



TRA issues draft order to Batelco to reduce broadband prices and launch higher speed services

The Telecommunications Regulatory Authority (TRA) has today issued a draft order requiring Batelco to reduce the charges to other licensed operators for wholesale broadband services below 2 Mbits and to launch higher speed wholesale services. This draft order paves the way for Batelco to reduce its retail prices and introduce new higher speed services.

Mr Alan Horne, TRA General Director said “TRA remains determined to ensure that broadband prices in Bahrain are reduced to be more in line with the prices for similar services offered through out the region and to ensure there are no further delays in making available higher internet speeds at competitive prices on fair and reasonable terms. We are also determined to ensure that fair and sustainable competition develops which in turn will ensure that consumers have choice at competitive rates. These objectives directly support the 2030 Vision, the National Economic Strategy and the 2nd National Telecommunications Plan”

TRA has indicated that even with the current proposed retail prices from Batelco their broadband prices remain higher than the Arab average. Further when compared to European equivalents it is apparent that there is scope for further price reductions in the higher speed services.

Alan Horne went on to say “Batelco needs to be praised for the investment made in the next generation network (NGN) which not only reduces their costs but also allows for higher speed services. We look forward to Batelco making available to end users the full capabilities its new network has to offer’. Mr Horne emphasised that “TRA is disappointed we have had to resort to using regulatory orders to ensure that Batelco fulfils its regulatory duties and stop Batelco from delaying and distorting the development of competition in this market. By issuing this draft order TRA has compelled Batelco to fulfil the conditions TRA placed on the approval of Batelco’s request to reduce retail prices and launch higher speed retail services”.

Fixed broadband services, using such technologies as “ADSL”, are delivered over the same lines as the telephone. In Bahrain Batelco is the owner of these lines (access network). In order to allow competition to develop and provide greater consumer choice Batelco is obliged to provide wholesale services over their access network to other licensed operators enabling them to offer competing broadband services to end users.

The charges for these wholesale services offered by Batelco must be approved by TRA and by law, must be fair, reasonable and non-discriminatory. TRA has conducted a review of the latest submission by Batelco and found that the proposed charges for wholesale broadband access services did not meet the legal requirements. The proposed charges included costs which were not appropriate to the service offered; were discriminatory because certain wholesale charges were higher than the proposed retail price and also contained conditions that TRA considers to have the effect of preventing the development of competition. The proposed wholesale charges were also higher than those currently charged for current speeds and the equivalent wholesale services were not being offered for the higher speed services above 2 Mbits. If TRA had approved the proposed wholesale charges as well as Batelco's proposed retail tariffs it would have made it commercially challenging if not impossible for other licensed operators, which rely on the Batelco wholesale services, to remain in business.

Batelco has 30 days to comment on the draft document before TRA issues the Final Order which is expected to be before the end of May.

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

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