



*News Release*

## **TRA Supports Alternative Supply of Broadband Services over Batelco's Fixed Network**

Manama, Kingdom of Bahrain - Wednesday 16 September 2009

Telecommunications Regulatory Authority (TRA) has published, on Monday 16 September 2009, its final order upon Batelco to provide Local Loop Unbundling (LLU) service to the industry in order to allow other licensed operators (OLOs) 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 General Director Mr. Alan Horne said “

“Making the local loop available to OLOs will increase the competitive supply of internet services and should result in better prices, higher speed services, symmetric upload and download speeds and higher or even no download thresholds. Such improvements will encourage businesses and consumers to make more use of the internet and internet based applications. This will also support the use and availability of eGovernment and eCommerce services by all residence and businesses.”

Adel Darwish, Manager of Market and Competition at TRA, described LLU as “the regulatory process of allowing multiple telecommunications operators to use connections from Batelco's telephone exchange's to the customer's premises.” Mr. Darwish further explains the local loop as “The physical wire connection between a consumer premise, be it a home user or a business, and an operator. This local loop is owned by the incumbent and they traditionally come in the form of pairs of copper wires.”

New entrants on the telecommunications markets need access on fair and non-discriminatory terms to the copper local loops (LLU) to be able to offer retail services to end-customers, as it would be impossible to replicate such a network built over a long period of time.

LLU, as a policy, is built on the recognition that incumbent carriers, in our case Batelco, have a dominant position in the provision of fixed local communication access by virtue of their control over the copper local loop, which in many countries is considered as an essential facility that cannot be economically replicated by alternative operators. This position of dominance has resulted from the many years during which incumbents enjoyed a monopoly in the provision of telecommunication infrastructure and voice telephony services. Despite liberalisation of telecommunication markets, it has proven extremely difficult in many countries to reduce the bottleneck control of incumbents over the local loop and access to this loop. The market power of incumbents can vary in different geographic and service markets. Details of unbundling policies may therefore vary according to market conditions.

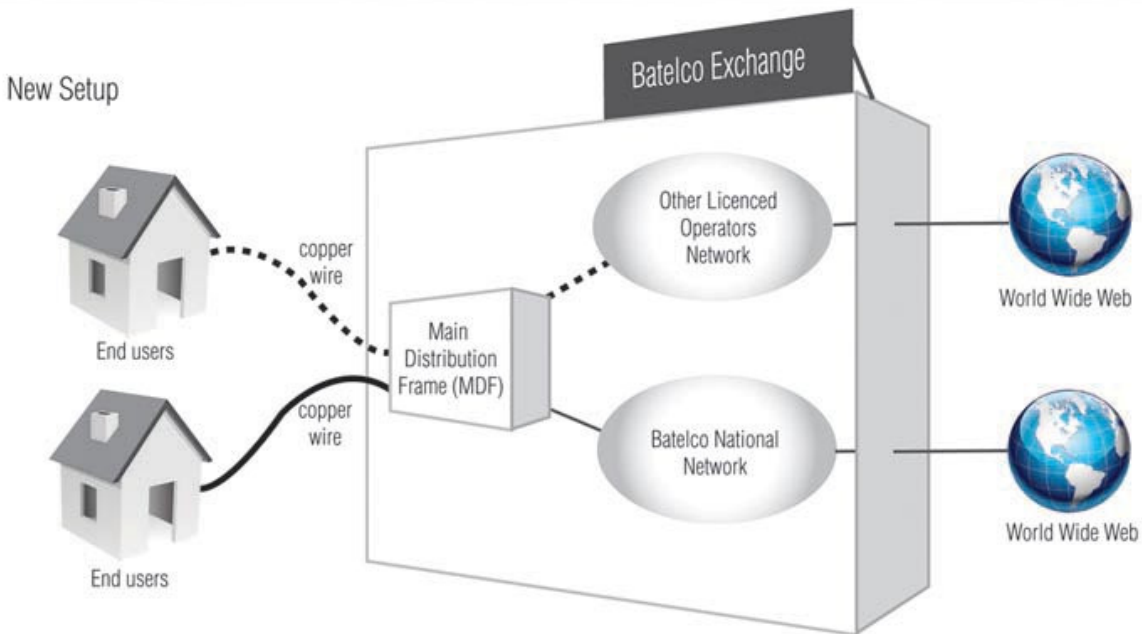
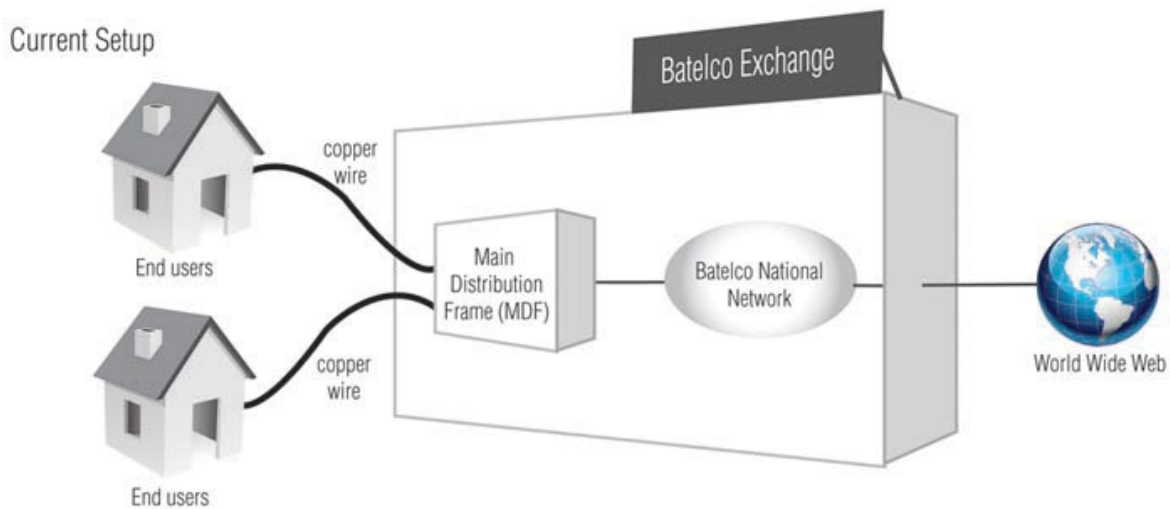
Adel Darwish also added that “LLU is another way of delivering choice to consumers. Operators in the Kingdom of Bahrain are anxious to deliver new broadband services to a growing market and LLU represents another potential delivery mechanism to the residential and business markets. There is considerable merit in the development of the existing network infrastructure and allowing operators access to these infrastructures should lead to service innovation and more affordable services being

made available to end-users. There are also potential benefits to incumbents arising from increased broadband market growth.“

The next step will be field tests to be conducted in two of Batelco’s exchanges., TRA is of the view that the field tests will enhance LLU knowledge for all parties and speed up the commercial launch of LLU by enabling Operators to anticipation of implementation issues prior to the formal launch and to provide a platform to assist the discussions between all of the parties involved.

All documents related to the LLU can be viewed on TRA website at [www.tra.org.bh](http://www.tra.org.bh)

### What is LLU?



## **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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