



Press Release

TRA Ready to Implement a Package of Regulatory Measures to Further Promote the Interests of Consumers and Competition

Tuesday, 3 June 2008

The Telecommunications Regulatory Authority (TRA) released today its Final Statement detailing a comprehensive package of pro-competitive and pro-consumer regulatory measures along with a Determination on Batelco's Significant Market Power in certain relevant retail markets and a report on the responses received as a result of TRA consultation held last February.

The final statement issued today outlines nine main regulatory measures to be implemented. These measures will further promote competition and deliver significant benefits to consumers. The statement provides an ambitious target implementation timetable.

The nine main measures developed out of the strategic and retail market review are:

| Regulatory measure | 2008 | | | | 2009 | | | | 2010 | | | |
|---|------|----|----|----|------|----|----|----|------|----|----|----|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| 1 Removal of tariff approval process for mobile services and fixed originated international calls to certain destinations | | | | | | | | | | | | |
| 2 Reform of the retail tariff regulation regime | | | | | | | | | | | | |
| 3 Local loop unbundling | | | | | | | | | | | | |
| 4 Carrier selection and improvement to CPS | | | | | | | | | | | | |
| 5 Award of a 3 rd Mobile Network Operator license ("MNO") | | | | | | | | | | | | |
| 6 Removal of mobility restrictions for NFWS licenses | | | | | | | | | | | | |
| 7 Number portability (fixed and mobile) | | | | | | | | | | | | |
| 8 Competition guidelines | | | | | | | | | | | | |
| 9 Data collection and dissemination | | | | | | | | | | | | |

Note: MVNOs allowed through commercial negotiations only without regulatory intervention for the time being. Licensing requirements to be addressed as part of the move to a unified licensing framework (expected completion Q2 2009)

Local loop unbundling will give access to the "last mile" of Batelco's network to competitors in order to provide competitive voice and broadband services. Once number portability is in place, users will be able to retain their existing phone number when switching provider.

Continuous improvements to the services offered to residential and business users in terms of availability, range and prices will be a priority in the next phase

of the market's development. The package of regulatory measures is consistent with the Telecommunications Law and supports the Government's objectives outlined in the Second National Telecommunications Plan.

TRA's Chief Economist and the project manager of the Strategic and Retail Market Review Dr. Alexandre Serot said "The implementation of the Strategic and Retail Market Review will move the telecommunications market in the Kingdom of Bahrain to a next major stage in the development of the telecommunications industry that will further promote competition and benefit consumers. The next step after issuing our final statement is the implementation phase. TRA has already started the development of some elements of the regulatory package such as number portability, the selection of the third mobile network operator and the reform of the retail price control framework".

TRA's General Director, Mr. Alan Horne commented on finalising the results of the Strategic and Retail Market Review saying: "In the implementation stage we will design the measures announced in order to achieve the best balance between enhancing competition and consumer welfare on the one hand and necessity not to unduly overburden market players on the other. If necessary and in order to ensure that we achieve the best possible result from these regulatory actions, we are minded to consider financing some of the centrally incurred costs of some measures (e.g., introducing number portability) from the proceeds of auctions or similar revenues subject to necessary approvals and consultation."

TRA received submissions from Batelco, Lightspeed, Mena Telecom and Zain as well as from the Business Advisory Group and Consumer Advisory Group. TRA would like to thank all respondents for their constructive contribution.

All documents released today are available on TRA's website (www.tra.org.bh).

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 operators 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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