

Cross-submission to consultation – Draft Order issued by the Telecommunications Regulatory Authority on the Reference Offer of the Bahrain Telecommunications Company B.S.C, 15 December 2015 (ref: MCD/12/15/092)

RESPONDENT (CROSS-SUBMISSION STAGE)
Zain Bahrain BSC
Mohamed Yusuf Expert, Regulatory & Interconnection
Building No. 662, Road No. 2811, Al- Seef District, Block 428 P.O. Box 266, Kingdom of Bahrain Telephone: 3603 1515 Mobile: 3603 0515 Email address: mohamed.yusuf@bh.zain.com
Public Version
10/03/2016
RI/1603/034

CROSS-SUBMISSION STAGE: Zain Bahrain BSC

Q1. Please provide any comments you may have in relation to the Authority’s premise of fair, reasonable and non-discriminatory terms, conditions and tariffs for regulated RO products and services.

Comment (CROSS-SUBMISSION STAGE):

Comments on Batelco’s submission

1. Having a regulated price that is cost based is not in contradiction of being fair and reasonable. As stated by Batelco, fair and reasonable wholesale pricing can be chosen from a spectrum of cost concepts. Thus, despite “cost based” is not mentioned under Article 57(e) of the Telecommunications Law and Article 6.1 of the Access Regulation, Zain is of the view that the Authority should follow the international best practice with regards to the pricing point of Access Services. There is a general consensus that access services including infrastructure sharing should be based on cost-oriented pricing and open access models. For example, the Portuguese telecom regulator (“ANACOM”) pursue cost based approach, and Oman telecom regulator (“TRA Oman”) adopted LRIC. Furthermore, this is consistent with Article 13 of the EU Access Directive 2002/19/EC and 2009/140/EC, where price control is grounded by cost orientation.

2. Cost recovery is the main component of any cost model known in the telecom industry, whether it is top-down or bottom-up. It includes also a return to capital (WACC) requisite. Hence it is sufficient to cover the capital and operational expenditure Batelco concerned about with regards to the large scale network expansions and upgrades. Zain has highlighted in the its submission that pricing Access Services close to the retail prices (retail minus) is neither fair or reasonable, since it denies other OLO’s from the opportunity to achieve similar profit margins that Batelco can enjoy. Below are potential outcomes:
 - a. In case Batelco upstream charge its downstream a lower price of Access Services than it charge for OLO’s:
 If Batelco’s cost at upstream is at A and it is offering its downstream at $B = A * (1+40\%)$, then offering a wholesale product to OLO’s at $C = A * (1+60\%)$, it forbids the OLO’s to enjoy from the difference in margins that Batelco’s retail enjoys (20% in this example), assuming that OLO could sell the same service at equal or less retail price (OLO’s are constrained by Batelco’s retail offering).

 - b. In case Batelco upstream charge its downstream same price of Access Services it charge for OLO’s:
 If Batelco’s cost at upstream is at A and it is offering it to the downstream market at $B = A * (1+80\%)$, then Batelco is retaining much of the profit at the wholesale level, forbidding the OLO’s from gaining portion of this profit, making Batelco enjoy their monopoly power, setting prices high at no close feasible substitution.

Therefore, having regulated Access Services prices set at cost based, that are set at equal input level for all downstream entities, is a requirement in order to ensure a sustainable and effective competition.

3. Glide-path approach for changes in regulatory prices is intended so smooth the interruptions in the market caused by the asymmetry in offered rates. Therefore, in telecom framework, it is mostly associated with regulated termination rates rather than regulated Access Services. The Recommendation 2007/879/EC of European Commission (EC) on relevant product and service markets within the electronic communications sector basically defines 7 relevant markets (the number of markets was 18 in the previous recommendation 2003/311/EC) and one of them is wholesale call termination in independent mobile networks. Market analysis of regulators implies that individually there are separate call termination markets for terminating calls on each operator’s network in the relevant market. Hence, in most of European countries, interconnection charges are determined as symmetrical or a glide-path plan that brings movement towards

CROSS-SUBMISSION STAGE: Zain Bahrain BSC

symmetry is announced. On the other hand, in order to create a sustainable competition environment in the market and avoid potential anti-competitive act, national telecom regulators set the level of supplying interconnection service and access services by using suited costing models.

This being said, Batelco's quest for introducing a glide-path for new WDC and WLA services does not stand here since there is no counter offers or any asymmetry in the prices of regulated Access Services. Furthermore, the immediate reduction in the prices of regulated Access Services will have a direct reflection on the prices and competition level in the retail market generally, and in the business segment specifically where there is still not enough competition level had evolved (including the premium-access market as detailed in Draft Determination of Market and Competition Review of the Retail Markets for Access to Call Services including Domestic Calls from a Fixed Location - MCD/12/15/097).

Comments on VIVA's submission

4. Zain is in total agreement with the comments VIVA put through with regards to:

a. Importance of separation

In addition to VIVA inputs, several important benefits have been attributed to structural separation. As noted in OECD (2003), the main benefits of structural separation in the telecommunications industry are thought to include (i) creation of a 'level playing field' by forcing the incumbent's wholesale arm to deal with its retail arm on the same terms that it deals with any other competitor; (ii) allowing regulators to focus on the wholesale network to guarantee service quality, network reliability, and access to essential network facilities at costbased prices; (iii) relative simplicity when compared to behavioral remedies. It is effective as it targets the very reason for the incumbent's impact on competition within the market; that is, its vertically-integrated structure. In contrast, behavioral regulation can never be fully effective in this way as it is reactive, rather than pro-active; and (iv) reduction of the need for regulation as incumbents have fewer incentives to abuse market power.

b. Importance of non-discriminatory terms

Information and process

In addition to VIVA inputs, as stated in Zain's submission, effective competition the markets for provision of data connection services is currently being impaired by the asymmetry of information that exists because of the fact that the technical engineers that deliver the Services are reporting to Batelco's enterprise arm and one internal system is used and is accessible by both wholesale and enterprise team. Both of those situation may cause a leak to the sales lead for Batelco's enterprise team. (i.e. Zain could place a Service Request, and that information could be leaked to Batelco's enterprise team either via the technical engineers or the internal process flow systems). Therefore, Zain herby call for total separation for those two circumstances to assure confidentiality.

Pricing

Please refer to our response to Batelco's comments above. If Batelco upstream price is high enough, Batelco will be able to earn profits on its own sales while denying downstream rivals the chance to cover their (efficient) costs. A "no-discrimination" rule as such will not, therefore, prevent the upstream firm from excluding downstream rivals.

CROSS-SUBMISSION STAGE: Zain Bahrain BSC

c. Importance of passive access

Zain has stressed out in many occasions on the importance of passive access, especially duct rental service. The SMR already mentioned that the duct access product has, in the absence of self-provision of own fibre infrastructure, become a wholesale product with significant demand by a number of operators. We submit that a critical aspect of promoting wider availability of broadband is ensuring that a national fibre-optic infrastructure is in place, and that it is affordable. Sharing infrastructure is the most rational way for achieving this goal. The Authority therefore is kindly requested to take into consideration all the feedback shared in allowing the industry to benefit from this legal right.

d. Dark fibre is consistent with a single national network policy

In addition to VIVA comments, we share the same perception that national broadband network (“NBN”) is being provided by a single infrastructure provider (“SIP”), where in case Batelco’s current infrastructure was the base of the NBN/SIP, Batelco is required to implement structural and functional separation. In these cases the wholesale, or the tasks undertaken by the network provision branch of the incumbent operator, is separated in a way that non-discriminatory access is provided to its own retail division as well as to competing alternative retail operators. This has often been called “equivalence of input”. This form of access - once the network/wholesale component has been separated - is often referred to as “open access”, and it shares some of its widely accepted features (e.g. non-discrimination, transparency).

Further to VIVA’s shared examples, Australia’s NBN is arguably the most ambitious broadband funding project undertaken by a government since the telecommunications industry’s liberalization. The project was designed in response to strong concerns about competition dynamics in the Australian telecommunication market, particularly lack of private sector investment in next generation broadband. While the NBN’s access arrangements are based on the telecommunications access regime that is already in place, there are significant enhancements to it. The NBN legislation requires that services offered over the network must be provided on a wholesale only basis, that is, there is no conflict of interest in NBN Co., the company operating the NBN, competing against its customers in downstream retail markets. Services are supplied on an open access and nondiscriminatory basis with oversight from the Australian Competition and Consumer Commission (ACCC). NBN Co. must publish all its service offers.

The NBN Co Fibre Access Service is an Ethernet-based, layer 2 virtual connection on the NBN Co Fibre network that carries traffic between a User Network Interface (UNI), located at or near the premises, and the Network-to-network Interface (NNI) at the Point of Interconnect (POI) associated with the serving area in which those premises are located. Australia’s NBN open access arrangement shares most of the characteristics of a regulated, wholesale access FTTP network, including transparency, non-discrimination, a public reference offer, and so forth. Even though the motivation and history of the NBN makes the Australian case very specific, being a wholesale-only, publicly funded network, it can be regarded as a regulated open access scheme.

In New Zealand, a publicly-funded national broadband network is also being deployed by Crown Fibre Holdings. Regarding open access requirements, the arrangement is very similar to that of NBN Co., as Crown Fibre Holdings has also published a wholesale reference offer, and retail providers will serve final customers and businesses. The reference offers contains bitstream layer 2 services, dark fibre rental and commercial backhaul services.

Stokab, owned by the city of Stockholm, runs a dark-fibre network and also acts as retail operator for the local government. All operators are granted access to Stokab’s network on equal terms. Sweden’s largest housing company also belongs to the City of Stockholm and owns three companies: Svenska Bostäder, Stockholmshem and Familjebostäder. The first relies on Stokab’s network but provides, in addition, passive infrastructure within the multi-dwelling units, whereas the active equipment is provided by communication operators. Other housing companies have similar business models even though they seldom host more than one communication operator on their networks

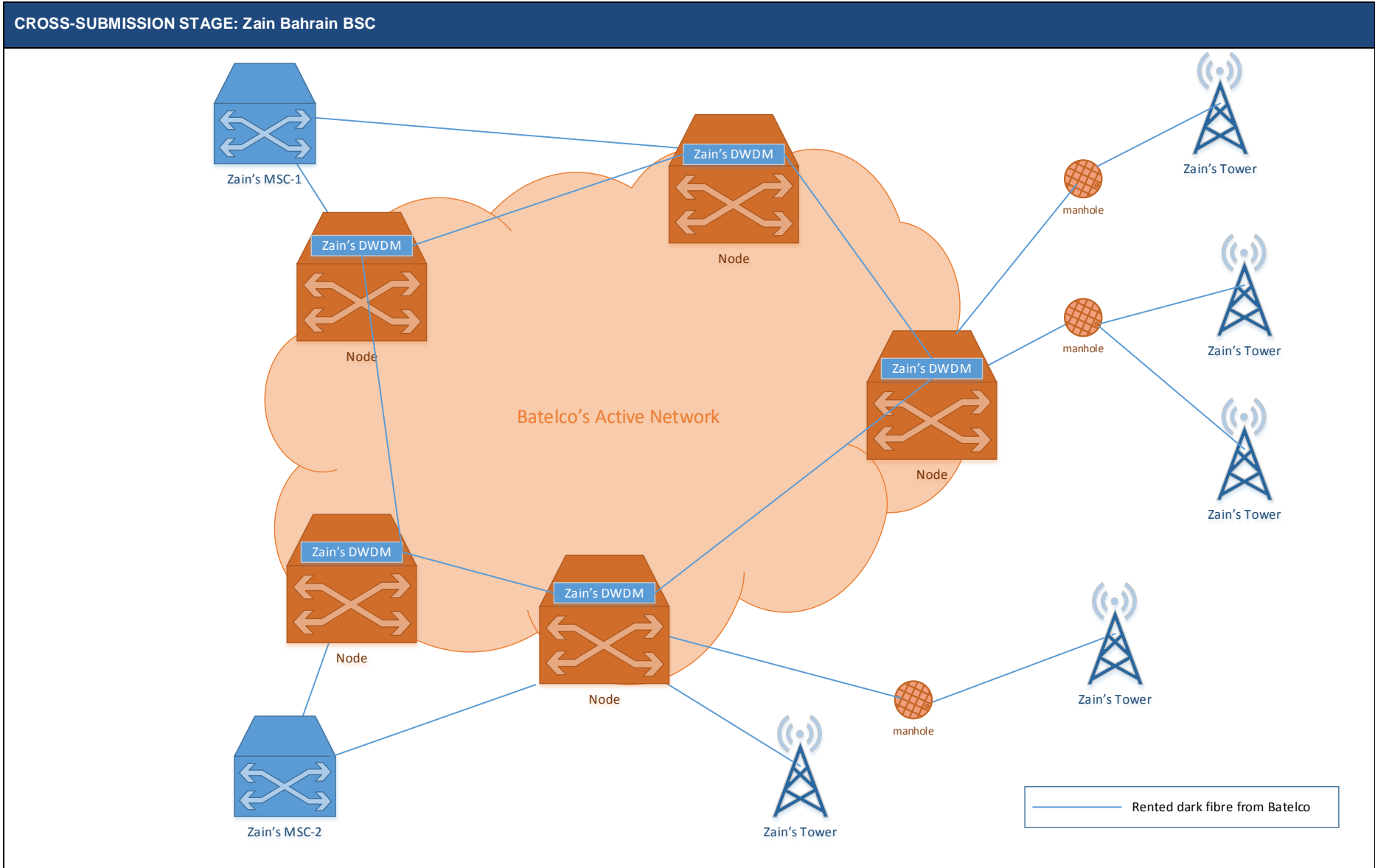
CROSS-SUBMISSION STAGE: Zain Bahrain BSC

In either model of aforementioned examples, dark fibre is a main ingredient and network element. Dark fibre proved to have a technical superiority as a connectivity solution. Dark fiber is a preferred media for connectivity due to its flexibility in providing almost unlimited bandwidth and large telecom networks are built on fiber backbones. Benefits include:

- (i) Virtually unlimited bandwidth when fiber is used in conjunction with dense wavelength division multiplexing (DWDM) technology.
- (ii) Fixed costs that can be depreciated on long period because of the nature and applications of dark fiber. In which it eases the financial planning and investment decisions.
- (iii) Flexibility of interconnection, where the ability to easily connect to other service providers shall lower costs and increase coverage.
- (iv) Ability to reach new customers, provide new services and secure backhaul requirements.

The Authority has in April 2014 as part of the “Determination of Significant Market Power and Determination of Dominance Position in the Markets for Domestic Data Connectivity Services” and in the Strategic Market Review (“SMR”), identified dark fiber as a remedy for this market. Hence, Zain is still of the view that the only alternative that is comparable to the current Duct Access product is a dark fiber product.

Despite Authority intention to introduce dark fibre service in 2014, it amazes Zain that dark fibre service is still not offered as part of Batelco's RAO despite the fact it was listed as one of the mandated services of Article 3.5 of the Access Regulation of 2005. In the Draft Order, the Authority has limited the dark fiber option to a point to point fiber which raise the concern of junction fiber availability and efficiency of its utilization. After through consultation with the technical team and reviewing international practices with regards to point to point dark fiber connectivity options, Zain is proposing where dark fibre product is technically not feasible, then the alternative would be a dark fiber in the access to the closest service node were the operator should be allowed to procure a single pair of fiber on the junction to link all the service nodes. The proposed alternative is a similar setup as the LLU and in terms of fiber requirement is exactly the same as the proposed WDC, where a single access fibre pair is required in the access to the service node instead of end to end fibre connectivity which solves the potential congestion issue at the exchange nodes and the efficiency of its utilization. Please refer to below explanatory diagram



CROSS-SUBMISSION STAGE: Zain Bahrain BSC

e. Adequacy of the Service Level regime

In addition to VIVA's comments, please refer to Zain's responses to the relevant questions related to Service Levels in the initial submission.

f. Pricing for WLA and WDC products

In addition to VIVA's comments, please refer to Zain's answer to Q1 of its initial submission.

Q2. Do you agree with the Authority's proposed general amendments to be made to Batelco's RO? Please explain your position. If you disagree, please propose an alternative.

Comment (CROSS-SUBMISSION STAGE):

Comments on Batelco's submission

5. In contrary to Batelco's comments, Zain believes that the proposed general amendments has to be made to Batelco's RO. The proposed amendments are in-par with transparency objective the Authority ensuring following this draft RO order. In the current RO, Zain is suffering from the ambiguity of changes took place in Batelco's RO without a proper register of these changes and which service is regulated and which is not. Thus, the proposed amendments will neutralize this ambiguity.
6. Similar requirements are already provided by Openreach on their website. For example, under their pricing offer the website highlighted historic, current and future prices. It is market best practice.

Q3. Do you agree with the Authority's proposal to mandate the introduction of Service Levels for the Wholesale Data Connection and the Bitstream products and services? Please explain and justify your position.

Comment (CROSS-SUBMISSION STAGE):

Comments on Batelco's submission

7. In contrary to Batelco's comments, experience told us that Batelco have not in general been meeting the existing targets. Zain has shared many instance to the Authority where it requests are delayed, improperly attend to and ignored in some instance. This suffering is an ongoing issue, to a point where Zain cannot depend on Batelco's existing targets in any commitment.
8. Batelco claim that the introduction of Service Levels will require a large IT development could be true for some elements, however we far to accept for example that a simple e-mail acknowledgment requires a significant IT development. Nonetheless, Zain is of the view that the introduction of Service Levels is a must, and Batelco should implement IT solutions that are relevant to provide those Service Levels.

CROSS-SUBMISSION STAGE: Zain Bahrain BSC

9. Batelco's concern over the removal of exceptional circumstances condition is being addressed in Zain view with the mechanism introduced by the Authority in the Service Levels, where Batelco due to any unforeseen issue can notify the OLO with revised RFT date phase. Nevertheless, the extent of which Batelco may utilise this revised RFT date could raise concerns of incompliance or anti-competitive behaviour.
10. Most of the example listed by Batelco to support the need for exceptional circumstances condition are rather related to duct rental or pulling new fibre cable, that can be assessed during the desk study phase, and in which these already have extended time frame as part of this Draft Order; furthermore Batelco still can send a revised RFT date in case of any unforeseen issue that is beyond Batelco's control.

Comments on VIVA's submission

11. Zain is not aware of this VIP team at Batelco. In similar cases, Zain would like as suggested by VIVA, to have access to the same team at no additional charges where similar customers requested this team.

Q4. Do you agree with the Authority's proposed definition and description of the service request process? Please explain and justify your position.

Comment (CROSS-SUBMISSION STAGE):

Comments on Batelco's submission

12. For the detailed reasons Zain has stated in it submission under Q4, Zain believes that a service request should be deemed to have been accepted by Batelco if formal notice of confirmation has not been received by an OLO.

Comments on VIVA's submission

13. Zain shares VIVA's view that (i) Batelco should be required to set out in rejection notice to the OLO why the request is insufficient (including exactly what would make it sufficient) and why the information is incorrect, and (ii) Batelco should provide this assistance if there has been any rejection.

Q5. Do you agree with the Authority's proposed definition and description of the service delivery process? Do you agree with the proposed provisions that the Authority considers should apply in case an OLO cancels a Service Request during the delivery process? Please explain and justify your position.

Comment (CROSS-SUBMISSION STAGE):

Comments on Batelco's submission

CROSS-SUBMISSION STAGE: Zain Bahrain BSC

14. Zain does not agree with Batelco's suggestion to have a single 7 WD timeframe for both the service request confirmation stage and the notification to OLOs of expected and maximum RFT and RFS dates by Batelco. What is the point of delaying the service request confirmation stage to 7 WD, by which Batelco could return on the 7th day to advice that the request is rejected. This will delay the overall service delivery. The OLO's needs the initial feedback within the 2 WD to manage customers/end-user expectation.
15. Zain does not agree with Batelco's suggestion that same time frame to be applied for both new and existing orders. The Transfer Requests, Upgrade/Downgrade Requests, Reconfiguration Requests and Cancelation Requests seldom requires any physical changes, rather it mainly require soft changes, therefore logically it should take less time that New Connection and Migration Requests. With reference to Zain's answer to Q5 in the first submission, Zain is in agreement with Service Level Terms proposed by the Authority in the draft order.
16. Batelco is admitting that they will not be communicating to OLOs an expected date for delivery, other than the maximum raise an anti-competitive concern. We urge the Authority to monitor Batelco's compliance.

Comments on VIVA's submission

17. Zain generally agrees with VIVA's comments in answer to Q5.
18. Zain agrees in particular with VIVA's comments in relation to Paragraph 90. We also perceive that it is unfair for the OLO to be liable to pay two installation and configuration charges. It is more logical that OLO should instead be liable for the cost incurred by Batelco when mobilizing the technician for the visit. In which can be set at fixed amount. Similarly in reference to Paragraph 106, Zain also view that if the OLO cancels its service request after the 5 working days has elapsed, OLOs should only be liable to pay the amount of 1 capped NRC instead of 1 MRC.
19. Furthermore, Zain shares VIVA's concerns that the process detailed in Paragraph 92-94 with regards to Batelco's obligation to notify the OLO in case of circumstances that arise where Batelco is not in a position to meet the Expected RFT Date.

Q6. Do you agree with the Authority's proposed definition and description of the fault management process? Please explain your position.

Comment (CROSS-SUBMISSION STAGE):

Comments on Batelco's submission

20. Zain totally disagree with Batelco's submission. Given the consumer's expectation of service availability, in particular the business segment, Zain is of the view that the proposed restoration time frames in the draft order are just adequate. For avoidance of doubt, Zain generally agrees with the Authority's proposed Service Level Terms and Penalties for the WLA and WDC products and services. Except for the 6 hours set as a Maximum Restoration Time under Standard Support. This is because most of businesses in Bahrain have 8 working hours and with 6

CROSS-SUBMISSION STAGE: Zain Bahrain BSC

hours service level means that there is higher probability that working day will end and the service is not restored, should they face interruption on the circuit. This is apparent In the example listed in Figure 17 of the draft order, BT/Opeanreach, Orange and Belgacom have restoration time less than 6 hours. And therefore Zain request to be in-par with those example and have 4 hours as the Maximum Restoration Time under Standard Support.

21. Moreover, Batelco must provide the same support level and restoration KPI for OLO's that they offer for their retail arm. This is part of the non-discriminatory requirement Zain is demanding. "First Come First Serve" approach is appropriate here as long that there are monitoring controls over Batelco's actual performance in order to detect an in compliance.

Comments on VIVA's submission

22. Zain share the same comments with regards to service installation/restoration outside working hours, in which we believe that Batelco should not charge any additional or overtime charges since there is already a NRC charged.

23. In general, Zain agrees with VIVA's feedback.

Q7. Do you agree with the Authority's proposed process for the payment of Service Level Penalties? Do you agree that the corresponding rebate(s) shall not be claimed by OLOs but directly reflected by Batelco in the next invoice(s)? Please explain and justify your position.

Comment (CROSS-SUMBISSION STAGE):

Comments on Batelco's submission

24. Please refer to Zain's position in the submission and the feedback on Batelco's comments in above-mentioned questions.

Comments on VIVA's submission

25. Zain agree with VIVA's comments that if the rebates exceed the amount of the monthly invoice, then any unutilised credits get carried over into subsequent months.

Q8. Do you have any comments on the Service Level definitions proposed by the Authority? Please explain and justify your position.

Comment (CROSS-SUMBISSION STAGE):

Comments on Batelco's submission

CROSS-SUBMISSION STAGE: Zain Bahrain BSC	
26.	Zain does not have further comments.
Q9.	Do you agree with the Authority's proposed creation of a Forum on Batelco's RO? Please explain and justify your position. According to you, what should be the terms of reference of such forum to ensure its effectiveness?
Comment (CROSS-SUMBISSION STAGE):	
<u>Comments on Batelco's submission</u>	
27.	The Authority stated that the scope of the forum is general and not individual cases should be discussed during meetings of the FRO. Therefore, there should not be any concerns of exchanging confidential information. For avoidance of doubt, all the OLO's will be presented in the meeting, any if any stakeholder would like to share an important concern or requirement he will be responsible for the level of information disclosed.
<u>Comments on VIVA's submission</u>	
28.	Zain agree with VIVA's comments that FRO agenda should include all regulated products (not just active products).
Q10.	Do you agree with the Authority's proposed approach aiming at limiting the payment of one-off charges for the deployment of a fibre access? Please explain and justify your position.
Comment (CROSS-SUMBISSION STAGE):	
<u>Comments on Batelco's submission</u>	
29.	Cost recovery is mandated in all cases to sustain a service, the Authority proxy mandated that in case Batelco is able to utilize this new fibre deployment for other potential customers or not. Based on which, either Batelco/OLO share the cost of the new fire deployment. Zain is in agreement with the Authority's proposed approach aiming at limiting the payment of the once-off charges for the deployment of a fibre access. Please refer to Zain's initial submission where we state similar feedback that addresses Batelco's concern. In which, Zain has different proposal of cases (1) and (3) of Figure 14 of the draft order. Zain is of the view that the basis should not be the number of floors or business size. Rather, it should be based on whether the termination point is (i) accessible to deliver future service for different tenants or (ii) accessible only by single end-user/radio site. Batelco shall be able in the first scenario to recover the cost through the MRC of wholesale and retail access products offered at that location, whereas in the latter Batelco should, in addition to the MRC, also be allowed to recover such costs or a portion thereof through the NRC. The NRC should be capped at BD 1,000 and payment by the OLO should be made against an itemised invoice (broken down by time and material elements), and where relevant, a map detailing the work performed.
<u>Comments on VIVA's submission</u>	
30.	Active remedy does not remove the need for effective passive remedies

CROSS-SUBMISSION STAGE: Zain Bahrain BSC

In various occasions, Zain has explicitly stated that active services, WDC in particular, does not replace the entire need for passive services. Pursuant to this draft order active products are neither technically comparable nor commercially alternative to the duct rental access. Therefore we totally agree with VIVA's comments in this section that both duct access and dark fibre access are necessary for competition sustainability.

31. Examples where passive access is required

a) PoP to CLS

Zain exerted similar concern in answer to Q30 in the initial submission. With regards to access to international submarine cable landing stations, OLO's and major business customers require standalone services and diverse routes for contingency purposes. Zain is of the view that market dynamics for IPLC and connecting international landing stations has dramatically changed since the Dominance Determination for Wholesale International Services in 2013, by which the Authority concluded that Batelco is not dominant in the wholesale market for the supply of international capacity from locations within Bahrain. Clause 3 of the Determination mandates the availability of duct access product to conclude that Batelco is not in dominant position. Thus, the suspension of duct access products contradicts the prerequisite. Batelco is the only operator with the luxury of access to all international landing station, and with absence of duct rental products they certainly holds dominance position and therefore must be regulated.

b) Passive access and collocation at OSNs

Zain proposed in answer to Q1 above a technical solution that is similar to the passive access and collocation at OSN's proposal by VIVA. That the same OLO active equipment would be used by OLOs for dark fibre connecting to end-user premises or OLO PoPs. In which, Zain believes that this will enable the offering of dark fibre service with both technical and financial rationale.

c) Interconnection and access

Zain shares total view of VIVA.

32. Batelco's assertions on dark fibre and duct capacity

Zain shares VIVA's perplexity about Batelco's ability to conduct maintenance of its own fibre cables and extend its fibre to new locations if their database records of fibre availability are as inadequate as Batelco claim. Furthermore, if such considered database records is not available, how could Batelco assert that passive infrastructure access cannot accommodate new requests without expansion. Moreover, knowing that active WLA and WDC circuits use a lit pair of fibre all the way, why Batelco does not raise the concern of fibre congestion and inefficiency utilization in this case. This includes service levels on duct order, repair and upgrade.

33. Requirements that should be imposed on Batelco regarding ducts

CROSS-SUBMISSION STAGE: Zain Bahrain BSC

While the duct access product is still under review, the draft Order did not show any Service Levels for important wholesale regulated service. Zain therefore is of the despite the various results of the undergoing assessment, Service Levels for duct access product must be included in Batelco's RO. Furthermore, that the Service Levels are similar to the proposed WLA and WDS, unless Batelco proves that tangible differences exists.

34. Achieving reductions in NRCs

Zain is also concerned that Paragraph 179 (b) does not impose any incentive or bidding task on Batelco to voluntarily agree to reduce its NRC.

35. Refund of NRCs if infrastructure used

Should the approach in Paragraph 180 takes effect, Zain agrees with VIVA about the process they detailed under this section.

36. Limits on time and materials charging

Zain also view that a standard rate-card should be developed and approved by the TRA periodically, to calculate the NRC based on time and materials.

Q11. Do you agree with the Authority's proposal to order Batelco to build a centralised database on fibre access and fibre usage in Bahrain? Do you agree that until such time as a database is made available, Batelco should introduce a 2-working-day presale process? Please explain and justify your position.

Comment (CROSS-SUBMISSION STAGE):

Comments on Batelco's submission

37. Having a centralised database on fibre access and fibre usage is a must for the requirement of (i) national broadband network ("NBN"), (ii) fault restoration service level, (iii) planning passive infrastructure expansion and (iv) having equal play ground with Batelco's retail arm.

38. In addition to above benefits, the cost of developing and maintaining the database is nominal in comparison to the benefits it will provide to the OLOs, who will be able to plan their network roll-outs independently and quickly.

Comments on VIVA's submission

39. Importance of a database

Zain also view that there must be a clarity of where existing infrastructure exists and its availability. It is critical for (i) rolling out NBN (ii) fast fault restoration (iii) efficient deployment of fibre and (iv) leveling competition. The OLO's should have a real-time access to this database.

CROSS-SUBMISSION STAGE: Zain Bahrain BSC	
40. Publication and validation of the database	There must be a set target date in the reference offer order to publish this database.
41. Batelco to use same pre-sale process	Zain's had the same requirement. OLO's must be treated equally to Batelco's retail in all aspects by Batelco's wholesale.
42. Validation by joint survey	OLO's must reserve their rights in a joint survey, keeping in mind the comments Zain made to Q10 in its initial submission.
Q12. Do you have any comments in relation to the speeds for which the WDC should be made available?	
Comment (CROSS-SUBMISSION STAGE):	
<u>Comments on Batelco's submission</u>	
43.	Zain notices that WLA available speed is 1 Gbps, whereas in some cases we receives enquires from business users for speeds above that. For example, for Bahrain F1 Grand Prix event. Lacking of a preset product price and service level will not make OLO's be able to compete with Batelco for such opportunities. Also the availability of 10 Gbps aggregation link to accommodate such requests.
<u>Comments on VIVA's submission</u>	
44.	Based on our position that OLO's must be treated equally to Batelco's retail in all aspects by Batelco's wholesale, Zain also view that low-speed connections should be available for WLA using fibre-based connectivity.
Q13. Do you have any comments in relation to the proposed technical characteristics for the WLA and WDC Aggregation Links?	
Comment (CROSS-SUBMISSION STAGE):	
<u>Comments on VIVA's submission</u>	
45.	Zain agrees with VIVA that more information in relation to the loop prevention mechanism/ protocols that will be used by Batelco to assure the links' high availability, particularly for WLA aggregation links.
Q14. Would you be interested by the introduction of a synchronisation feature for the WLA? Please explain and justify you position.	

CROSS-SUBMISSION STAGE: Zain Bahrain BSC

Comment (CROSS-SUMBISSION STAGE):

Comments on VIVA's submission

46. After rechecking the this with the technical vendor, Zain can confirm that synchronization feature for the WLA should be mandatory as it is crucial to support next generation services such as P2P, LTE TDD, LTE Carrier Aggregation etc which requires IEEE 1588v2 (Precision Time Protocol).

Q15. Do you agree that Batelco should offer as an option the full end-to-end physical and logical protection of a WLA or WDC Connection for an additional 30% mark-up on top of the applicable MRC? Please explain and justify your position.

Comment (CROSS-SUMBISSION STAGE):

Comments on Batelco's submission

47. Zain does not agree with Batelco that separate circuits should be acquired by OLO's for protection. Rather, Zain is of the view that Batelco should offer as an option the full end-to-end physical and logical protection of a WLA or WDC.

Comments on VIVA's submission

48. Zain agree with VIVA that market best practice to charges for full protection of a secondary connection should not be charged as a fixed mark-up on top of the MRC. Rather, there should be cost-based charges for each active equipment under logical protection (CPE and service node) and physical protection. Taking into consideration Openreach charges as an example, and size of coverage in UK in comparison to Bahrain, we expect these would be much smaller incremental charges.
49. At the same time, we also agree that OLOs should not be restricted to equipment specified by Batelco, in order to avoid potential over-specification or over-inflated equipment. OLOs should have the flexibility to use its own active equipment, which is consistent with our proposal for dark fibre services to be provided by Batelco.

Q16. Do you agree that Batelco should allow the use of a second ingress ports on a CPE provided for a WLA/WDC Connection or a WLA/WDC Aggregation Link? Please explain and justify your position.

Comment (CROSS-SUMBISSION STAGE):

Comments on VIVA's submission

50. Zain is consistent with VIVA position, Zain agrees that Batelco should allow the use of a second ingress ports on a CPE provided for a WLA/WDC Connection or a WLA/WDC Aggregation Link. In many cases Zain do internal redundancy setup within the building, and having a second or more customer facing ports will certainly support this internal redundancy setup. The CPE usually comes with space for extra ports and/or cards, therefore Batelco should not charge the OLO for utilising features on the same installed CPE.

CROSS-SUBMISSION STAGE: Zain Bahrain BSC	
Q17. Do you agree that Batelco should provide a minimum set of information on CPEs used for WLA and WDC Aggregation Links and Connections? Please explain and justify your position.	
Comment (CROSS-SUMBISSION STAGE):	
51. Zain has no further comments other than its initial submission feedback to this question.	
Q18. Do you agree that Batelco should continue to be subject to additional QoS reporting obligations for WLA and WDC? Please explain and justify your position.	
Comment (CROSS-SUMBISSION STAGE):	
<u>Comments on Batelco's submission</u>	
52. Zain insists on the additional QoS reporting obligations for WLA and WDC. The new QoS measurements are must to evaluate any Ethernet based service. In which those measures are required by business segment subscribers to monitor their service performance. Some of which demand those biding measure as part of the contracted agreement. Therefore, OLO's must have that feasibility to know whether they can satisfy customer's requirement or not.	
<u>Comments on VIVA's submission</u>	
53. Zain agrees that with current process, OLOs are suffering from reputational damage from Batelco's inability to meet its service promises and therefore it is key that Batelco's actual performance is made public and published regularly so failings by Batelco can be clearly identified and that any reputational damage is squarely passed to Batelco and not the OLO.	
Q19. Do you agree that Batelco should implement a test based on ITU-T Y.1564 test methodology and systematically provide a copy of test results to the OLO? Please explain and justify your position.	
Comment (CROSS-SUMBISSION STAGE):	
<u>Comments on Batelco's submission</u>	
54. Please refer to Zain's answer to Q19 in the initial submission.	
<u>Comments on VIVA's submission</u>	
55. VIVA agrees that Batelco should systematically provide a copy of the test results to OLO to qualify the new services based on the QoS performance parameters indicated in the reference offer and standard SLA for the services.	

CROSS-SUBMISSION STAGE: Zain Bahrain BSC	
Q20. Do you agree that OLOs should have access to Batelco's BNV system? Should OLO's customers (i.e. end-users) also have access to such system? Please explain and justify your position.	
Comment (CROSS-SUMBISSION STAGE):	
<u>Comments on Batelco's submission</u>	
56. Zain would like to highlight that the only online access shared by Batelco was for IP Transit service. No system was shared that shows Zain the performance of the leased line circuits it have in place from Batelco.	
<u>Comments on VIVA's submission</u>	
57. Zain agrees that that OLOs should have access to Batelco's BNV system and that this access should be provided for free.	
58. Zain agrees that Batelco's retail units should have to obtain information regarding OLO connections through the same BNV system that OLOs use and not through any other system.	
Q21. Do you agree that penalties should be paid on a per fault basis for failure to meet a maximum restoration time rather than based on percentage of service availability? Explain and justify your position,	
Comment (CROSS-SUMBISSION STAGE):	
<u>Comments on VIVA's submission</u>	
59. In addition to Zain's answer to this question in its initial submission, Zain agrees with VIVA that (i) small failures ("flapping", which results in the circuit being up and down rapidly) can cause end user disruption in the same way as a once-off failure, and therefore penalty Service Credit should be applicable in those cases; and (ii) there should be an additional level of compensation for OLOs where there are repeated instances of faults, in which it is affecting OLO's reputation of reliability of service.	
Q22. Do you agree with the Authority's proposed introduction of a 'Premium Support' service for an additional 20% premium on top of the applicable MRC? Please explain and justify your position.	
Comment (CROSS-SUMBISSION STAGE):	
60. Zain has no further comments other than its initial submission feedback to this question.	
Q23. Do you agree with the Authority's proposed Service Level Terms and Penalties for the WLA and WDC products and services. Please explain and justify your position.	

CROSS-SUBMISSION STAGE: Zain Bahrain BSC

Comment (CROSS-SUMBISSION STAGE):

Comments on Batelco's submission

61. Batelco is putting a lot of emphases on forecasting requirement. Zain is of the view that given the historic details of requests and service deliveries, Batelco is in better position the estimate the growth in demand and plan the expansion requirement accordingly. The OLO's might be aware of their future plans for leased services that are used for their networks use, this level of forecast can be projected, however it is extremely difficult to forecast year ahead of potential end users requirements of leased lines (potential sales). Zain is of the view that expansion forecast can be one of the main topics discussed in the FRO.
62. Batelco's demand to have accuracy of +/- 20% of the submitted forecast, otherwise no service credit or adjustment is made to any performance deadline, is baseless and should not be considered. Batelco's inability to commit to a service level does not necessarily means it was caused by lack of forecast from the OLO, and it actually difficult to prove it. Therefore, Zain is of the view that this principle should not be considered by TRA.

Comments on VIVA's submission

63. Penalty for failure to acknowledge and confirm Service Request

Zain agrees that there should be a Penalty for failure to acknowledge and confirm Service Request, this is in line with Zain's answer to Q4 and Q11 in the initial submission.

64. Penalty for failure to acknowledge and respond to fault

Zain agrees that there should be a Penalty for failure to acknowledge and confirm Service Request, this is in line with Zain's answer to Q6 in the initial submission.

65. Maximum Restoration Time

Similar to VIVA's, Zain view that Maximum Resotration Time should be 4 hours, since most of businesses in Bahrain have 8 working hours and with 6 hours service level means that there is higher probability that working day will end and the service is not restored, should they face interruption on the circuit. This is apparent In the example listed in Figure 17 of the draft order, BT/Opeanreach, Orange and Belgacom have restoration time less than 6 hours. And therefore Zain request to be in-par with those example and have 4 hours as the Maximum Restoration Time under Standard Support.

66. Restoration Time Service Credits

Zain agrees to VIVA's benchmark, and to align with the United Kingdom levels. The geographic areas in those countries are much larger than in Bahrain and therefore we consider this a reason for making the service levels in Bahrain more stringent, not less stringent, than these comparators.

CROSS-SUBMISSION STAGE: Zain Bahrain BSC	
67.	<p>On par treatment relative to Batelco Enterprise customer service level</p> <p>Based on our position that OLO's must be treated equally to Batelco's retail in all aspects by Batelco's wholesale, the Authroity should investigate the service level that Batelco makes available to its enterprise retail customers.</p>
68.	<p>Review of the price terms applicable to the WLA and WDC products and services</p> <p>Zain shared similar comments, that without more insight on the cost element and types of equipment used by the infrastructure layer in Batelco, we will not be in position to effectively comment on the price terms applicable to the WLA and WDC products and services. Therefore, to do our analysis we demand having that side to cost information using reasonable confidentiality protocols.</p>
Q24. Do you agree with the Authority's proposed modifications of the Bitstream service description? Please explain and justify your position.	
<p>Comment (CROSS-SUMBISSION STAGE):</p> <p><u>Comments on Batelco's submission</u></p> <p>69. Batelco is putting a lot of emphases on forecasting requirement. Zain is of the view that given the historic details of requests and service deliveries, Batelco is in better position the estimate the growth in demand and plan the expansion requirement accordingly. The OLO's might be aware of their future plans for leased services that are used for their networks use, this level of forecast can be projected, however it is extremely difficult to forecast year ahead of potential end users requirements of leased lines (potential sales). Zain is of the view that expansion forecast can be one of the main topics discussed in the FRO.</p>	
Q25. Do you agree with the Authority's proposed Service Level Terms and Penalties for the business Bitstream product and services. Please explain and justify your position.	
<p>Comment (CROSS-SUMBISSION STAGE):</p> <p>70. Zain share the same comments with regards to the proposed Service Level Terms and Penalties in aforementioned questions.</p>	
Q26. Do you agree with the Authority's proposal to freeze the charges applicable to the business Bitstream and business WDSL? Please explain and justify your position.	
<p>Comment (CROSS-SUMBISSION STAGE):</p> <p>71. Zain agrees with Authority's proposal to freeze the charges applicable to the business Bitstream and business WDSL since the regulated MRC were extensively reviewed by the Authority in 2014. Nevertheless, Zain urge the Authority to calculate the MRC of requested additional higher speeds with principal of fair, reasonable, non-discriminatory and forward looking. In addition to monitor the anticipated uptake of active Business Bitstream services, and intervene when required.</p>	

CROSS-SUBMISSION STAGE: Zain Bahrain BSC	
Q27. Do you agree with the Authority's proposal to freeze the charges applicable to the ISI and CSI link services? Please explain and justify your position.	
Comment (CROSS-SUBMISSION STAGE): <u>Comments on VIVA's submission</u>	
72. Zain share same view, that the cost of interconnect links between Batelco and OLOs should be shared between both parties either based on (i) the traffic carried from each party on pro rata basis, or (ii) equally shared. There is traffic conveyed in both directions, serving same customers, and in some cases Batelco's actually require higher capacity to serve their customer. Thus, why should the OLO's be liable to this cost?	
Q28. Do you have any comments in relation to the Authority's review of the other wholesale services (emergency call access, DQ assistance, inter-operator transit, and CPS services)? Please explain and justify your position.	
Comment (CROSS-SUBMISSION STAGE): <u>Comments on VIVA's submission</u>	
73. Zain share same view, that the emergency call access service charges should be aligned with fixed termination rate (1.9 fils per min), technically, this call routing shares all the same cost elements of terminating a call to a fixed number. Zain is enquiring why the proposed charges are set at much higher level. The Authority is requested to share more details about cost calculation for this service.	
Q29. Do you have any comments in relation to the Authority's decision to review the duct access product as part of a separate proceeding? Please explain and justify your position.	
Comment (CROSS-SUBMISSION STAGE): <u>Comments on Batelco's submission</u>	
74. Zain totally disagree with Batelco that duct access product should not run concurrently with any other additional ordered remedy until those additional remedies are considered fit for purpose. In contrary, Zain is of the view that this is not a reasonable approach, to suspend a regulated service that serve the requirements of Licensed Operator till a study is completed, anticipating the future of fibre requirements in the Kingdom. The SMR already mentioned that the duct access product has, in the absence of self-provision of own fibre infrastructure, become a wholesale product with significant demand by a number of operators. Ideally, the legal framework for similar cases is to work on a substitute product/solution in parallel while the current regulated service is in place; in order not to adversely affect the operations of the licensed operators or the consumers.	
75. The process undertaken by the Authority as per the Letter is not defined in time frames and level of quantitative details required, and potentially will require significant time and efforts. With such ambiguity about the time frame of which we can utilize the fibre network in Bahrain, comes great constraints on Zain's service deliveries to the end users.	

CROSS-SUBMISSION STAGE: Zain Bahrain BSC

76. Zain as an IMTL holder have the right to get access to the duct infrastructure in accordance with the Telecommunications Law in Bahrain; and Authority's instructions in the Letter are not in compliance with the Telecommunications Law and deprives Zain from its legal rights. This constitute a breach of many legal instruments such as:

- Article 57 of the Telecommunications Law (Interconnection and Access),
- Article 13 of Batelco's Individual License for National Fixed Services (Provision of Access); and
- Batelco's Reference Offer

77. Please refer to Zain's exhaustive answer to Q29 in the initial submission, including the confidential part.

Q30. Do you have any other additional comments with regard Batelco's RO? Please explain and justify your position.

Comment (CROSS-SUMBISSION STAGE):

Comments on VIVA's submission

78. Zain is in agreement with VIVA's comments under this question.