

# REPORT

## Report on TRA Draft Plan 2005/2006

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A Report issued by the  
Telecommunications Regulatory Authority  
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**Purpose:** To provide feedback on the comments received on the TRA Draft Plan 2005/2006



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### 1 Introduction

On 22 March 2005, the Telecommunications Regulatory Authority (TRA) initiated a public consultation on its Draft Plan 2005/2006. The Draft Plan document listed projects the TRA was considering dealing with in the next 12 months, starting from issuance of the final Plan, grouped in three categories: Consumer Protection, Regulatory Framework and Regulatory Policy.

The consultation process was completed on the 5<sup>th</sup> April 2004 at which time written responses had been received from 7 parties. These were: Economic Development Board, Batelco, Ministry of Industry & Commerce, MTC Vodafone Bahrain, the Bahraini Consumer Protection Society "BCPS", Mobile Information Services and Kalaam Ltd. These responses included much useful comment, and, although largely in agreement with the proposals contained in the consultation document, raised some issues for further consideration.

This report summarises the material input received, discusses it where necessary and sets out the TRA's position, highlighting any actions that will be taken.

With this report the TRA has issued a final Plan 2005/2006, which includes projects that TRA will aim to undertake during the next twelve months.

#### 1.1 Scope

As a Report, this document has no status other than as a means of disseminating information.

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### 2 Material responses received

Each of the following paragraphs addresses the comments received on the projects listed in the Draft Plan consultation and the position proposed by the TRA. A discussion of points raised and reconsideration of relevant issues in the light of comments received is also given.

For this consultation, the TRA stated that it intends to publish comments received, unless they were explicitly specified as confidential. The following respondents have agreed to publish their comments:

- Ministry of Industry & Commerce
- The Bahraini Consumer Protection Society "BCPS"
- MTC Vodafone Bahrain "MTC-VB"

The TRA would like to thank these respondents for submitting their comments for publication, as this transparent approach will benefit the industry as a whole. The TRA will be publishing these comments as received on its website in the Consultations section, under the heading TRA Plan 2005/ 2006.

The other respondents: Batelco, Economic Development Board, Kalaam Limited and Mobile Information Services have expressed their wish to have their entire submissions withheld.

#### 2.1 Consumer Protection

The TRA sought views on the projects listed under Consumer Protection category, to identify projects of higher priority and if there is a need to add any other projects under this category.

##### **Responses:**

Most respondents highlighted the Consumer Awareness and Protection of Customers for Prepaid services and Protection of Personal Data with the Liberalization of DQ services projects to be at the forefront of the priorities for this category.

- a) **Consumer Awareness:** Four respondents commented on this project, they all agreed that it is a priority project. The BCPS suggested that the TRA should first carry out an awareness

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campaign to educate the public about the role of TRA, and then move on to awareness of consumer rights. The BCPS also suggested that the TRA addresses the youth in age group 14-20 years as its target audience for this campaign.

**TRA's position:** The TRA notes the comments made by respondents. It will retain this project in the Plan. While keeping in mind the observation made so as to make it more effective.

- b) **Use of Bulk SMS, telemarketing and fax broadcasting:** Three respondents commented on this project, they all agreed on its priority. One respondent (MTC-VB) noted that there might be technical difficulties in blocking the SMSs, and suggested that the public consultation should be consider the robustness of the proposed solutions among other issues. There was a comment from one of the respondents that TRA should focus on the issues of spamming and telemarketing emulating a best practice model.

**TRA's position:** The TRA notes the comments and the concerns of the respondents, and will retain this project in the Plan. The TRA will commence a public consultation on this issue, seeking the views of the public and industry on the best way to deal with this issue. The TRA's decision will depend on the outcome of the consultation.

- c) **Service Termination procedures for customers upon non payment:** Two respondents commented on this project, and agreed on the importance of this issue. The BCPS noted that this issue is of particular importance, as the current procedures for termination are in need of improvement to ensure that consumer rights are fully considered in this matter.

**TRA's position:** The TRA notes the comments received, in particular the concerns the BCPS had over the current procedures. Among the respondents, the BCPS is the only body that represents consumers in Bahrain, and therefore the TRA takes into account their concern in this aspect to be an indicator of concerns of consumers in Bahrain. Thus the TRA will retain this project in the Plan, as part of its ongoing efforts to ensure better protection for consumers especially as the market is in the early stages of liberalization and there are many new licensed operators.

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- d) **Protection of Personal Data with Liberalization of Directory Enquiry Services:** Five respondents commented on this project. All respondents except one agreed that it is a priority project. The respondent who did not agree suggested that it should be combined with the Liberalization of DQ project, and further stated that there is no demand at present for this service in Bahrain. Another respondent suggested that the TRA should be looking into protection of personal data in general as well as corporate data and not just limit it to the Directory Enquiry services.

**TRA's position:** The TRA notes the comments received, and would retain this project on the Plan in conjunction with the Liberalization of DQ Services project. The TRA would be commencing a public consultation on this issue prior to making its final decision.

- e) **Consumer Protection in Case of Prepaid Services:** Three respondents commented on this project. All of them agreed that it is a priority. The respondents expressed their concerns that consumers should be protected in case of prepaid services from and fraudulent or misleading activities on behalf of the service provider.

**TRA's position:** The TRA notes the comments received and will retain this project in the Plan. The TRA will commence a public consultation on this issue before making its final decision.

## 2.2 Regulatory Framework

The TRA sought views on the following issues grouped under the regulatory framework category.

### **Responses:**

The majority of respondents identified the Access Framework to be the top priority for TRA in this year. The other projects were also considered by most of the respondents to be important and should be part of the TRA Plan.

- a) **Access Framework:** Four respondents commented on this project. Three of them agreed that this project should be at the top of the TRA's priorities. The respondent who did not agree with the rest commented that this project should be of relatively

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low priority, since operators are capable of forming commercial agreements for Access. The other respondents highlighted the fact that access is a crucial part of the facilitating market entry, and that the current processes may allow the dominant operator to unduly delay the provision of access services. MTCVB noted that the access framework needs to be robust and to address all the issues and current bottlenecks involving access.

**TRA's Position:** The TRA notes the comments received on this issue. It is evident that there is a real need in the market for a complete access framework, contrary to the statement made by one respondent about existing successful access deals between operators. The other respondents have unanimously agreed that there are problems with getting access products in the market. Based on these comments, and taking into account the recommendation of the TRA Development Review Panel placing facilitating market entry at the top of priorities, as well as the Telecommunications Law-Section three, the TRA will retain this project as part of the Plan, and will continue to develop the necessary components of the framework through the usual public consultation process. The TRA has already issued the final Access regulation in Access and will now proceed to deal with the related issue of dominance.

- b) Cost of Capital:** Two respondents commented on this issue, both of them agreed that a review should be carried of the Cost of Capital for Batelco.

**TRA's Position:** The TRA notes the comments made and will retain this project on the Plan. The review of the Cost of Capital has been commenced by seeking the views of interested parties on April 24, 2005.

- c) Retail Price Controls & Tariff Rebalancing:** Four respondents commented on this project. Three respondents stressed on the point that adopting a retail price control regime should not disadvantage valuable consumers. The fourth respondent was of the view that this matter while of importance can be handled between the regulator and the incumbent operator and should not be the subject of a public consultation. The Ministry of Industry & Commerce suggested that internet prices would require lowering in order to remove one of the barriers to using the internet among consumers based on the high tariffs. The

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BCPS highlighted the point the vulnerable consumer groups should not be adversely affected by the rebalancing of tariffs.

**TRA's Position:** The TRA notes the comments and will retain this project in the Plan. Since this issue affects both operators and consumers as well, and part of the transparency policy that the TRA adopts, this project will go through a full consultation process.

- d) Quality of service:** Two respondents commented on this issue, one respondent agreed that this is an important issue that the TRA needs to address, while the other stated that it doesn't consider that this needs to be the subject of any TRA action.

**TRA's Position:** The TRA notes the comments made by respondents to that issue. As per the telecommunications Law, section 3, it is part of TRA's duties to protect the interests of subscribers and users in respect of Quality of Service "QoS". Moreover, the TRA notes that international best practice shows that QoS regulations are put in place by regulators to ensure the quality of services offered in the market. Hence the TRA will retain this project in the Plan.

- e) Liberalization of DQ Services:** Three respondents commented on the issue. One respondent commented that there isn't a big demand on providing the service and therefore, it shouldn't be part of the Plan for the year 2005/2006. The other two respondents commented that it is vital for the incumbent operator to provide access to the DQ information database in reasonable and fair terms to enable liberalizing the service.

**TRA's position:** The TRA notes the comments, and as the liberalization of DQ services is a service that can be offered competitively and that value can be added to it, there is a need for formal guidelines and terms for the this service, to ensure that consumer information and competition is properly protected thus the TRA will retain the project in the Plan. The TRA will commence a public consultation process for this project in conjunction with the Protection of Personal Data with the Liberalization of DQ Services project.

- f) Framework for Interconnection/Access Dispute Resolution:** Three respondents commented on the issue. While one respondent commented that this issue should not be part of the

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Plan, the other two commented that it is vital to have such a framework published.

**TRA's Position:** The TRA notes the comments received and having gone through the process during last year, it was evident to the TRA that a formal framework needs to be in place to ensure efficient use of resources and to minimize the time required for dispute resolution. Therefore the TRA will retain this project in the Plan.

- g) Inter-operator Complaint Procedure:** Three respondents commented on the issue. While one respondent commented that this issue should not be part of the Plan, the other two commented that it is vital to have such a framework published.

**TRA's Position:** The TRA notes the comments received and since the number of new entrants is increasing, there is a real need for a formal procedure for inter-operator complaints. The TRA therefore will retain this project in the Plan.

### 2.3 Regulatory Policy:

The TRA sought views on the following issues grouped under the Regulatory Policy category.

#### **Responses:**

The majority of respondents identified the Spectrum allocation and management project to be the top priority for this category.

- a) Spectrum Allocation & Management:** Three respondents commented on the issue and all are in agreement that Spectrum Allocation and Management should be part of the Plan.

**TRA's Position:** The TRA notes the comments received and will retain this project in the Plan.

- b) Third Mobile Telecommunications License:** Three respondents commented on this issue. Two respondents agreed that a full consultation must take place before deciding on the third mobile telecommunications license. However the third respondent commented that this matter is within the ambit of the telecommunications policy makers of the Bahrain government.

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**TRA's Position:** The TRA notes the comments received, and would highlight that section 39 b(1) of the Telecommunications Law explicitly states that the TRA may grant further mobile licenses after the two year period at its discretion. The TRA would also like to advise the respondents to refer to the Telecommunications Law when making statements about the remits of the TRA as it would appear that on occasions comments are made that fail to take into accounts the right obligations as the TRA under the Telecommunications Law. The TRA will retain this issue in the Plan.

**c) Satellite Services:** No respondent tackled this issue.

**TRA's Position:** Since no interest was shown to this project, the TRA will remove this project from the Plan.

**d) Carrier Selection:** Two respondents commented on this issue. One respondent stated that this matter is within the ambit of the telecommunications policy makers of Bahrain government. The other respondent agreed with the TRA that the introduction of this service will increase customer choice and result in a more competitive market.

**TRA's Position:** The TRA notes the comments received, and as this is a matter for the TRA, it will retain the project in the Plan.

#### 2.4 Other relevant feedback

Some respondents tackled several aspects that are not mentioned in the draft Plan illustrated as follows:

**a) An overall observation:** A respondent commented that the plan seems to be unduly ambitious and that the TRA needs to be more selective.

**TRA's Position:** The TRA notes the comment, and also notes from the overall responses received that the public feedback agrees with almost all of the items included in the Plan. As Bahrain is still in the early stages of liberalization, the projects listed in the Plan are vital to the market. The TRA will endeavor to carry out all the projects listed in the Plan, but will adjust its work depending on priorities and market development as appropriate.

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- b) **Protecting Consumers in a Competitive Environment:** the BCPS suggested that the TRA issues necessary rules and regulations to control and define "win back" attempts by operators through phone calls and SMS.

**TRA's Position:** The TRA notes the comment and agrees on the importance of the issue. However, the TRA addresses the "win back" in the Carrier Pre Selection Regulation and will continue addressing such issues in its regulations as per project. Also the proposed Code of Practice for Carrier Pre-selection will deal with the issue to a certain extent. If it is found that there is still need for intervene, the TRA will review the matter again.

- c) **Internet Services:** The BCPS commented that the TRA should follow up the formation and activation of BIX.

**TRA's Position:** The TRA notes the comment and would like to point out that BIX is a licensee and is established according to the Telecommunications Law. The formation and activation of BIX is out of the TRA's Jurisdictions.

- d) **Wi-Max:** A respondent said that it has received requests from local and international companies to make sure that there is spectrum reserved for services such as Wi-Max. Therefore, the respondent believes that it is essential to allocate part of the plan for the development of Wi-Max service in the future.

**TRA's Position:** The TRA notes the comment and agrees on the importance of such services. The TRA will be addressing the spectrum allocation for wireless technologies through the Spectrum Management project.

- e) **Improving the website:** The BCPS suggested that the TRA improves the Complaints section under Consumer Information of the website. The respondent suggested posting complaints the TRA receives on the website and illustrating the way the TRA dealt and resolved them.

**TRA's Position:** The TRA notes the comment and agrees that the website needs to be improved as a whole and not only the complaints section. The TRA welcomes the comments and as part of its review of the website, it will examine what improvements can be made.

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- f) **RIO Review:** MTCVB commented that there is a need for conducting the twice yearly RIO review where the TRA needs to address that issue to ensure that the process is completed as swiftly and effectively as possible.

**TRA's Position:** The TRA notes the comment and it is important to mention that the plan consists of one off projects and will continue practicing its duties such as this issue. The TRA is committed to having bi annual reviews of RIO, and will continue to do so as long as this is required.

- g) **Competition Law Team:** MTCVB suggested organising a dedicated Competition Law Team that develops and expertises the competition field where competition laws can be complicated and difficult to apply.

**TRA's Position:** The TRA notes the comment and agrees that this issue is important to tackle. The issue of the resources of the TRA is a more general one and is dealt with in part in the response to the TRA Development Panel Review.

- h) **National Numbering Plan (NNP):** MTCVB suggested implementing the public consultation on NNP in the plan.

**TRA's Position:** The TRA notes the comment and agrees on the importance of addressing the issue and will examine the possibility of dealing with it with it as part of its work in the next 12 months.

- i) **Title of the Plan:** The BCPS commented that the title of the Plan should be more specific. The plan 2005/2006 suggests that the duration of the plan is for the whole two years, where the reader realizes that it takes place in 12 months approximately.

**TRA's Position:** The TRA notes the comment. However, the title will remain as it is since the plan is for the next twelve months starting May 2005 which overlaps with 6 5 months in 2006.

- j) **Regulation on Advertising Premium Services by VAS licensees:** A respondent commented that there are complaints on the way VAS providers advertise for their services and

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therefore it is essential to issue a regulation that contains a clear declaration on the services provided.

**TRA's Position:** The TRA notes the comment and agrees on the important of addressing the issue. The TRA will be addressing some of these issues in the Bulk SMS project, the rest of issues such as regulations for the way competitions are organized and their prizes are outside the TRA's jurisdiction, and is addressed by other governmental departments.

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#### **3 Conclusion**

After consideration of the comments received on the consultation, the TRA will amend the plan accordingly. It is important to mention that the plan has the flexibility of changing priorities of projects according to the demand of the telecommunications' sector. The plan illustrates the projects according to category and not priority.

Parallel with this report, and in the light of the comments received from the public consultation on the draft plan 2005/2006, the TRA has issued the final plan.