

TRA orders Batelco to lower certain interconnection charges offered to other licensed operators (OLOs)

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The Telecommunications Regulatory Authority (TRA) published today on its website (www.tra.org.bh) the order issued on 17 July 2007 to Batelco in relation to its Reference Interconnection Offer (RIO) requiring it to lower certain interconnection charges.

The RIO is the basic offer by Batelco to other licensed operators (OLOs) that allows them 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 RIO outlines the wholesale rates the OLOs pay to Batelco for terminating the services, where the retail rate that the consumer pays is made up of the OLOs retail costs plus the wholesale charge. Accordingly, any reduction in the wholesale charges of the interconnection services has an impact on the retail rates that the end consumers pay.

Having reviewed the RIO and having healthy debates with Batelco's team, TRA was not satisfied that all charges were fair and reasonable. As a result, TRA decided that a number of interconnection services charges should be reduced, including: Mobile Call Terminating Access by 8.5%, SMS Terminating Access by 87%, Freephone from a Mobile Phone by 8.5%, International Fixed Call Termination by 7.6%, and International Mobile Call Termination by 6.8%.

The General Director of TRA, Mr. Alan Horne, commented on the issuance of the order on Batelco's Reference Interconnection Offer saying: "In a liberalized market where licensed operators are entitled to build their own networks, it is important to get all operators' customers connected. Therefore, the availability of interconnection services is a key issue for operators in order to be able to function competitively. We hope that this reduction will be reflected on the retail charges that consumers pay, and give financial incentives to all market players to invest more in telecommunications infrastructure. This will support economic development, and consumers will enjoy the benefits of competition and greater choice".

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