



*Press Release*

### **TRA Considers Legal Action Against Batelco**

Wednesday, 5 March 2008

TRA is very concerned by Batelco's advertising (on 5 March in local daily newspapers) for "New Batelco Broadband Plus" services which advertises the package as "Coming Soon, subject to TRA approval", while TRA is still in the process of actually reviewing Batelco's proposal.

One of the key roles of TRA is to protect the interest of consumers and the competitive environment. In order to prevent actions that may be detrimental to consumers and competition, Batelco is required under the conditions of its licenses to submit to TRA for approval all tariffs prior to their launch.

TRA is therefore concerned that the advertisements may lead the public into believing that the product is simply awaiting a rubber stamp approval from TRA, or that it has already received TRA approval. This is not the case.

TRA is required by the terms of Batelco's licenses to carefully consider Batelco's proposals to ensure that they are not contrary to the Telecommunications Law. At present TRA is still only reviewing Batelco's proposal and cannot in anyway guarantee that it will as yet approve it.

As such Batelco's advertising of the package is premature. TRA considers that Batelco's actions go against the spirit of the tariff approval procedure in Batelco's licenses.

Batelco's licenses oblige it to submit to TRA all tariffs for TRA review prior to being publicly launched. TRA then has 30 days to assess and either approve or disapprove the tariff.

Batelco first submitted its proposal for this package in December 2007, however Batelco failed to provide sufficient information to TRA to answer questions over the potential anti-competitive nature of the proposal.

Batelco re-submitted its tariff proposal last week on February 28th 2008. TRA is in the process of reviewing the resubmitted proposal and in particular whether Batelco has properly answered the TRA's concerns about the proposal being potentially detrimental to competition.

Mr. Alan Horne, TRA General Director noted, “TRA always welcomes innovative products and services and encourages competitive offerings and prices, however Batelco is subject to the tariff approval procedure in its licenses as a means of protecting consumers and competition.

I have to say that I am disappointed by this latest action on Batelco’s part which, from our perspective, seems to be an attempt to artificially create pressure upon TRA to approve this package. It will not work.

TRA will act in accordance with the license procedure and upon its concerns with respect to any package Batelco proposes. TRA does not consider advance advertising of tariffs and products, which are still under review and not yet approved by TRA, to be in the interests of consumers or competing operators. TRA considers such actions to be against the spirit, and an abuse, of the approvals process.

If Batelco does not immediately retract the advertisements until TRA has approved the package then TRA will have to consider taking legal action.

TRA’s recent proposals to relax the tariff approval process will require a level of confidence that Batelco will abide not just by the rules but also by the spirit of the rules TRA puts in place. This will require a mature and responsible attitude and approach from all operators and TRA is hopeful that Batelco will lead by example”.

### **About TRA**

The Telecommunications Regulatory Authority (TRA) was established by Legislative Decree No. 48 of 2002 promulgating the Telecommunications Law. TRA is an independent body and its duties and powers include, among other things, protecting the interests of subscribers and users and promoting operators effective and fair competition among existing and new licensed. More information regarding TRA can be viewed at [www.tra.org.bh](http://www.tra.org.bh)