

[SI] Government plans “super regulator” merging AKOS with five other regulatory agencies

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On 1 October 2020, the Slovenian Government wrote to eight regulatory agencies informing them of its intention to enact legislation which will result in the formation of two super agencies.

One merger involves joining together the Agency for Communication Networks and Services (AKOS) with five other regulators. AKOS currently regulates and supervises the electronic communications market, the radio frequency spectrum in Slovenia, radio and television activities, and the postal and railway services markets in Slovenia. The new law will now join AKOS with the Energy Agency, the Agency for the Protection of Competition (AVK), the Traffic Safety Agency, the Civil Aviation Agency, and the Railway Agency (dealing with standards and safety). The resulting authority will be the "Public Agency of the Republic of Slovenia for the Market, Traffic Safety and Consumers".

According to the draft law, the purpose of these mergers is to achieve positive synergies in content-related areas and, consequently, greater efficiency. The government allowed the various agencies 24 hours to respond, and no public consultation was held on the proposed changes to the regulatory structures in Slovenia. All of the agencies, including AKOS, have published their concerns regarding these mergers on their own websites. On 14 October, the government approved the draft law and sent it to Parliament for the next stage of the procedure.

The draft law has not been published on the usual government website for the publication of draft legislation. It has been made available by media outlets and widely discussed by various stakeholders. According to the agencies' websites and various press reports, there are several concerns regarding issues of governance and independence from political interference; the question of financing; and the potential impact on the operational independence of the merged agency, as well as more practical questions regarding the location, staff, etc. It is not clear what the future of the current directors of these agencies will be after the launch of the merged regulator: instead of five directors, there will be a management board of four people, to be decided by a competition (see below). Press reports claim that the mandates of all directors will end with the merger.

The "super agency" will be governed by a seven-member council – all appointed by the government: one member from each of the fields of energy, telecommunications, postal services, media and audiovisual services, transport, competition protection and consumer protection. They will be appointed for a term of six years, with the possibility of one re-appointment. The council would then appoint the four members of the management board, who will be experts in the fields of energy, transport, and competition and consumer protection, with the fourth member being an expert in either electronic communications, postal services or audiovisual or media services. The management will be appointed for a term of five years by the National Assembly of the Republic of Slovenia on the proposal of the Government of the Republic of Slovenia following a public competition held by the council. While the draft discussed by the media claimed that the management board would also be selected by the government, the presentation given by the government on 14 October suggested that the choice would be made by Parliament, so this remains unclear as long as there is no access to the current draft law.

In Slovenia, some of the directors of regulatory agencies were previously approved by Parliament (although not in the case of AKOS), and they have expressed concern regarding the council being directly appointed by the government. There are also concerns regarding the financing of such a merged entity. While some regulators are financed from the state budget, AKOS (for example) is financed from the fees paid by the operators it regulates, and hence is independent of the state budget. It is not clear how these agencies with different financial models would be merged.

The statement from AKOS stressed that the draft law has a significant impact on the powers and functioning of the agency. It also pointed out that the agency was not aware of the fact that such a law was being drafted, although it is common practice for the agency to be involved in the preparation of draft laws before they come under interdepartmental consideration. The agency also noted that the bill is in conflict with several European directives that emphasise the need for the independence of regulatory agencies from government, as well as independence as regards funding, organisation and internal procedures.

Vlada potrdila predlog Zakona o Javni agenciji Republike Slovenije za trg, varnost prometa in potrošnike in Javni agenciji Republike Slovenije za finančne trge

<https://www.gov.si/novice/2020-10-14-vlada-potrdila-predlog-zakona-o-javni-agenciji-republike-slovenije-za-trg-varnost-prometa-in-potrosnike-in-javni-agenciji-republike-slovenije-za-financne-trge/>

Government approves draft Act on the Public Agency of the Republic of Slovenia for the Market, Traffic Safety and Consumers and the Public Agency of the

Republic of Slovenia for Financial Markets

Odziv AKOS na predlog Zakona o Javni agenciji Republike Slovenije za trg in potrošnike in Javni agenciji Republike Slovenije za finančne trge

<https://www.akos-rs.si/medijsko-sredisce/sporocila-za-javnost/novica/odziv-akos-na-predlog-zakona-o-javni-agenciji-republike-slovenije-za-trg-in-potrosnike-in-javni-agenciji-republike-slovenije-za-financne-trge>

AKOS response to the proposal of the Public Agency of the Republic of Slovenia for the Market and Consumers Act and the Public Agency of the Republic of Slovenia for Financial Markets

