



News Release

To Boost Competition for better Services TRA Announces the Countdown for Local Loop Unbundling

Manama, Kingdom of Bahrain - Saturday 7 May 2011

The Telecommunications Regulatory Authority (TRA) has issued last Thursday its final order to Batelco to launch a new wholesale service called Local Loop Unbundling (LLU). LLU is the service to allow other operators to provide alternative broadband and fixed services over Batelco fixed network. Not only should this allow for more competition in terms of offers to the end users, but this should also enable the Internet prices to be more competitive and consumers to benefit from more innovative broadband and fixed services.

TRA's Chairman Dr Mohammed Al Amer said "Making last mile of Batelco's copper network available for competition under fair and reasonable terms will encourage other operators to invest in network developments and increase the competitive supply of internet services and should result in better prices, higher speed, and higher download thresholds."

Dr Al Amer also added that "Competing operator's access to Batelco's copper network is another way of delivering fixed internet and telephony services with further variety of choice and packages to both home users as well as businesses in the Kingdom of Bahrain."

The main benefits of LLU:

Speed – As alternative operators use their own equipment to connect to end users rather than re-selling Batelco services, they are able to use alternative technologies to offer faster connection speeds and add more features to the copper connected to end users.

Price – Alternative operators also have more control and independence over their costs as they are making an upfront investment and using their own equipment and technology rather than re-selling Batelco services (pay Batelco per customer for renting the copper pair), they have more control and flexibility over their costs and can offer competing deals.

Innovation and product differentiation – Alternative operators will be able to introduce innovations and new services independently of Batelco. This would result in further product differentiation to the benefit of consumers.

The order sets fair, reasonable and non-discriminatory terms and conditions and charges for Batelco's LLU and related additional services. OLOs will be able to rent Batelco's local loop at the rate of BD 4.090 per month per loop. This Order and its related obligations are effective from the date of its issuance and the commercial launch of LLU shall be no later than 22 May 2011.

Batelco has been ordered to provide LLU services to other operators in recognition of its dominant position in the provision access the local copper network, which is considered a key facility that cannot be economically replicated by alternative operators.

Prior to the commercial launch of LLU, TRA will host a workshop to further explain LLU to interested operators in order to prepare them for the commercial launch and how to utilise this service and offer competing fixed services over Batelco copper network.

The non-confidential without the reasoning version of the LLU order can be viewed on TRA website at www.tra.org.bh. The complete non-confidential version of the LLU order will be available shortly.

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