



News Release

TRA consults on the fair and reasonable charges of Batelco's wholesale services to bring further benefits to residential and business customers

Manama, Kingdom of Bahrain -

The Telecommunications Regulatory Authority (TRA) has issued a draft Order setting the fair and reasonable charges of the regulated access and interconnection services offered by Batelco to Other Licensed Operators (OLOs) in the Kingdom of Bahrain. The draft Order details the justifications behind TRA's intention to modify the price terms of the regulated access and interconnection services listed in Batelco's Reference Offer for 2012.

Commenting on this draft Order, TRA's General Director, Mr Mohamed Bubashait, said "A sensible wholesale offer to OLOs is a key regulatory instrument supporting competition and choice in the telecommunications sector. The charges set in this draft Order are evidence-based, fair, reasonable and non-discriminatory and allow Batelco to earn a fair and reasonable return on its investment."

Following the review of Batelco's Reference Offer submission, TRA was not satisfied that the proposed charges were in line with the Telecommunications Law. Consequently, TRA issued a draft Order setting revised charges and the basis for the adjustments made. In previous annual reviews, the Reference Offer draft Order was only submitted for consultation with Batelco. However, as the RO affects the whole industry and in order to promote greater transparency, TRA has issued the draft Order for public consultation which closes on Wednesday 28 December 2011.

To facilitate the review of this draft Order and to encourage operators to submit a response to the consultation, TRA has held on 3 November a presentation in its premises detailing the draft Order and responding to the sector's enquiries.

The key highlights of the new draft charges are:

- Bitstream and Wholesale DSL charges are decreasing by between -2% and -26% compared to current charges. This decrease will support the provision of cheaper and faster broadband offers in the retail market.
- Interconnection links charges are decreasing by between 50% and 70% compared to current charges.
- Fixed interconnection services charges are stable and mobile interconnection services charges are about -25% less than current charges.
- Duct access charges are reduced by -18%. TRA also introduces a maximum price that Batelco can charge OLOs for the field study stage required prior to cabling.
- Domestic leased lines charges are decreasing by up to 40%. This will support the offering of more competitive prices to business users and enhance Bahrain's position as a regional business hub.

- Charges for international leased half circuits to GCC Countries are decreasing by between 28% and 52%. For Southeast/East Asia, Europe and the USA, the charges are decreasing by between 41% and 45%. This will support the competitiveness of Bahrain.

Commenting on these highlights, Mr Mohamed Bubashait further said: “The work TRA does at the wholesale level is critical as it underpins competition between operators, which in turn provides benefits to consumers in terms of lower prices and better services. The proposed substantial reductions of key wholesale services will ultimately translate into better propositions at the retail level for retail customers and businesses.”

The public version of the draft Order can be viewed on TRA's website at www.tra.org.bh. TRA invites comments on this draft Order from all interested parties. Comments should be submitted by **28 December 2011 at 4pm**.

About TRA

Since its establishment in 2002 the Telecommunications Regulatory Authority of the Kingdom of Bahrain (TRA) has been working with government, consumers, operators and investors to develop the Kingdom of Bahrain into the region's most modern communications hub and to facilitate the growth of the market. As an exemplary Regulator for the region, TRA independently carries out its duties in a transparent and non-discriminatory manner. More information about TRA can be viewed at www.tra.org.bh