



TRA mandates changes to Batelco's interconnection offer to other companies.

Manama, 6 August 2006 – The Telecommunications Regulatory Authority (TRA) today issued an order to Batelco in relation to its Reference Interconnection Offer (RIO) requiring it to make changes to terms and prices.

The RIO is the basic offer by Batelco to other operators in Bahrain that allows these operators to provide telecommunications services to their customers as well as connect to Batelco's network so that their customers can communicate with Batelco's customers.

The order comes as a result of the regular six-monthly review of Batelco's RIO as mandated by the Telecommunications Law. This review allows the TRA to examine whether the prices and terms of the offer are fair, reasonable and non-discriminatory. This is done against the background of a changing market.

On this occasion, having reviewed the RIO, the TRA was not satisfied that all of the tariffs and terms were "fair, reasonable and, non discriminatory" and as such, they were not in accordance with the provisions of the Telecommunications Law. Batelco was therefore notified of why the TRA took such a view and was given the opportunity to make changes to its offer. In this way, the TRA would not need to mandate changes.

Unfortunately, following Batelco's response it was clear that the TRA had no option but to mandate the changes, as Batelco was not prepared to change its offer. Among the TRA's main concerns was that Batelco was not able to provide supporting evidence for the basis of some of the tariffs it included in the RIO. The TRA considers that for some tariffs Batelco had used incorrect network architecture in calculating the charge, which meant higher costs to other companies and, therefore, to end consumers.

The TRA, having allowed Batelco the appropriate time to respond and having taken into account its views and comments, has today issued an order specifying the changes that need to be made.

The General Director of the TRA, Mr. A. Andreas Avgousti, made the following statement regarding the issue of the order:

“We had to make adjustments to the RIO issued by Batelco so that it would be fair, reasonable and non-discriminatory. This order is part of the regular work of the TRA in dealing with operators, and ensures that the offer, following the changes we mandated, will be fair, reasonable and non-discriminatory.

Fairly priced interconnection services in Bahrain are essential to the full development of competition in all aspects of the telecommunications market, and are intended to give financial incentives to all players, old and new, to invest in telecommunications infrastructure whilst consumers reap the benefits of competition between them.

The RIO comes up for review on a regular basis and the TRA is responsible for making sure that it meets the changing needs of the telecommunications sector of Bahrain. Our market is developing and with it are its underlying blocks, one of which is the RIO.”

Given that this Order contains information that is commercially confidential, the TRA will be publishing, in due time, a non-confidential version of the Order on its website. The TRA will allow Batelco to comment on the parts that it considers to be confidential before making its decision on the content of the non-confidential version of the Order that will be available to the public.

Note to Editors:

About the TRA

The Telecommunications Regulatory Authority (TRA) was established by Legislative Decree No. 48 of 2002 promulgating the Telecommunications Law. The 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 the TRA can be viewed at www.tra.org.bh