actions justified for preserving competition, service quality, and cost-based rates – considered as a whole – in the market;
 - (3) arrange public hearings and meetings pertaining to its functions;
 - (4) obtain information relevant to the performance of its functions;
 - (5) conduct investigations and research;
 - (6) authorise a representative to enter the buildings or premises which are used for providing public electronic communications services or for operating a public electronic communications network;
 - (7) initiate, in accordance with the laws of the Republic of Armenia, administrative proceedings against a licensee for non-compliance with the provisions of the legislation;
 - (8) intervene – on its own motion or upon the request of a party – in disputes for the purpose of ensuring effective co-operation and maximum efficiency in the electronic communications sector and clarifying the tariffs or terms of interconnection agreements;
 - (9) levy charges in cases provided for by law.
3. In exercising its rulemaking and adjudicative powers, the Regulator may, at its discretion, determine the type of hearing or proceeding it will employ and may, but shall not be obliged to, hold trial-type hearings or sessions. The Regulator shall be obliged to afford interested parties the right to present evidence – whether oral or written – to cross-examine opposing witnesses or challenge their testimonies. For good cause presented in writing, the Regulator shall have the authority to limit participation in the session to the parties only.

4. In exercising the powers vested in it under this Law, the Regulator shall be obliged to issue a written statement of its reasons for each decision or other legal act adopted and shall make such statement available to the public. Such statement shall set forth the reasons why the public interest is best served by the approach adopted by the Regulator, and why other options were not selected.

5. The Regulator may conduct the dispute resolution process in a manner conforming to the reasonable and proper business practice and to the principles of justice. The Regulator shall have discretion in planning its activities, by determining the priorities for the scope of its responsibilities, and allocating resources.

Article 7. Financing of the Regulator

Issues pertaining to the financing of the Regulator shall be governed by the Law of the Republic of Armenia “On Public Services Regulatory Authority”.

C H A P T E R 3

ISSUING LICENCES AND AUTHORISATIONS

S E C T I O N 1

GENERAL PROVISIONS

Article 8. Applicability of the Law of the Republic of Armenia “On licensing”

The licensing of activities subject to licensing as prescribed by this Law shall be carried out in accordance with the Law of the Republic of Armenia “On licensing”.

Article 9. Exclusive rights and privileges

1. As of the effective date of this Law, the granting of exclusive rights and privileges as well as radio frequency authorisations shall be prohibited, except for cases provided for in Article 5(2)(z) and Article 10.

2. Any exclusive right, privilege, or radio frequency authorisation lawfully granted previously shall remain effective, unless suspended, withdrawn, or modified in accordance with the licence, authorisation, or the law.

Article 10. Procedure for applying for a licence and authorisations

1. Where the number of radio frequency authorisations is limited because of availability of radio frequencies or based on the decision of the Regulator pursuant to Article 5(2)(z), the Regulator shall grant such authorisations on the basis of competitive applications or auction.

2. Applications for licences and frequency authorisations shall be filed with the Regulator in the form prescribed by that body; shall contain the information required under the Law of the Republic of Armenia “On licensing” and any other relevant information required by the rules of the Regulator; and shall be accompanied by an application fee. The information in the application shall be available to the public. Where the applicant makes a motion to the Regulator and justifies that certain information subject to publication constitutes a commercial secret, and the Regulator finds such arguments well-grounded, such information shall not be subject to publication. In the event that radio frequency authorisations or other licences are granted by auction, the Regulator may require applicants to submit performance bonds, in the form determined by the Regulator, to guarantee their compliance with the relevant payment obligations.

3. No application for a network licence shall be granted earlier than six months after the Regulator publishes a notice of filing of such application. The Regulator shall be obliged to act upon applications within six weeks of the date of their receipt. Provided that there is good cause, the Regulator may – with notice to the applicant – extend the time limit for acting upon an application by additional three months.

4. The Regulator may not refuse an applicant qualified for granting a licence or authorisation solely on the ground that the latter is wholly or partially owned by a national of a foreign state or by an undertaking created under the laws of a foreign state.

5. The Regulator may adopt rules allowing it to:

- (1) grant multiple applications for shared use of limited resources;
- (2) auction licences or authorisations even in the absence of any limitation of resources if it finds that such action best meets the needs of the consumers of the Republic of Armenia in the electronic communications sector;

- (3) treat bids as concurrently made if these bids were filed within six weeks after making a call for proposals by the Regulator for a licence or radio frequency authorisation.
6. Where licences and/or limited resources are publicly bid, the Regulator shall be obliged to establish and promulgate non-discriminatory and reasonable rules, specifying the eligibility criteria for applicants, including payable fees, payment of which is a precondition for participation in the auction. Bids and applications shall be accepted within 90 days after promulgation of the rules. Within ten days after the expiration of the time limit set for submission of bids, the Regulator shall be obliged to publish a tentative award of the licence and/or authorisation to the qualified applicant with the highest bid. The Regulator shall provide the applicants, which are not selected, up to four weeks to challenge the tentative award. After considering the challenges filed, the Regulator may change the tentative award. The Regulator shall be obliged to award a final licence and/or authorisation upon payment in full of the bid amount by the selected winner, not later than within six weeks following the announcement of the tentative award. Should the selected winner fail to pay the initial bid amount, the Regulator shall be obliged to declare the next highest bidder as a selected winner, pursuant to the rules established in this part.
7. The Regulator shall be obliged to adopt rules for the organisation of tenders referred to in part 6 of this Article.
8. The Regulator shall be obliged to determine the amount of the fee for recovering the costs of examining licence and authorisation applications pursuant to part 6 of this Article.

Article 11. Modifications in licences and authorisations

An application for modification of a licence or radio frequency authorisation shall be filed in the same manner as the application for obtaining a licence or radio frequency authorisation.

Article 12. Suspension or withdrawal of licences and authorisations

1. The Regulator shall be authorised to suspend a licence or file a claim, in accordance with the Law of the Republic of Armenia “On licensing”, with a court for withdrawal of a licence. The Regulator shall be authorised to suspend or withdraw a radio frequency authorisation in accordance with its own procedures.
2. In addition to the grounds for suspension or withdrawal provided for in the Law of the Republic of Armenia “On licensing”, the Regulator shall be authorised to suspend or file a claim with

the court for withdrawal of a licence, as well as to suspend or withdraw a radio frequency authorisation where:

- (1) the licensee knowingly provided false information in its application filed for a licence or authorisation, or in any statement submitted to the Regulator;
 - (2) the licensee knowingly failed to provide information or evidence that would have resulted in a refusal to grant the licence or authorisation;
 - (3) the licensee wilfully violated this Law or any rule or regulation adopted under this Law;
 - (4) the licensee wilfully failed to comply with the conditions of its licence or authorisation;
 - (5) the licensee violated or failed to comply with a cease-and-desist order issued under Article 60 of this Law;
 - (6) the licensee failed to pay the renewal fee for an application or licence or authorisation, or any universal service fee;
 - (7) the suspension or withdrawal is necessary for reasons of national security or the public interest.
3. Suspension and withdrawal provisions prescribed by this Article do not extend to the licence of the incumbent operator. The incumbent operator shall be subject to the conditions of its licence during the whole term of exclusivity.

Article 13. Renewal of licences and authorisations

1. The Regulator shall be authorised to renew – upon an application filed by a licensee – a licence or radio frequency authorisation for a period equivalent to the period for which the original licence or authorisation was granted, when:
 - (1) the licensee has operated within the scope of the conditions of the original licence or authorisation;
 - (2) the licensee has – during the term of the original licence or authorisation – operated without significantly violating this Law as well as any rules or regulations adopted under this Law.
2. When renewing a licence or radio frequency authorisation, the Regulator may modify the conditions of such licence or authorisation or impose additional conditions without renewing or granting exclusive rights or privileges.

3. The Regulator may require from any licensee a fee not less than the original licence or authorisation fee.

Article 14. Transfer of control of licensees

1. Prior to the transfer of ownership of a licensee, such licensee must obtain the consent of the Regulator. In order to obtain such consent, the licensee shall file a written request with the Regulator, submitting the information and documents requested by the latter.

2. If the Regulator finds that the transfer will result in the change of the person able to predetermine the licensee's activities, it shall be authorised to refuse to grant its consent if it finds that the person concerned does not have adequate qualifications, or that such transfer threatens the national security.

3. If the Regulator finds that the beneficial owner or the person able to predetermine the licensee's activities will not change as a result of the transfer, it shall be obliged to give its consent.

4. The beneficial owner of the incumbent operator may transfer, sell, assign or otherwise dispose of up to 20 % of the shares of the incumbent operator without the prior consent of the Regulator.

5. The beneficial owner of the incumbent operator may – upon prior consent of the Regulator – transfer, sell, assign or otherwise dispose of up to 20 % or more of the shares of the incumbent operator, in one or more transactions, thereby reducing its interest in the incumbent operator to 70 % or less. The Regulator shall give its consent if the transfer, sale, assignment, or disposition in any other manner does not conflict with the interests of the State.

6. The Regulator shall be obliged to publish – in the Official Journal – a notice of transfer to another person of ownership of a licensee having a dominant position.

7. The Regulator shall give its consent under this Article to the transfer of ownership of a licensee upon the prior consent of the competent authority.

SECTION 2

LICENCES

Article 15. Required licence

1. Any person shall be entitled to hold and operate a public electronic communications network or provide public electronic communications services, subject to the exclusivity requirements prescribed by this Law. The owner of a public electronic communications network shall be obliged to operate such network.
2. No person shall be entitled to hold and operate a public electronic communications network in the Republic of Armenia unless that person holds a network licence granted under this Section and under the complex licensing procedures as provided for by the Law of the Republic of Armenia “On licensing”. Persons who have been granted a licence to operate a network prior to the enactment of this Law shall not be required to obtain a new licence required under this Chapter until the effective period of the existing licence expires.
3. No person shall be entitled to provide public electronic communications services without a network licence or service provider licence. The Regulator shall be obliged to require that a person providing public electronic communications services – who does not hold a network licence under part 2 of this Article – obtains a service provider licence in accordance with the simple licensing procedure set forth in the Law of the Republic of Armenia “On licensing”.
4. Dominant operators and dominant service providers shall be subject to other regulatory regimes as provided for by this Law.

Article 16. Procedure for issuing a network licence

1. In setting the procedure for issuing a network licence, the Regulator shall take into account:
 - (1) the requirements pertaining to the technical qualifications and financial capacity of the applicant;
 - (2) the objectives of this Law and the Law of the Republic of Armenia “On licensing”;
 - (3) whether the provision of universal service is fostered;
 - (4) whether the interests of end-users of public electronic communications networks and public electronic communications services are protected;

- (5) whether competition among providers of public electronic communications networks and public electronic communications services is guaranteed;
 - (6) whether research and development activities, as well as introduction of new electronic communications services are promoted;
 - (7) whether foreign and domestic investors are encouraged to invest in the electronic communications sector;
 - (8) whether the public interest and national security interests are safeguarded.
2. If the public interest so requires, the Regulator may set additional conditions in the Procedure for issuing a network licence.

SECTION 3

RADIO SPECTRUM MANAGEMENT

Article 17. Assignment of radio spectrum

1. Where the use of radio frequencies is necessary for the operation of an electronic communications network or provision of a service, a person may not operate the given network or provide the service without an authorisation required to use such radio frequencies.
2. The Regulator shall be obliged to assign – in accordance with Article 10 of this Law as well as the Law of the Republic of Armenia “On licensing” – radio frequencies to separate users for the purposes stated in part 1 of this Article. The Regulator shall be obliged to establish rules – within one year after the entry into force of this Law – to permit unlicensed operation of low power devices which emit radio frequency rays, provided that such devices are of the types approved by the Regulator or relevant foreign standard setting bodies, as set forth in the appropriate regulations. The above-mentioned rules may require manufacturers or suppliers of such equipment to test and certify such equipment with the Regulator prior to the importation or offer for sale thereof.
3. The Regulator may announce a call for applications for frequency authorisations.
4. The Regulator shall be authorised to issue frequency authorisations to persons to use certain portions of radio spectrum. The Regulator shall be authorised to grant a radio frequency authorisation for provision of public electronic communications network services only to an applicant who is a holder of a network licence or is eligible for such a licence. The Regulator shall be authorised to allow an applicant for a network licence to apply for both a network licence and a radio frequency

authorisation in one application and shall be authorised to grant a frequency authorisation and network licence simultaneously.

5. In consultation with the competent authority, the Regulator shall be obliged to set out the procedure for issuing radio frequency authorisations, which shall define the methods for assignment of radio frequencies as well as technical, financial, and legal eligibility requirements for applicants.

Article 17.1. Mandatory fees for issuing a radio frequency authorisation (renewing, modifying, and converting the authorisation) and for using a radio frequency

1. The rates of mandatory fees for issuing a radio frequency authorisation (renewing, modifying, and converting the authorisation) and for using a radio frequency shall be established by a separate annex to the annual State Budget law upon the recommendation of the Regulator.

2. In order to obtain a radio frequency authorisation, 1 % of the radio frequency (spectrum) allocation fee shall be paid before the authorisation is issued, and 99 % of the fee shall be paid within ten business days after the adoption by the Regulator of the decision on issuing the radio frequency authorisation.

3. If the 99 % for the provision of the frequency authorisation is not paid within the time limit prescribed by part 2 of this Article, the Regulator shall be authorised to repeal its decision on issuing the radio frequency authorisation.

4. In case the radio frequency (spectrum) allocated upon the decision of the Regulator is different from that requested by the applicant, the radio frequency authorisation fee shall be adjusted.

5. The mandatory fee for authorisation renewal, modification, and conversion shall be paid before the adoption of the respective decision by the Regulator.

6. The mandatory fee for the use of radio frequency shall be set on annual basis and shall be paid in equal quarterly allotments by the 25th – inclusive – of the month following each quarter.

7. By the 15th of the month following each quarter, the Regulator shall, in its prescribed manner, send to the payers of mandatory fees for radio frequency use written notices on the mandatory fees due for the given quarter as well on the amount thereof.

8. For an incomplete quarter, the amount of the fee for the use of the radio frequency shall be calculated with consideration of the calendar days in the incomplete quarter on which the radio frequency has been used (radio frequency authorisation has been effective), by multiplying the number of calendar days in the incomplete quarter on which the radio frequency has been used

(radio frequency authorisation has been effective) with the ratio of the amount of quarterly allotment to the number of calendar days in the quarter.

9. The amount paid in excess of the established amount of the mandatory fee for the use of radio frequency shall be subject to return within 30 days after filing a request with the Regulator.

10. In case of failure to pay the amount of the mandatory fee for the use of radio frequency before the deadlines established by this Law, a penalty shall be charged equal to 0.15 % of the amount due and unpaid, for each day of delay, but not more than for 365 days.

11. The Regulator shall control the process of calculation and payment of the mandatory fee for the use of radio frequency, while the supervision shall be carried out by the tax authority in accordance with the law.

(Article 17.1 supplemented by HO-207-N of 17 November 2009)

Article 18. Existing users

The radio frequency authorisations previously granted in accordance with the law shall remain in force for the whole effective period of such authorisations.

Article 19. Use of radio frequencies

Every person who is a holder of a radio frequency authorisation shall be obliged to comply with the conditions of the authorisation and the directions of the Regulator pertaining to the use of radio frequencies.

Article 20. Interference

The use by any person of a radio frequency in a manner that creates harmful interference into the lawful use of radio frequencies of other persons shall be prohibited.

Article 21. Amateur radio

1. After consultation with the competent authority, the Regulator shall be obliged to issue rules classifying various types of amateur radio authorisations and establishing the qualifications necessary to hold such authorisations, as well as procedures for verifying compliance with such qualifications.
2. The Regulator shall be obliged to issue rules for registering, installing, and using amateur radio stations, for the purpose of issuing operating permissions.
3. Amateur radio stations may not be used for broadcasting purposes.

(Article 21 amended by HO-160-N of 9 April 2007)

C H A P T E R 4
COMPETITIVE SAFEGUARDS

Article 22. Dominant position

A person shall be considered having a dominant position in a specific electronic communications market when, as a supplier or consumer, it has no competitors or is not facing any substantial competition, or its turnover volumes make at least one-third market share.

Article 23. Determination regarding a dominant position

1. In consultation with the State Commission for the Protection of Economic Competition of the Republic of Armenia, the Regulator shall define electronic communications markets subject to regulation and determine which operators of public electronic communications networks or providers of public electronic communications services have a dominant position within the meaning of this Law. In so doing, the Regulator shall provide at least a two-month prior public notice of the intent to classify any operator or service provider as dominant or, if there is such a determination, reclassify any operator or service provider as non-dominant, and shall accept written comments from the operator or service provider as well as from interested parties.
2. The Regulator may classify an operator or service provider as dominant in connection with some services and/or geographic areas but non-dominant in connection with other services or geographic areas.

3. Any interested party may request that the Regulator initiates the process under part 1 of this Article with regard to any operator or service provider.

Article 24. Safeguards

1. The Regulator may establish rules (hereinafter referred to as “competitive safeguard rules”) under which it will:

- (1) prohibit anti-competitive pricing and other practices;
- (2) order a dominant operator or dominant service provider to provide competitive public electronic communications services only through one or more fully separated subsidiaries or affiliates;
- (3) order a dominant operator or dominant service provider to implement structural separations between its dominant operations and its competitive operations;
- (4) order a dominant operator or dominant service provider to restrict transactions, or the sharing of information or employees, or to take other steps which the Regulator considers reasonable and adequate for the purpose of safeguarding competition;
- (5) order, if other measures are unable to protect competition, the divestiture of one or more affiliates from the dominant carrier.

2. The Regulator shall be authorised to develop guidelines, in consultation with the State Commission for the Protection of Economic Competition of the Republic of Armenia, with respect to the following:

- (1) The types of anticompetitive practices to which the competitive safeguard rules apply;
- (2) The procedure for determining whether to impose or not to impose competitive safeguards in relation to such practice.

3. The Regulator shall be obliged to issue competitive safeguard rules if it is satisfied that:

- (1) such rules are necessary for the detection or prevention of abuse of a dominant position by a dominant operator or dominant service provider or any other anticompetitive practice by such operator or service provider;
- (2) no other effective measures are available to the Regulator for the provision of an adequate remedy for such abuse or practice.

4. The provisions of this Law are without prejudice to the right of any person to file a claim with a court seeking relief under the laws of the Republic of Armenia “On protection of economic competition” or “On licensing”.

Article 25. Obligations of dominant operators with regard to line facilities

1. Any dominant operator holding a line facility shall be obliged to allow any other operator to lease the capacity of the given line facility.

2. All dominant operators shall be obliged to publish information concerning the location of their line facilities and available capacity thereof in accordance with the procedure defined by the Regulator.

3. Any operator seeking to lease the line facility of a dominant operator shall be obliged to request that operator in writing. The dominant operator from whom the line facility or the authorisation to use such a facility is sought shall be obliged to inform in writing the requesting operator within fourteen days with regard to its intention to provide the requested line facility or the authorisation to use it.

4. The dominant operator holding the line facility shall be authorised to refuse the request of an operator, provided that it demonstrates to the Regulator that:

(1) the line facility will be damaged or will be electromagnetically incompatible with the dominant operator’s network;

(2) the capacity of the line facility at issue is exhausted or will be exhausted within three years from the date of the request. However, upon the request of another operator and subject to technical and economical feasibility, the dominant operator shall be obliged to construct the requested facilities.

5. The dominant operator holding the line facility shall be obliged to grant equal treatment to all operators seeking to lease the line facility. The conditions and requirements for using a line facility by other persons must be identical to the conditions and requirements for using purchasing, and leasing such line facility by the dominant operator or by its affiliates.

6. The charge levied for the use of a line facility shall be proportionate to the costs of building and maintaining the line facility incurred by the dominant operator.

7. A dominant operator shall be obliged to refrain from imposing – on operators requesting to lease a line facility – any conditions related to the purpose and manner of using the line facility.

CHAPTER 5
TARIFFS AND CHARGES

Article 26. Basis of charges

1. Tariffs for a public electronic communications service shall be just and reasonable. Any tariff that is unjust or unreasonable shall be deemed unlawful. A similar tariff already set for a similar service may be a reason for considering the tariff to be just and reasonable.
2. Tariffs for a public electronic communications service subject to regulation under Article 27 must be based on the costs necessary for providing such services, with such costs to be established and allocated in accordance with Article 31.

Article 27. Tariff regulation

1. The Regulator shall establish and regulate the tariffs for public electronic communications services – subject to regulation – provided by dominant service providers.
2. The Regulator shall be authorised to regulate the tariffs for public electronic communications services provided by non-dominant service providers when such regulation is necessary to protect competition and the public interests. However, the Regulator shall not have the authority to regulate the tariffs charged by an Internet service provider for Internet access.
3. The Regulator shall regulate the tariffs for universal services provided to the public by non-dominant service providers.
4. In regulating the tariffs for public electronic communications services, the Regulator shall be obliged to require from providers of services subject to regulation under parts 1 to 3 of this Article as well as promote the rebalancing of tariffs so as to bring tariffs as close as possible to actual costs.
5. In regulating the tariffs for public electronic communications services, the Regulator may require providers of services subject to regulation under parts 1 to 3 of this Article to file information justifying the conditions and tariffs for public electronic communications services provided by them.
6. The Regulator shall be obliged to select – at its discretion – the mode of tariff regulation applicable to providers of services subject to regulation under parts 1 to 3 of this Article. The Regulator shall be authorised to establish the maximum tariffs for services.

Article 28. Public filing of tariffs

1. All providers of services subject to tariff regulation by the Regulator shall be obliged to file with the Regulator and publish schedules showing tariffs for public electronic communications services as well as the classifications and conditions related to the provision of such services. These schedules, the information contained therein, the form of printing thereof, the places for posting and keeping thereof open for public inspection, including when widely available websites or mass media are concerned, shall be established by the regulations of the Regulator.

2. Tariffs subject to regulation shall become effective upon the Regulator's approval. A tariff shall become effective upon expiration of the 45th day following the filing thereof, provided there is no objection by the Regulator.

3. Whenever the Regulator, following a public consultation, determines that a tariff subject to regulation will be in violation of any provision of this Law, it shall be authorised to:

- (1) modify the tariff so that it is just and reasonable;
- (2) suspend the application of the tariff, or any part thereof, for a period not to exceed 90 days, during which it shall be obliged to investigate the justification for such tariff and reject, modify, or accept it.

Article 29. Particulars of tariff rates

Regulated tariffs must:

- (1) be clearly specified and comprehensible, without any cross reference whatsoever to documents not regulating tariffs;
- (2) be associated with an identified service type;
- (3) set forth the units (*e.g.*, bandwidth, time, speed) used in calculation of the charge;
- (4) be unbundled to the extent required by competition rules established by the Regulator;
- (5) be based, subject to reasonable transition periods set forth in Article 27(4) for the rebalancing of tariffs, only on the allowable costs incurred in the provision of the public electronic communications services requested by end-users;
- (6) disclose, fully and in advance, any information on any rebate and on payment of such rebate.

Article 30. Discounts

1. Providers of services subject to tariff regulation may discount the service tariffs:
 - (1) on the basis of the volume of services supplied to the end-user, if cost justified;
 - (2) where the service subject to a discount is a service with a recently established tariff, provided the discount is limited to 90 days following customer subscription to the service. Any discount shall be public, transparent, and available identically to all similarly situated customers.
2. Volume discounts may be calculated by cumulating the traffic of different persons, provided that those persons are engaged in a common business (other than the business of providing electronic communications services) and receive no more billing statements for subsets of the cumulative charges than separate persons using the same traffic volume.
3. Discounts shall be applied upon the Regulator's approval. Notwithstanding parts 1 and 2, the Regulator may reject a discount proposed by a dominant service provider if that would prejudice the competitiveness of other entities in the relevant public electronic communications service market.

Article 31. Additional requirements for providers of services subject to tariff regulation

1. The Regulator shall establish for dominant service providers an accounting system which requires demonstrating that the charges for the public electronic communications services, in which they hold a dominant position, are cost-based. The accounting system must allow allocation of costs to all public electronic communications services, enable the Regulator to verify and audit cost allocations, ensure consistency (proportionality) of cost allocations among regulated service providers as well as consistency of costs incurred by the latter.
2. The Regulator shall ensure that service providers subject to tariff regulation apportion the total costs of providing their product and service offerings, including the individual elements thereof together with such products, services, and elements, in such a manner as to separate the costs as subject to full allocation, in accordance with the following principles:
 - (1) Costs directly attributable to a single product, service, or element must be directly assigned;
 - (2) Costs not directly attributable to a single product, service, or element must be apportioned among all products, services, and elements, on the basis of actual use;

- (3) Costs assigned or apportioned under subpoints above to products, services, and elements subject to competition may not be paid from the provision of non-competitive products, services, or elements.
3. The cost accounting system of service providers, as referred to in part 1 of this Article, must be separated to the extent that would be required if the public electronic communications services specified in the same part of this Article were provided by different persons not affiliated with each other, with the possibility of determining income and expense items related to their public electronic communications services, including a breakdown of fixed assets.
4. At least once per calendar year, the Regulator shall be obliged to require all service providers subject to tariff regulation to submit an audited statement of cost accounting for public electronic communications services. Such statements must be available to the public if they do not contain commercial secrets. The selection of the auditors shall be subject to approval by the Regulator.
5. The statements specified in part 4 of this Article must include:
 - (1) the auditor's report on compliance of the cost accounting with the provisions of this Law;
 - (2) identification and quantification of all expense items for each public electronic communications service for each network part through which such service has been provided;
 - (3) the basis for attribution of joint and common costs to each public electronic communications service.
6. After providing the interested parties with the opportunity to provide their opinion with respect to the statements of providers of services subject to tariff regulation, the Regulator shall be obliged to determine whether each service provider's cost accounting is lawful and appropriate. In reaching that decision, the Regulator must balance, on one hand, the ability of service providers in terms of the opportunity to ensure a reasonable profitability, and, on the other hand, the interests of the public and other service providers in ensuring low prices and in promoting competition where possible.
7. The Regulator shall be obliged to establish the cost attribution methods referred to in part 1 of this Article as well as the method of cost accounting specified in part 2 of this Article, which must:
 - (1) ensure that damages, penalties, or fines attributed to a provider of services subject to tariff regulation are not borne by its competitors or by end-users;

(2) prohibit a provider of services subject to tariff regulation from cross-subsidising between competitive public electronic communications services and non-competitive public electronic communications services;

(3) extend the requirements for cost allocation established for providers of services subject to tariff regulation that hold, solely or jointly, leased line mobile telephone networks.

8. A provider of services subject to tariff regulation who renders a leased line or other public electronic communications service shall be obliged to bring the calculation of its charges and its cost accounting system into compliance with the provisions of this Law and the time limits set by the Regulator for this purpose.

Article 32. Reasonable rate of return on investment

1. In regulating the charges levied by service providers, the Regulator shall ensure that such service providers have an opportunity to recover, based on effective management, a reasonable rate of return on the reasonable value of their investments made in providing services to the public. This may include investments rendered, in whole or in part, uneconomic or inefficient by the advance of technology or changes in the state policy.

2. In determining the rate of return under part 1, the Regulator may take into account the international criteria as well as the particularities of the Republic of Armenia.

CHAPTER 6 INTERCONNECTION

Article 33. Obligation to grant interconnection

1. Each operator shall be obliged to interconnect, upon request, its public electronic communications network with the public electronic communications network of another operator.

2. The operator shall be obliged to grant interconnection in accordance with the following principles:

(1) “any-to-any” interconnection must be granted in such a manner so as to enable all customers of each public electronic communications network to communicate with all

customers of other public electronic communications networks or to obtain services from other networks;

(2) "point-to-point" interconnection must be maintained in such a manner so as to enable the delivery of public electronic communications services to any customer of one network by the operator of another network;

(3) interconnecting operators shall be equally liable for the provision of interconnection in reasonable time limits.

Article 34. Permitted mechanisms for interconnection

1. Every dominant operator shall be obliged to file with the Regulator a Reference Offer for Interconnection setting out the interconnection services and the conditions upon which other operators may interconnect with the public electronic communications network of the given dominant operator.

2. If agreed by both parties, the conditions and prices of interconnection involving at least one dominant operator may be worded in an agreement that will legally prevail over the corresponding Reference Offer for Interconnection. Every dominant operator shall be obliged to provide the copies of all interconnection agreements to the Regulator who, in the prescribed manner, may reject, suspend, or amend them.

3. Conditions of interconnection with a dominant operator shall be determined:

(1) pursuant to the Reference Offer for Interconnection – as approved by the Regulator in accordance with Articles 35 and 36 of this Law or on the basis of any part thereof – covering the delivery of the services concerned. Where more than one Reference Offer for Interconnection is applicable, the Regulator shall determine the one to be applied;

(2) by an agreement concluded between the interconnection seeker and the interconnection provider, which has been approved by the Regulator pursuant to part 2 of this Article, provided that point 1 of this part is not applicable;

(3) by the Regulator that acts as a dispute settlement body in accordance with the arbitration rules referred to in Article 38, provided that points 1 or 2 of this part are not applicable.

4. Non-dominant operators may set forth proposed rates and conditions of interconnection in a standard contract form or in a Reference Offer for Interconnection.

5. Conditions of interconnection with a non-dominant operator shall be determined:

- (1) by an agreement between the interconnection seeker and the interconnection provider;
- (2) pursuant to the Reference Offer for Interconnection – as approved by the Regulator in accordance with Articles 35 and 36 of this Law or on the basis of any part thereof – covering the delivery of the services concerned, provided that point 1 of this part is not applicable. Where more than one Reference Offer for Interconnection is applicable, the Regulator shall determine the one to be applied;
- (3) by the Regulator that acts as a dispute settlement body in accordance with the arbitration rules referred to in Article 38, provided that points 1 or 2 of this part are not applicable.

Article 35. Reference Offer for Interconnection

1. Every dominant operator, which is obliged under this Chapter to provide interconnection for public electronic communications services, shall be obliged to file a Reference Offer for Interconnection with the Regulator:
 - (1) within ninety days after being identified as occupying a dominant position;
 - (2) at least ninety days before the expiry date of the existing Reference Offer for Interconnection.
2. A Reference Offer for Interconnection filed by the operator or any part thereof may take effect upon the approval by the Regulator.
3. The Reference Offer for Interconnection shall provide the particulars specified below:
 - (1) the validity period of the offer which may not exceed the validity period of the licence of the offeror;
 - (2) the interconnection service, electronic communications and other related services requested by the party seeking interconnection;
 - (3) the procedure for ordering interconnection lines, and their capacity;
 - (4) the procedure for estimating and managing the traffic volumes;
 - (5) measures taken to ensure the security of network operations;
 - (6) technical and other standards for interconnection;
 - (7) the location of each interconnection point and the conditions for use of each such point;
 - (8) conditions for use of numbers or number series;

- (9) the procedure to be followed if any of the interconnecting parties intends to change the configuration of its network, and if such change may have a negative effect on the interoperability of the interconnected networks or the interconnection services provided;
- (10) joint use of network equipment and line facilities;
- (11) requirements for the quality of the interconnected networks and of electronic communications and other related services, as well as the measures ensuring the compliance with such requirements;
- (12) settlement conditions and procedures;
- (13) the procedure for testing the interconnection and interoperability of networks;
- (14) interconnection charges and the procedure for the changing thereof;
- (15) conditions and charges for use of interconnected lines and other interconnection services;
- (16) the procedure for amending the interconnection conditions;
- (17) the procedure for receipt of information on breakdowns and for elimination thereof;
- (18) requirements for carrying out repair and maintenance works;
- (19) the liabilities of parties and the existing restrictions;
- (20) the procedure for settlement of disputes;
- (21) the procedure for suspension and termination of the interconnection agreement where one of the parties breaches the agreement;
- (22) any other information necessary for evaluating and carrying out interconnection;
- (23) other information prescribed by the rules of the Regulator.

4. The Reference Offers for Interconnection of dominant operators shall include the commitment of the dominant operator to provide interconnection to the requesting operator not later than within forty-five days after the latter agrees to the conditions of interconnection.

Article 36. Obligations of a dominant operator

1. In addition to the requirements prescribed by Article 33 of this Law, a dominant operator shall be obliged to provide interconnection in accordance with the following principles:

- (1) The conditions for providing interconnection must:
 - (a) be non-discriminatory with regard to similarly situated persons;
 - (b) be reasonable and transparent as to technical conditions of interconnection as well as the number and location of interconnection points;

- (c) include the charges to be calculated pursuant to the principles referred to in Article 47;
 - (2) Interconnection must be approved by the Regulator at any point specified in the interconnection request:
 - (a) not later than within forty-five days after the operator agrees to the conditions of interconnection under the Reference Offer for Interconnection;
 - (b) within two months after the receipt of the request under the Reference Offer for Interconnection, except where a special construction is needed. In this case, the parties shall agree upon reasonable time limits;
 - (3) The dominant operator shall be obliged to provide the operator requesting interconnection with information necessary for interconnection;
 - (4) The dominant operator shall be obliged to use the information received from the operator requesting interconnection only for the purpose of providing interconnection services and not to disclose such information to third parties, with the exception of cases provided for by law;
 - (5) The dominant operator shall be obliged to give, within a reasonable time limit, a prior notice to the interconnected operator of the modifications in technical standards or operating characteristics of the network of the dominant operator;
 - (6) The dominant operator must provide interconnection under the same conditions as it provides interconnection to itself or to its affiliates;
 - (7) Cross-subsidisation shall not be allowed;
 - (8) Where technically and economically feasible, the interconnection services and components must be separated to the extent that the operator requesting interconnection does not have to pay for such network components or facilities that it does not need.
2. Each dominant operator shall be obliged to keep separate accounts, the form and the content whereof will enable the Regulator to evaluate whether the operator is providing the interconnection services in accordance with the principles provided for in part 1(1) of this Article.
3. Each dominant operator shall be obliged to allow other operators and service providers to route calls of their consumers to their equipment used to support short codes of the police, ambulance, and other emergency services.

Article 37. Principles underlying the interconnection charges

1. Interconnection charges shall be the following:
 - (1) Charges that cover the costs of interconnected networks;
 - (2) Charges for hiring network equipment, buildings and premises as well as line facilities, unless otherwise agreed by the parties to interconnection agreement;
 - (3) Charges directed at providing current integrated interoperability of interconnected networks;
 - (4) Charges relating to mutual routing of traffic volumes, switching, and transmission of signals between interconnected networks;
 - (5) Charges for provision of ancillary services.
2. Charges for interconnection or its components shall be laid down:
 - (1) based on long-run incremental costs of the given service or component for the total duration of the service and the reasonable allocation of forward-looking costs, which shall include the following:
 - (a) Costs incurred for ensuring equal interconnection;
 - (b) Costs resulting from fulfilment of the requirements prescribed for interconnection of networks;
 - (c) reasonable capital expenditures;
 - (2) reasonable allocation of forward-looking costs.

The allocation of costs between services or components must be in line with the principles of cost assignment and allocation as provided for in Article 32. Notwithstanding other provisions of this Article, rates laid down pursuant to this paragraph shall not exceed the amount necessary for covering the costs specified in this paragraph.

3. Dominant operators shall be obliged to calculate the charges for interconnection and interconnection services in accordance with the following fundamental principles:
 - (1) Costs shall be borne by the operator or operators, whose activities cause these costs;
 - (2) Non current costs shall be recovered through non current charges, and current costs shall be recovered through current charges;
 - (3) Usage-related non-variable costs shall be recovered at the account of presumptive payments, whereas usage-related variable costs shall be recovered through usage-based charges;

- (4) Costs shall include attributable operational expenditures and amortisation, as well as a reasonable amount estimated to receive reasonable return;
 - (5) Interconnection price shall not include the value of recovery of common costs;
 - (6) Where the Regulator is unable to receive reasonably sufficient, relevant and reliable information about the costs, it may take into account the comparable international standards. The Regulator may establish supplementary regulations governing the prices which a dominant operator may charge for interconnection services;
 - (7) After public consultation, the Regulator may adopt supplementary rules governing the charges for interconnection services.
4. Charges established by dominant operators for interconnection and interconnection services shall be transparent and public. Components of charges shall be explicitly separable and the methods of cost calculation shall be published.
 5. Charges for interconnection services of a dominant operator shall not depend on the type of communication network creating or restricting the communication or the type of transmission through the interconnection point, except where the type of the network or of the transmission affects the cost of delivery of an interconnection service.
 6. The obligation to prove the compliance of charges for interconnection and interconnection services with the requirements of this Article shall lie with the dominant operator. Upon availability of sufficient data about the costs, international criteria may be relied upon.
 7. A dominant operator that interconnects its public electronic communications network to another public electronic communications network shall be obliged to bring its system of cost-accounting through calculation of charges and expenditures in line with the provisions of this Law within the time limits laid down by the Regulator. Meanwhile, the Regulator may rely upon the international criteria and unilaterally establish the interconnection rates after public consultation.

Article 38. Disputes concerning interconnection

1. Where negotiations for provision of interconnection have not resulted in an agreement for two months, or disputes arise after reaching an agreement, each party may refer in writing to the Regulator to settle the dispute.
2. Upon receipt of a written complaint with regard to the dispute, the Regulator shall be obliged to notify the operator (against whom the complaint has been filed) within ten days and request that the latter submits the conditions that are the subject of the dispute.

3. The operator shall be obliged to submit a written explanation within thirty days after receiving the mentioned request from the Regulator.
4. The Regulator shall be obliged to grant or reject the complaint within two months after receiving it.
5. Where the Regulator grants the complaint, the Regulator shall assign the operator to modify without delay the agreements and offers containing a disputable condition. In exceptional cases, the Regulator shall be authorised to request to make amendments to the interconnection agreements already concluded, where it is justified by the necessity to ensure effective competition and/or interoperability of public electronic communications services. The assignment must be fulfilled without delay. Filing of an appeal against the assignment may not suspend the fulfilment thereof.
6. In case of a dispute or a disagreement, the parties shall be obliged to keep their networks connected for the purpose of delivery of services and transmission of calls. None of the parties may, without the prior consent of the Regulator, disconnect the connection with the network of the other party; any party wishing to interrupt the connection must file a request with the Regulator, and the latter shall take a decision thereon.
7. The Regulator shall be authorised to elaborate supplementary rules applicable to the settlement of interconnection disputes.
8. The decision of the Regulator on an interconnection dispute shall comply with:
 - (1) all agreements reached between the parties upon issues that are not a subject of the interconnection dispute;
 - (2) the conditions specified in the Reference Offer for Interconnection or any part thereof that covers the provider of interconnection;
 - (3) the principles prescribed in Articles 33 and 36.
9. Where none of the parties to the dispute is a dominant operator, the Regulator may refuse to act as an arbitrator for that dispute.
10. This Article is without prejudice to the right of the operator that has concluded an interconnection agreement to challenge or appeal against the rates or conditions of interconnection by filing a written complaint with the Regulator.

Article 39. Co-location

1. An operator shall be obliged to ensure, upon reasonable rates and conditions, the co-location by any other operator or service provider of such equipment that are needed for interconnection

with, or access to its public electronic communications network within the premises of the operator. The operator may provide virtual co-location if it proves that their co-location is not practically feasible for technical reasons or due to space limitations.

2. An operator or service provider shall be obliged to provide any operator or service provider with the appropriate public electronic communications network infrastructure, technology, information, facilities, and functions necessary for the latter to provide services.

3. Co-location includes provision of premises, power of required voltage and lights, as well as cross connections between the co-located equipment and switches or loops designed by the operator or service provider providing co-location.

CHAPTER 7 UNIVERSAL SERVICES

Article 40. Universal services

1. Universal service shall consist of the provision of a minimum set of services approved by the Regulator's decision pursuant to the policy objectives approved by the competent authority and as a result of consultation with all the stakeholders, which shall be available at an affordable price and in accordance with quality standards laid down for all end-users, irrespective of geographical location.

2. The scope of universal service shall be widened to reflect advances in technology, development of economy, and changes in user demand.

3. The Regulator shall be obliged to:

(1) determine the most efficient and appropriate approaches for provision of universal services;

(2) define objectives for the provision of services, ensuring that the public electronic communication, in particular public telephone services are accessible to the majority of users;

(3) the Regulator may include – as a condition – in the licence of any operator or service provider the requirement to provide one or two universal services and to ensure the possibility of universal services. The Regulator may impose any requirement by observing the principles of transparency, non-discrimination, and competition. The incumbent operator shall be obliged to deliver all universal services and provide the possibilities of universal services;

(4) establish a fund, where providers of communications services shall make contributions – defined by the Regulator as charges for universal services – to the foundation. The fund shall be managed by the Regulator. The fund shall be used by the Regulator for the purpose of reimbursing any operator providing universal services. Any operator or service provider may cover its share of universal service contributions – as calculated under this Article – through a charge on customer’s account, provided that the charge does not exceed the calculated amount, is fairly allocated among the customers and is described in a comprehensible and non-misleading manner in customer accounts.

CHAPTER 8

NUMBERING, IDENTIFICATION CODES, AND SHORT CODES

Article 41. Numbering Plan of the Republic of Armenia

1. The Regulator shall adopt a decision on establishing the Numbering Plan of the Republic of Armenia, setting a regime governing the use of number series, identification and short codes for electronic communications in the Republic of Armenia, in accordance with international requirements. The number series, identification and short codes necessary for delivery of electronic communications services in the country shall be specified in the Numbering Plan of the Republic of Armenia.
2. In elaborating the Numbering Plan of the Republic of Armenia and making amendments thereto, the Regulator shall be obliged to:
 - (1) honour the commitments assumed by the Republic of Armenia under international agreements and the approaches for use of number series, identification and short codes accepted in the electronic communications sector;
 - (2) take into account the needs for use of number series, identification and short codes in the Republic of Armenia;
 - (3) inform the international organisations engaged in the regulation of number series, identification and short codes about the objectives of the Republic of Armenia for the use of such number series, identification and short codes;
 - (4) provide appropriate number series, identification and short codes to service providers;

- (5) inform operators and service providers about the developments and changes affecting the use of number series, identification and short codes in electronic communications.
3. After informing the public and obtaining opinions, the Regulator may – upon its own initiative or upon the motion of any other person – modify its numbering plan, in order to:
 - (1) harmonise it with international agreements;
 - (2) harmonise it with advances in electronic communications technology.

Pursuant to point 1 of this part, the period extending between the publication of any amendment adopted and the entry into force of such amendment must be at least two years.

4. Identification codes shall include:
 - (1) international code of any electronic communications network which is identified as an international network in the exchange of technical signals (International Signalling Point Code);
 - (2) international code of any electronic communications network which is identified as a national network in the exchange of technical signals (International Signalling Point Code);
 - (3) mobile communications network code which identifies mobile communications network in the national electronic communications network (mobile communications network code);
 - (4) code of the service provider, which is used in delivery of electronic communications services as well as in accounting (Issuer Identifier Number);
 - (5) Data Network Identification Codes (DNICs).
5. The Numbering Plan of Armenia shall not govern the use of universal and internal addresses of international data communications networks.

Article 42. Reservation of a number or code

1. Any operator or service provider shall be authorised to request the Regulator to reserve a number or a code. The Regulator shall establish the requirements for the application to be filed for reservation of a number or code, which shall include information enabling the Regulator to determine whether the applicant is properly qualified to hold or use such numbers or codes.
2. The Regulator shall issue a number or code to an applicant, except when:
 - (1) the required number series, identification or short code is reserved for any other person;

- (2) the required number series, identification or short code is reserved under international agreements for other purposes;
 - (3) the planned use does not comply with the Numbering Plan of the Republic of Armenia;
 - (4) the applicant fails to substantiate the need for operation of electronic communications networks or delivery of electronic communications services.
3. Having regard to part 2 of this Article, the Regulator shall take a decision:
 - (1) within three months after filing the application and all the necessary documents with the Regulator, where the number series, identification or short code are not in use and where no co-ordination with international organisations for their use is required;
 - (2) within twelve months, where the applicant fails to submit enough information that would enable the Regulator to determine whether the provision of a number or code complies with the conditions specified in part 2 of this Article.
4. A number or code shall be issued for a period of up to ten years, except when the applicant requires a shorter period. However, they may not be issued for a period exceeding the effective period of the licence of the operator or service provider. In case of expiry of the term of an authorisation for reservation of a number or code, the Regulator may reject to renew the licence only upon the provisions of part 7 of this Article.
5. The authorisation for reservation of a number or code allows the operator or the service provider to use the given number series, identification or short code for the purposes of electronic communication, or to arrange the use thereof. A holder of an authorisation for reservation of a number or code shall be entitled to assign this number or code to consumers but shall not have the right to transfer such number or code to other operators or service providers.
6. At least the following information shall be specified in the authorisation for reservation of a number or code:
 - (1) the number series, identification or short codes issued;
 - (2) mandatory conditions, task, form, and objectives of the use of number series, identification or short codes.
7. The Regulator shall withdraw the authorisation for reservation of a number or code or shall reject to renew the authorisation pursuant to the Law of the Republic of Armenia "On licensing", where:
 - (1) the licensee fails to use the numbers or codes in accordance with the conditions of the authorisation or the Numbering Plan of Armenia;

- (2) the licensee has not begun to use the number series, identification or short code within one year after obtaining the authorisation, or the Regulator has not received the documents attesting the commencement of the use of the reserved number series, identification or short code within further twelve months.

Withdrawal of, or rejection to renew an authorisation upon this ground shall not prevent the licensee from filing a new application for reservation of a number or code.

CHAPTER 9 CONSUMER RIGHTS PROTECTION

Article 43. Uninterrupted provision of services without discrimination

1. Service providers shall, as a rule, be obliged to provide services to the public upon reasonable requirements. A service provider shall be entitled to refuse to provide retail services to customers, terminate or interrupt the provision thereof to customers on the basis of the tariff or the agreement concluded with them, where:

- (1) its actions do not result in discrimination between similarly situated subscribers, and the grounds for refusal are explicitly set out under the tariff, and in case of a non-dominant service provider not filing fixed tariffs – under the contract;
- (2) end-user has connected a non-certified terminal equipment to the public electronic communications network, or the service provider has revealed an apparent physical or technical damage caused to such network;
- (3) end-user fails to file the information required under the tariff for the given services, identification data of connection point with the public communications network or the address which allows to provide the required services;
- (4) end-user has failed to pay for electronic communications services provided thereto by the same service provider.

2. A service provider may not refuse to provide services to any end-user in bankruptcy or liquidation process unless the end-user declines to make the minimum deposit required under the tariff.

3. A person who files an application for a public electronic communications service may withdraw the application at any time before the commencement of the delivery of the given service.

4. The service provider shall be obliged to provide services to new customers within reasonable time limits. The Regulator shall be obliged to set a maximum time limit for ordering services, which shall not exceed ten days.

5. A service provider shall be obliged to provide, within reasonable time limits, leased line services not requiring special construction. In any case, the service provider shall be obliged to satisfy 95 % of the requirements documented in a lawful and appropriate manner, within forty-five days after their receipt, unless the Regulator, after consultation, lays down different parameters pertaining to the time limit. Properly documented applications for point-to-point leased lines services shall include details – with respect to the type of terminal equipment and relevant interface specifications – necessary for the provision of the requested service.

6. The service provider shall be discharged from these obligations where the Regulator determines that special construction is required in order to provide a particular service, which justifies additional time, as well as where the request is not properly documented. Where a decision is made to initiate a special construction, the Regulator shall take into account the demand forecasts of the requesting party and the extent of the required special construction, and shall take one or more of the following decisions:

- (1) Release the service provider from the obligation to provide leased line service;
- (2) set a new deadline for the service provider to provide leased line service;
- (3) require the requesting party to pay, in whole or in part, the costs directly associated with the provision of leased line service;
- (4) impose on the requesting party reasonable penalties payable to the service provider, where the requesting party has failed to meet the demand forecasts and to utilise the requested lines.

7. Where a dominant operator or a dominant service provider files to discontinue a service or abandon the licence, or is declared insolvent by a court, the Regulator may – in order to prevent the interruption of services – take a decision to oblige the licensee to continue the performance of the obligations under the licence, in the manner and under the conditions prescribed by the Regulator.

Article 44. Terminal equipment

1. An operator shall permit the connection of properly certified terminal equipment located in the territory of the customer to its public electronic communications network, unless the operator

justifies, in the manner prescribed by the Regulator, that such connection will cause physical or technical damage to its network.

2. The Regulator shall establish, on a service-by-service basis, the demarcation point between the network equipment and facilities of an operator and the terminal equipment of an end-user. Terminal equipment shall be connected from the demarcation point to the end-user's side.

3. An operator or service provider providing public electronic communications services shall be obliged to enable a subscriber to use terminal equipment immediately upon being connected, unless otherwise agreed by the operator or service provider and the subscriber.

4. Operators of public electronic communications networks shall be obliged to design such networks so as to allow the public to use short codes to connect to the police, ambulance, fire fighting and rescue services through all terminal equipment lawfully connected to that network, provided that such connection is technically available and is based on the operating principles of the public electronic communications network and terminal equipment.

5. Whenever an emergency exists, any subscriber to a public electronic communications service shall be obliged to make available its terminal equipment to permit others to connect to the police, ambulance, fire fighting services and rescue services, or shall be obliged to communicate an emergency message himself or herself.

Article 45. Restriction and suspension of service provision

1. A service provider shall be entitled to restrict or suspend the provision of public electronic communications services to a subscriber, where:

- (1) the subscriber has failed to pay for the provided services in a timely manner;
- (2) the subscriber has connected non-certified terminal equipment to a public electronic communications network;
- (3) the subscriber has connected terminal equipment to a public electronic communications network, which is incompatible or interferes with the operation of the public electronic communications network or with the ability of others to use public electronic communications services;
- (4) the restriction or suspension is necessary for installation, repair, replacement, or maintenance of equipment or line facilities;
- (5) the subscriber breaches the conditions of the tariff filed by the service provider or the service contract;

- (6) the service provider discovers that the subscriber submitted incorrect data in requesting such service, and such data may be harmful;
 - (7) the term of services agreed between the service provider and the subscriber has expired.
2. The service provider may restrict or suspend the provision of a public electronic communications service provided that the provider has informed the subscriber thereon by means of a public electronic communications network, and where such notice is not possible, in writing, at least five business days before the restriction or suspension of the communications service, and shall state the duration of, and reasons for the restriction or suspension. Such notice shall not be required where the immediate restriction or suspension of the communications service is necessary in the cases provided for in part 1(2) and (3) of this Article.
3. The provision of public electronic communications services may not be restricted or suspended if the subscriber eliminates the circumstances underlying the restriction or suspension prior to the planned restriction or suspension of provision of public communications services.
4. In case of restriction or suspension of provision of public electronic communications services, the service provider shall be obliged to ensure that the subscriber affected by such restriction or suspension retains, if technically possible, the possibility to call the police, ambulance, fire fighting and rescue services.
5. Service providers shall not restrict or suspend the provision of public electronic communications services if – prior to the deadline specified under the tariff or the payment contract – the subscriber contests the charge for such service in writing and simultaneously pays the portion of the charge not contested.
6. In case of service interruption caused by an operator or service provider, such operator or service provider shall be obliged to restore the service provided to a subscriber within two days after the elimination of the cause of interruption. Tariffs of dominant operators must oblige dominant operators to levy no charge from subscribers for the period of disconnection or suspension.
7. A subscriber to public electronic communications services shall be entitled to suspend the service at its discretion for a period extending from one month up to one year, unless otherwise established by the Regulator for the given public electronic communications service. The subscriber shall be obliged to give the service provider at least a ten-day prior notice of such suspension and perform all its other obligations with respect to suspension of service as set forth under the tariff or service contract.

8. A service provider shall suspend the provision of a service where technical conditions make it impossible to perform the above-mentioned as for the date requested, and if a subscriber wishes to change the connection location of its terminal equipment or the number issued thereto.

9. In case of suspension of the service:

(1) provision of public electronic communications services and payment obligations associated thereto shall be suspended;

(2) terminal equipment or the end-user's line shall be disconnected;

(3) the service provider may give the terminal equipment and number necessary for the service and belonging to the service provider to another subscriber.

10. In case of elimination of the grounds for the suspension of service, the service provider shall resume the service at the request of the subscriber.

11. Any end-user shall be entitled to terminate the service without prior notice, subject to the termination and penalty provisions contained in the tariff or service contract.

Article 46. Customer service

Every operator or service provider shall be obliged to maintain and staff at least one operational office in each geographic area defined by the Regulator, where it operates a public electronic communications network or provides public electronic communications services, so as such offices provide information relating to services and tariffs, accept and grant applications for service, explain charges on customer bills and adjust charges accrued with errors. Copies of tariffs as well as maps showing geographical zones and the tariffs applicable thereto shall be accessible at any operational office of a dominant operator or dominant service provider.

Article 47. Repair and elimination of network impairments

1. In the event of any failure or impairment of service, an end-user of electronic communications services shall notify thereon the repair service of the operator. Operators and service providers must arrange the receipt of information concerning impairments and restore the service within a reasonable period. All operators and service providers shall be obliged to submit such data – on a consolidated basis and in electronic form – to the Regulator, in the format and within the time limits specified by the latter. Such reports shall be available for public inspection in their entirety, notwithstanding any claim of confidentiality.

2. In order to restore services, operators and service providers may insist that an end-user, the service whereof has failed, provides – for the purposes of determining the location and reasons of impairment – access to:

- (1) any equipment which forms part of the communications network;
- (2) demarcation point;
- (3) wires and terminal equipment connected to the network.

3. The costs of repair shall be borne by the end-user if the latter is responsible for impairment that caused the need for repair.

Article 48. Leased line services

1. All dominant operators, except for mobile service operators, shall be obliged to provide leased line services in accordance with the procedure and the conditions provided for by this Law.

2. The Regulator shall be obliged to regulate and establish for dominant operators the conditions provided for in part 4(1), (2), and (6) of this Article.

3. In order to enable the Regulator to supervise the provision of leased line services, each dominant operator shall be obliged to submit an annual report as of 1 March for the preceding calendar year, setting forth its compliance with the requirements in part 4.

4. All dominant operators, non-dominant operators as well as service providers supplying leased line services shall be obliged to stipulate, in their respective tariffs or contracts, conditions covering at least the following:

- (1) Technical standards;
- (2) Deadline for provision of leased line service after receipt of a request for such service;
- (3) Possible geographical areas or points for the termination of leased lines as well as capacity options;
- (4) The procedure and conditions for maintenance work;
- (5) The procedure and conditions for notification and elimination of impairments;
- (6) The charges levied for services;
- (7) The manner of payment for services.

5. An operator or service provider providing leased line services may not make the provision of such service conditional upon the nature, purpose of the use, or interconnection planned by the end-user, as well as make inquiries thereon.

6. An operator shall be entitled to restrict the provision of leased line service, where:

- (1) the end-user has failed to pay for the service in a timely manner;
- (2) it is necessary for the installation, repair, replacement, or maintenance of the operator's network;
- (3) it is necessary due to martial law or any other emergency situation;
- (4) the Regulator has issued an opinion on illegal use of the service.

Under the circumstances prescribed by point 6(1) and (2) of this Article, the operator or service provider shall be obliged to notify in writing the end-user and the Regulator of the restriction at least ten days before the suspension. Such notice shall indicate the reason for, nature, scope and duration of the restriction.

7. The end-user, whose leased line service is restricted pursuant to part 6 of this Article, shall be entitled to lodge an appeal against such restriction before the Regulator in the manner prescribed by Article 60 of this Law.

8. Upon receipt of such appeal, the Regulator shall be obliged to notify, within ten days, the operator or service provider and request them to provide an explanation and justification of the disputed restriction.

9. The operator or service provider shall be obliged to file a written explanation within five days following the receipt of the request referred to in part 8 of this Article from the Regulator.

10. The Regulator shall grant or reject the appeal within ten days following the receipt of such appeal and shall notify the appellant and the operator or service provider of its decision. The Regulator shall be obliged to issue a direction incorporating its decision.

11. An operator or service provider shall be entitled to terminate the provision of leased line service unilaterally where the grounds for restriction of service persist for six months after imposition of such restriction.

12. An end-user shall be entitled to terminate leased line service at any time by notifying the operator or service provider in writing no later than thirty days prior to the desired date of termination of the service. Notwithstanding the above-mentioned, the penalties laid down by Article 43(6)(4) may be applied.

Article 49. Confidentiality of customer information

1. Every operator and service provider shall be obliged to treat and keep as confidential information regarding the type, location, purpose, destination, quantity, and technical conditions of services used by its customers.

2. An operator or service provider shall be entitled to disclose such information:
 - (1) in cases and in the manner provided for by law, in connection with surveillance, inquest, or criminal prosecution with regard to a criminal offense or threat to national security;
 - (2) upon the written consent of the customer;
 - (3) where the disclosure is necessary in defense of the operator or service provider (proceedings are pending against that operator or service provider). The customer may request that such disclosure be made on a confidential basis at an in-camera proceeding.
3. An operator or service provider shall not be liable for any damage caused as a result of disclosure of information made pursuant to part 2 of this Article.

Article 50. Interception, recording, or disclosure of messages

1. A person other than a party to a message transmitted by any electronic communications means may intercept, record, or disclose the content of such message only upon the written consent of the parties to the message or upon a court order in cases and in the manner provided for by law.
2. In addition to the provisions of part 1 of this Article, operators of public or private electronic communications networks and providers of public or private electronic services as well as their employees or representatives may intercept or redirect messages or signals, without disclosing them, where such interception or redirection of signals is conditioned by the exercise of their official duties.
3. In cases and in the manner provided for by law, all operators and service providers shall be obliged to provide access to law enforcement and national security personnel to any communications equipment, facilities, switches, routers, or other similar equipment, including wiretapping devices.

Article 51. Improper use of service or infrastructures

An operator or service provider who knowingly permits its network or service to be used by any person to deceive, to employ violence, to expose malignity, threaten, or intimidate any other person shall be subject to a penalty provided for by Article 63 of this Law, which shall not exceed AMD 5 million.

Article 52. Emergency services and other operator services

No later than within one year after the entry into force of this Law, the Regulator shall issue rules and regulations that envisage which operators of public electronic communications networks shall be obliged to provide access to local operators, which are capable of connecting calls to appropriate emergency services and provide other operator services, as well as specify how such access shall be provided.

Article 53. Directory services

No later than within one year after the entry into force of this Law, the Regulator shall issue rules and regulations that specify:

- (1) which operators providing public electronic communications services shall be obliged to provide access to directory assistance, and how such access shall be provided;
- (2) which operators providing public electronic communications services shall be obliged to publish directories, and, in particular, how such publication shall occur.

CHAPTER 10

RIGHTS AND OBLIGATIONS OF OPERATORS, SERVICE PROVIDERS AND END-USERS

Article 54. Rights and obligations of operators and service providers

1. In addition to the rights prescribed by the Regulator under the law, operators and service providers shall have the following rights:
 - (1) Receive defined payments for services provided;
 - (2) File, pursuant to the law, a judicial appeal against the Regulator's decisions.
2. Operators and service providers shall have the following obligations:
 - (1) Comply with the requirements of the laws of the Republic of Armenia;
 - (2) Comply with the requirements of the rules and regulations of the Regulator;
 - (3) Comply with the obligations provided for by the licence and/or authorisation issued under this Law;

- (4) Respect any exclusivity rights of incumbent operators in accordance with the conditions of their licence;
- (5) Guarantee the confidentiality of customer information and messages, except for cases provided for by law;
- (6) Provide the population of the Republic of Armenia with access to switched and leased communications services, including, as provided for by this Law, expand the range of existing services and cover geographic areas not served at the moment;
- (7) Follow applicable technical standards;
- (8) Assist the Government of the Republic of Armenia in works with the International Telecommunication Union, standard setting bodies, and other similar organisations;
- (9) Ensure the fastest communications possible in the event of accidents, emergencies, or threats to life and national security;
- (10) Maintain tariffs or service conditions as appropriate;
- (11) Provide timely, accurate, detailed, and clear invoices to subscribers, preventing any accruals in error;
- (12) Provide, to the possible extent, regular, uninterrupted, and widespread services to the public;
- (13) Indicate as an advance payment the amount calculated for the whole period of failure or impairment of the service on the basis of the tariff stated in the invoices to be presented to customers or in a separate procedure in cases provided for by the contract, and correct the failures and impairments in the shortest possible time;
- (14) Disseminate – through mass media – timely and accurate notices of major network accidents as well as timetables of probable disconnections;
- (15) Inform the end-users about new tariffs;
- (16) Provide information to the Regulator in the format and within the time limits established by the latter.

Article 55. Rights and obligations of end users

1. End-users shall have the following rights:
 - (1) Use public electronic communications services on equal grounds;
 - (2) Receive invoices with detailed information about their service charges;
 - (3) Refuse to pay for services that are not set forth in the tariff or service contract;

- (4) Right to confidentiality of electronic communications;
 - (5) Any other right provided for by the laws of the Republic of Armenia and this Law.
2. End-users shall have the following obligations:
 - (1) Comply with the requirements of the legislation, including this Law;
 - (2) Comply with the conditions of service tariffs or contracts, including the obligation to pay lawful charges for services;
 - (3) Observe the contractual provisions and charges of local, intercity, and international electronic communications services;
 - (4) Not use non-certified terminal equipment.

CHAPTER 11

EFFECT AND REVIEW OF ADMINISTRATIVE DECISIONS

Article 56. Effect of decisions of the Regulator

1. Decisions of the Regulator shall be considered precedents that may be cited as arguments or evidences to be followed in future cases with similar circumstances referred to the Regulator.
2. Precedents of the Regulator shall be applied until the Regulator takes a decision on change of policy. Actions taken under the previous policy shall remain valid.

Article 57. Reconsideration

1. Any party adversely affected by a decision of the Regulator shall be entitled to – within thirty days after publication of the decision – file a motion with the Regulator for reconsideration of the decision.
2. Where a motion is filed pursuant to part 1 of this Article, the Regulator:
 - (1) may order that the decision in question does not enter into force until the matter is reconsidered and a further decision is taken thereon;
 - (2) shall be obliged to – within 180 days after the filing of the motion for reconsideration – confirm, amend, or repeal the decision or any part thereof.
3. Where no order is issued under part 2(1) of this Article, the decision shall remain in force.

4. A motion for reconsideration may not be a mandatory prerequisite for filing a judicial appeal against the decision of the Regulator.

Article 58. Judicial review

1. When reviewing the decisions of the Regulator, courts shall verify whether such decisions were adopted in accordance with the due process requirements. The court shall not deliver a judgment substituting the decision of the Regulator. The court shall pay deference to any construction of this Law by the Regulator, where:

- (1) the decision of the Regulator is consistent with the prior judgments on similar cases;
- (2) the decisions of the Regulator contain no inconsistencies.

2. The court may hold unlawful and reverse actions, decisions, and conclusions of the Regulator only in the case and on the basis when they are found:

- (1) arbitrary or discriminatory;
- (2) contrary to any constitutional right, power, privilege or immunity;
- (3) as adopted in violation of the judicial precedents, the prescribed powers or limitations (pursuant to point 1 of this part);
- (4) as made in violation of the procedure required by law;
- (5) as not justified by substantial evidence;
- (6) to have significantly relied upon irrelevant facts or failed to consider relevant facts.

The peculiarities of filing a judicial appeal against the decisions adopted by the Regulator with regard to establishment of tariffs shall be laid down by the Law of the Republic of Armenia "On Public Services Regulatory Authority".

(Article 58 supplemented by HO-90-N of 21 February 2007)

CHAPTER 12
ENFORCEMENT

Article 59. Filing of appeals with the Regulator

1. Any person who disagrees with an operator's or service provider's actions governed by this Law and in contravention of the provisions of this Law, including any person not satisfied by a denial of service pursuant to Article 45, shall be entitled to file a complaint with the Regulator.
2. The Regulator shall be obliged to forward the complaint to the operator or service provider, alleged to have committed an infringement, who must reply to the complaint in writing within the time limit established by this Law or, where no time limit is specified, within a time limit laid down by the Regulator.
3. Where the operator or service provider provides, within the prescribed time limit, appropriate compensation for the damage caused to the person as specified in the complaint, the operator shall be relieved of further liability to the complainant. If the operator or service provider does not satisfy the complaint within the prescribed time limit, or there appears to be a reasonable ground for investigating the complaint, the Regulator shall investigate the circumstances constituting the subject matter of the complaint, in such manner and by such means as it shall deem proper.

Article 60. Power to issue a cease-and-desist order

1. Where the Regulator has reasonable grounds to believe that a person is operating an unlicensed public electronic communications network or is providing unlicensed public electronic communications services, it shall be authorised to issue – on its own motion or upon the request of any person – a cease-and-desist order to the person concerned, pursuant to part 5 of this Article.
2. An order shall state the facts pertaining to the actions constituting the subject matter of the complaint and, where appropriate, the name of the person against whom the complaint is lodged. The order shall also enclose other necessary documents, if any.
3. Before issuing a cease-and-desist order, the Regulator shall ensure that a notice is served on the concerned party, which shall:
 - (1) contain a statement of the facts referred to in part 2 of this Article;
 - (2) specify the time and place of hearing so as to afford the concerned party an opportunity to present his opinion.

4. Where at a hearing referred to in part 3 of this Article:
 - (1) the person concerned fails to submit the reason why a cease-and-desist order should not be issued, the order shall be issued;
 - (2) if the Regulator determines that the actions constituting the subject matter of the appeal have not occurred, no cease-and-desist order shall be issued.
5. The cease-and-desist order shall be sent to the person to whom it is addressed. The order shall:
 - (1) contain a description of the actions specified in the complaint;
 - (2) require the concerned party to cease the actions underlying the order.
6. The order shall enter into force as of the date specified therein.

Article 61. Offenses warranting sanctions

1. The Regulator may apply sanctions for the following infringements, where:
 - (1) False information has been knowingly specified in a licence application;
 - (2) Information or factual data which would have warranted rejection of an application have not been provided;
 - (3) Any condition of the licence, this Law, or the rules, regulations, or policies of the Regulator has been intentionally or repeatedly violated or not complied with;
 - (4) The cease-and-desist order has been violated;
 - (5) A public electronic communications network has been operated or a public electronic communications service has been provided without a licence;
 - (6) The Universal Service Fund payments have not been made;
 - (7) The penalties and fines established under Article 63 of this Law have not been paid.

Article 62. Requesting judicial enforcement of an order

1. Before filing a request with a court, the Regulator shall be obliged to:
 - (1) notify in writing the licensee concerned of the nature of the infringement specified in the complaint;
 - (2) afford the licensee an opportunity to:

- (a) remedy the infringement specified in the complaint, to the satisfaction of the Regulator's request, within the time limit specified by the Regulator in the notice or in the request of the licensee;
 - (b) submit justifications to, and be heard by, the Regulator concerning the matter, where a hearing is held. The Regulator shall be obliged to notify the licensee of its decision made upon the matter;
 - (3) take into consideration any relevant circumstances, including:
 - (a) resources available to the licensee or to any person or body affected by the licensee's actions;
 - (b) the economic viability of the licensee or any other affected person as mentioned above;
 - (c) the conduct of any such other person, body, or of the licensee's competitors.
2. Where, with regard to a request by the Regulator, the court is satisfied that a licensee has failed to comply with any of the conditions of its licence or authorisation or has violated any provision of this Law or any rules or regulations made hereunder, the court shall be authorised to issue an injunction to prevent the offending licensee from engaging in such actions or an order revoking or withdrawing its licence or authorisation.
3. In exercising its powers provided for by this Article, the Regulator shall be obliged to have regard to:
- (1) the nature and extent of the conduct giving rise to the request;
 - (2) the nature and extent of any loss suffered by a person as a result of the infringement specified in the complaint;
 - (3) the circumstances of the infringement constituting the subject matter of the complaint;
 - (4) any previous decisions taken against the licensee concerned.

Article 63. Penalties and fines

1. Where, after notice and hearing, the Regulator finds that a natural person licensee has failed to comply with any of the provisions of this Law, the Regulator shall be authorised to order the offending licensee to pay a penalty or fine, which must be in the amount of at least 1 000-fold of the minimum salary, but not more than 2 000-fold of the minimum salary. Where the Regulator finds that such violation has been committed with the licensee's knowledge or intentionally, or where the

violation has been committed more than once within one year, it may order the offending licensee to pay an additional fine or penalty, which must be in the amount of 2 000-fold of the minimum salary.

2. Where, after notice and hearing, the Regulator finds that a legal person licensee has failed to comply with any of the provisions of this Law, the Regulator shall be authorised to order the offending licensee to pay a penalty or fine which must be in the amount of at least 2 000-fold of the minimum salary, but not more than 4 000-fold of the minimum salary. Where the Regulator finds that such violation has been committed with the licensee's knowledge or intentionally, or where the violation has been committed more than once within one year, it may order the offending licensee to pay an additional fine or penalty which must be in the amount of 4 000-fold of the minimum salary.

3. Where, after notice and hearing, the Regulator finds that a natural person licensee has failed to comply with any condition of its licence or authorisation or any provision of the Regulator's rules or regulations, the Regulator shall be authorised to order the offending licensee to pay a penalty or fine which must be in the amount of at least 500-fold of the minimum salary, but not more than 1 000-fold of the minimum salary. Where the Regulator finds that such violation has been committed with the licensee's knowledge or intentionally, or where the violation has been committed more than once within one year, it may order the offending licensee to pay an additional fine or penalty which must be in the amount of 1 000-fold of the minimum salary.

4. Where, after notice and hearing, the Regulator finds that a legal person licensee has failed to comply with any condition of its licence or authorisation or any provision of the Regulator's rules or regulations, the Regulator shall be authorised to order the offending licensee to pay a penalty or fine which must be in the amount of at least 1 000-fold of the minimum salary, but not more than 2 000-fold of the minimum salary. Where the Regulator finds that such violation has been committed with the licensee's knowledge or intentionally, or where the violation has been committed more than once within one year, it may order the offending licensee to pay an additional penalty or fine which must be in the amount of 2 000-fold of the minimum salary.

5. Where, after notice and hearing, the Regulator finds that a natural or legal person licensee has failed to comply with the Regulator's order to provide an uninterrupted service, the Regulator shall be authorised to order the offending licensee to pay a penalty or fine which must be in the amount of at least 2 000-fold of the minimum salary, but not more than 5 000-fold of the minimum salary.

6. All penalties and fines applied by the Regulator shall be paid to the State Budget of the Republic of Armenia.

CHAPTER 13
TRANSITIONAL PROVISIONS

Article 64. Validity of existing licences

1. A person holding a licence to operate a public electronic communications network or to provide a public electronic communications service as well as a person holding a radio frequency authorisation as of the date of entry into force of this Law shall be deemed to be operating such network or providing such service or using such radio frequency pursuant to a licence or authorisation issued under this Law, to the extent such a licence or authorisation is required under this Law.

2. No provision of this Law shall be construed so as to restrict the rights provided for by the Licence No. 60 – together with its amendments and supplements – granted to the incumbent operator. If in the Licence No. 60 a timetable of specific actions is laid down for the incumbent operator, it shall prevail over the timetable of actions established by this Law.

3. No provision of this Law shall be construed so as to restrict the rights provided for by the Licence No. 765 granted to the second GSM operator. While carrying out licensed activities, the second GSM operator shall enjoy the same rights and privileges as the incumbent operator under the amended and re-approved Licence No. 60, in the manner prescribed by the legislation of the Republic of Armenia, unless otherwise provided for by the operators' licences.

Article 65. Transition to competition

The Regulator shall be obliged to, in accordance with the objective of this Law, bring the market of the electronic communications sector to the competition field as soon as possible. No provision of this Law obliges the Regulator to remove any currently existing monopoly.

Article 66. Transitional provisions

Companies identified as having a dominant position or significant market power under the Law of the Republic of Armenia “On protection of economic competition” shall be identified as having a dominant position under this Law within one year after the entry into force of this Law or until the Regulator conducts a market analysis and determines which companies in the electronic

communications sector are considered “dominant” pursuant to Articles 22 to 25 of this Law. The condition realised earlier shall be effective.

The Ministry of Transport and Communication of the Republic of Armenia shall be obliged to transfer to the Regulator all the relevant documents pertaining to the electronic communications sector by 1 January 2006.

Upon the entry into force of this Law and until 1 January 2006, the functions of the Regulator shall be carried out by the Ministry of Transport and Communication of the Republic of Armenia.

Starting from 1 January 2006, the Regulator shall be obliged to carry out all the regulatory functions in the electronic communications sector.

The Law of the Republic of Armenia “On telecommunication” adopted on 17 February 1998 shall be repealed.

Article 67. Entry into force of the Law

This Law shall enter into force on the tenth day following its official publication.

**President
of the Republic of Armenia**

13 August 2005

Yerevan

HO-176-N

R. Kocharyan