

REPORT

Consultation report on Carrier Pre-selection

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Authority

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1 Introduction

On 24th December 2003, the Telecommunications Regulatory Authority launched a consultation on the way in which a carrier pre-selection service in the Kingdom of Bahrain should be implemented. The process involved the publication of a consultation document MOU/CN/015. This document examined the options for introducing a carrier pre-selection scheme, the associated cost and consumer issues, and the operational process that should be used to provide the service.

The consultation process was completed on the 21st January 2004 at which time written responses had been received from seven parties. 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 Authority's initial position, highlighting any actions that will be taken and the areas where comments will be sought and taken into account from this point on in the consultation process.

Following the issue of this report the Authority will issue a follow-up consultation that sets out a detailed proposal for the way in which carrier pre-selection should operate in Bahrain.

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

This structure of this report reflects that of the consultation paper on carrier pre-selection. Each of the following paragraphs reiterates the questions that were asked in the sections of the consultation and, where appropriate, the position proposed by the Authority. A discussion of points raised and reconsideration of relevant issues in the light of comments received is also given.

2.1 Operators obliged to implement CPS

The TRA sought views on the types of operators (fixed, mobile or both) to whom obligations for providing CPS should apply.

Feedback on this point was equally divided between obliging all operators (both fixed and mobile) to provide CPS, and requiring CPS only of fixed operators with significant market power.

The view to oblige all operators (both fixed and mobile) to provide CPS is based on the rationale for CPS being to give customers freedom of choice. The view to limit the obligation to provide CPS to only fixed operators is founded partly on the fact that there is limited precedence for obliging mobile operators to offer CPS, and partly on the argument that there is already sufficient competition in the mobile sector.

The TRA is of the view that the obligation for fixed operators with significant market power to implement CPS and which is in line with other liberalized markets. Furthermore, in order to maximise consumer choice, this obligation should be extended to mobile operators.

2.2 Operators eligible for Pre-Selection

The TRA sought views on

- (a) the types of operators eligible for CPS,
- (b) the need for and contents of a code of practice related to CPS and
- (c) the eligibility criteria for pre-selection

Responses

(a) On the question of eligibility of operators to be included in CPS, the strong consensus was that any operator capable of offering National or International service should be included. Hence, any operator with a National Fixed, International Service or Mobile licence should be eligible.

(b) There was positive unanimity in response to the question of a need for a code of practice for CPS – see section 2.5.

(c) In terms of eligibility criteria for operators to be included in CPS, the majority of responses suggested that a relevant licence should suffice, a view that the TRA agrees with as the TRA sees no reason to impose additional criteria on licencees, taking into account that technical issues are covered by the interconnection agreement.

2.3 The CPS Scheme

The TRA proposed a pre-selection scheme in which consumers may select one alternative operator for all of their national calls and one (which need not be the same

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operator as that chosen for national calls, if there is a choice of operators) for all of their international calls, and asked for views on this proposal.

Two different views were received in response to this proposal. The majority of responses strongly agreed with the 'multi-basket' scheme described by the TRA. One response, however, argued strongly against this and suggested that a 'single basket' scheme (international only pre-select) with users having call by call over-ride facility would provide better choice for consumers at lower cost to operators.

The TRA is minded to stand by its multi-basket proposal, with the addition that users' call by call over-ride should be included. This view is, however, strongly driven by cost considerations for users/consumers and would be reviewed if a substantial cost case for the single basket option could be made.

2.4 Switching and Routing Requirements

The TRA sought views on

- (a) the switching and routing requirements proposed to apply only to operators with significant market power; and
- (b) whether such requirements should be included in the CPS Regulation, in an industry code or elsewhere

All responses agreed with the TRA's view at (a) above. Less clear cut was the view on where the switching and routing requirements should be placed. The TRA view at this time is that they would, ideally, be agreed between operators but could equally well be included in a regulation.

2.5 Consumer Issues

The TRA sought views on

- (a) the requirement for a Code of Practice relating to the offering of CPS;
- (b) the timing and process for preparing a Code of Practice;
- (c) whether the Code of Practice should be legally binding; and
- (d) what role the TRA should play in drafting and enforcing the Code of Practice.

Responses:

- (a) There was complete consensus in responses that a Code of Practice for CPS should be produced.
- (b) No strong views on timing and process for the Code of Practice were received, although the majority view was that the Code should be the responsibility of the TRA in conjunction with a representative consumer group. In light of this, the TRA intends to establish a Consumer Advisory Group on CPS.
- (c) In terms of the content of the Code, there was general acceptance that it should provide detail on anti-slamming measures (that is, measures to ensure that CPS is only provided with the full consent of the consumer).
- (d) A variety of responses were received on whether the Code of Practice should be legally binding. Having considered these, the TRA would be in favour of self regulation with an option for independent arbitration (i.e. not the TRA) in the event of a breach of the Code.

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2.6 Cost Apportionment

The TRA sought views on the principles set out for apportionment of costs between operators in establishing CPS.

There was considerable diversity of opinion over the way in which CPS should be paid for. In view of the lack of consensus on this point the TRA is minded to opt for a regime in which the operator providing CPS ('the CPS Provider') bears the cost of implementation which the CPS Provider then recovers through fees to operators who opt to make use of CPS.

Furthermore, the TRA is minded to use the estimated cost of implementation as a key driver to its decision on which operators should be obliged to be CPS Providers. If those operators which are CPS Providers can contain cost to a reasonably low level, then there is the option of limiting the scope of CPS to fixed operators only. If, on the other hand, implementation costs are high, then the CPS scheme would need to be wider in order to defray cost. In this latter case, the TRA would be inclined to mandate that both mobile and fixed operators would be obliged to be CPS Providers.

2.7 Operational Processes for Providing CPS Services

The TRA sought views on the proposals for operational processes to support the provision of CPS.

There was consensus that the processes outlined in the consultation should form a sound basis for CPS. There was, however, a divergence of opinion on who should be responsible for their development. Several respondents considered the definition of 'operational processes' to be best placed under the TRA. The counter argument to this was that CPS operators are pivotal in the processes, so should develop a common set of operational processes.

The TRA view is that operators are best placed to develop operating processes but that the TRA is ultimately responsible for their acceptability. A scheme to this effect will be included in the 2nd consultation paper on CPS.

2.8 Other Relevant feedback

A point made in one response was that a carrier using Voice over IP should not be disadvantaged in the chosen CPS scheme. The TRA is technology neutral in respect of CPS.

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3 Conclusion

Following the publication of this report, in which the Authority revisits its proposals for carrier pre-selection in the light of comments received from the public consultation, the Authority will issue second consultation paper. This second consultation paper is intended to be a more detailed proposal for the implementation, operational and costing of CPS and, once any comments received have been reviewed by the TRA, will result in a CPS Regulation (in draft then final form) for Bahrain. The second CPS consultation, which puts forward prescriptive detail for CPS implementation will be issued in February 2004. Thereafter, the TRA aims to issue a draft Regulation, allowing two weeks for comments on this draft regulation before releasing the final Regulation. The target date of issue for the Regulation is April 2004. A Consumer Advisory Group (as discussed at 2.5 above) will also be established prior to issuing the Regulation.