



*News Release*

## **TRA Initiates Legal Enforcement Actions Against Batelco for Refusal to Provide Direct Access to International Circuits Provided by Flag**

Manama, Kingdom of Bahrain - Monday September 14, 2009

The Telecommunications Regulatory Authority (TRA) has issued a draft Order, under Article 35 of the Telecommunications Law, requiring Batelco to meet its obligations under its Reference Offer to provide the services necessary to allow other licensed operators direct access to the Flag international landing station.

Mr. Alan Horne, TRA General Director, stated “The development of sustainable competition is at the very heart of the 2030 Economic Vision and the direction in which TRA has developed its regulatory framework over the last 5 years. The issues relating to access to the Flag International Landing Station have been identified for a period of time as a priority to be solved. TRA had hoped that Batelco would honour its obligations to provide the services necessary to allow other licensed operators direct access to Flag. Unfortunately this has not happen. Consequently the ability of other licensed operators to offer better value international and broadband internet services has been impacted. TRA considers the actions of Batelco have been to the detriment of Bahraini citizens and the economy.”

Mr Horne continued to say “Having considered the gravity of situation TRA has decided to impose a substantial fine on Batelco which, should Batelco further delay the provision of these services, will increase. It should also be stated that the fine will be decreased if through Batelco’s swift actions the services are provided in advance of the ordered date.”

Mr. Rob Middlehurst, TRA Director of Markets and Competition, stated “TRA believes that a more collaborative approach with the OLOs will benefit the Kingdom. Flag is a licensed operator that offers international capacity on the Falcon submarine cable system through its Landing Station which is situated in a Batelco building. The Falcon cable system is owned and operated by Flag and is the only international capacity available in Bahrain in which Batelco has no controlling or other interest. Under the terms of its Reference Offer Batelco is obliged to make available services including access to available space in its building and the facilities necessary for Other Licensed Operators to install, operate and maintain telecommunications equipment. Batelco has refused to supply space and facilities when requested in relation to gaining direct access to Flag. Whilst Batelco has the right to reject such an application the legal grounds for rejection are limited. Having considered the reasons for rejection cited by Batelco TRA considers that these are not justified. Further TRA considers the refusal to supply amounts to a material breach of Batelco obligations and duties.”

Under Article 35 of the Telecommunications Law TRA has the power to issue fines and also take enforcement action requiring licensed operator to comply with the various provisions of the

Telecommunications Law, regulations issued by TRA and the obligations of the licenses granted to operators by TRA. The procedure for such an enforcement action is for TRA to issue a draft Order. The draft Order remains confidential between TRA and the licensed operator, in this case Batelco. Batelco has 30 days to submit its response to the draft Order. TRA will then review and take into account Batelco's response before issuing a final Order. The Order could also be withdrawn if appropriate grounds are presented.

Success in opening up the international routes to competition should benefit all internet users as well as further bring down the prices for international services.

### **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 effective and fair competition among existing and new licensed operators. More information regarding TRA can be viewed at [www.tra.org.bh](http://www.tra.org.bh)

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