

**Consultation on the “Revision of the Private Network and Resale Class Licenses”**

# **Summary of Comments Received and CRA’s Responses**

**June 20, 2022**

**CRARAC 2022/06/20-3**

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## 1 Introduction

On February 2, 2022, the Communications Regulatory Authority (CRA) initiated a consultation regarding revision of the “Class License to Own and/or Operate a Private Network” and the “Class License for the Resale (Retail) of Telecommunications Services” (Consultation Document). The consultation was open for all stakeholders to participate and, in addition, CRA contacted a broad range of stakeholders by email to raise awareness of the consultation and to invite their participation. The categories of stakeholders directly contacted included:

- Telecommunications Service Providers;
- IT service providers;
- Owners or operators of data centers;
- Hotels;
- Internet Cafes;
- Real estate developers;
- Companies providing or managing commercial rental accommodation;
- Companies providing or managing residential rental accommodation (including apartment blocks and compounds); and
- Companies offering serviced offices.

As a result of the above direct approach by CRA, all parties who are registered with CRA as a Reseller of Public Telecommunications Services in accordance with the published Resale Class License were sent an email to inform them of the consultation.

The deadline for the submission of responses to the consultation was originally established as March 10, 2022 but was extended to March 31, 2022 in response to a request for more time from stakeholders. Submissions were received from (listed in alphabetical order):

- Ooredoo Qatar Q.P.S.C. (Ooredoo);
- Qatar National Broadband Network (Qnbn);
- Qatar Satellite Company (Es'hailSat);
- Techno Gate for Services (Techno Gate); and
- Vodafone Qatar P.Q.S.C. (Vodafone Qatar)

In its submission, Es'hailSat stated that it had no comments to make regarding the Consultation Document. The remainder of this document provides a summary of the comments received from the other four responders (Ooredoo, Qnbn, Techno Gate and Vodafone Qatar) and

establishes CRA's position in response to these submissions.

## 2 Private Telecommunications Network Class License

### 2.1 Key relevant comments

The key relevant comments submitted by each stakeholder are summarized below:

#### Ooredoo

- CRA should not implement any changes that are not in response to the change in the Telecommunications Law;
- The proposed revisions may reduce the turnover of service providers holding Individual Licenses and will impact their ability to invest, and may impact their ability to comply with the Regulatory Framework;
- Promoting the development of Private Telecommunications Networks is inefficient and to some extent counterintuitive – 'service providers' should provide such networks;
- Use of spectrum for Private Telecommunications Networks may lead to interference, reduced security and inefficient spectrum use; and
- CRA should be accountable for its actions.

#### Vodafone Qatar

- Transmission technologies which extend the connectivity beyond the boundaries of the entity's premises should be excluded as it leads to bypass, inefficient duplication of infrastructure, lower Quality of Service and a security risk – the connections between different sites on a Private Telecommunications Network should be provided by an Individual Public Telecommunications License (IPTL) holder;
- Radio spectrum for fixed links should only be assigned to IPTLs to avoid interference and negative impact on QoS;
- Only IPTLs should be permitted to build and operate Private Mobile Telecommunications Networks – therefore cellular and TETRA spectrum should only be assigned to IPTLs;
- Only holders of Individual Licenses should be authorized to install Telecommunications

Networks; and

- The meaning of Clause 6.2 is not clear.

#### **Qnbn**

- Qnbn expressed agreement with questions 1, 2 and 3, and that there was nothing further to add or remove from the Private Telecommunications Network Class License.

#### **Techno Gate**

- No comments were made with respect to the Private Telecommunications Network Class License.

## **2.2 CRA responses**

Having carefully considered all the above inputs, CRA's response is as follows:

- A Licensee operating under the Private Telecommunications Network Class License should have the choice to self-provide any connectivity between sites, on a technology neutral basis, or to subscribe to a service provided by the holder of an Individual License. Reasonable and realistic service offerings from the Individual Licensees will assist in avoiding inefficient and unnecessary duplication of infrastructure;
- The assignment of radio spectrum for specified applications (including fixed links, cellular and TETRA) is a matter of radio spectrum policy and is outside the scope of this Class License, however, CRA sees no justification to deviate from the technology neutrality embedded in the Private Telecommunications Network Class License;
- A private office telephone system (i.e., PABX or similar) and a Wi-Fi or Ethernet LAN are examples of Telecommunications Networks as defined by the Telecommunications Law. CRA considers it unjustified to impose a requirement to restrict the installation of Telecommunications Networks to holders of Individual Licenses;
- The Private Telecommunications Network Class License is issued in accordance with Article 9-3 of the Telecommunications Law and the operation of a Private Telecommunications Network in compliance with the Class License is not considered bypass;
- The meaning of Clause 6.2 is that users of a Private Telecommunications Network, i.e., the Closed User Group, can make national and international calls, and similarly, that

national and international calls can be received by users of a Private Telecommunications Network. This is consistent with Article 6.1 which authorizes the connection of a Private Telecommunications Network to a Public Telecommunications Network. Access to national and international Telecommunications Services is therefore via the services of an IPTL. However, it appears that, in combination, Clauses 6.1 and 6.2 may have caused some confusion. CRA will therefore redraft Clauses 6.1 and 6.2 into a single Clause to clarify their meaning;

- The use of “Private Telecommunications Network” affords more precise and consistent terminology, and a clearer differentiation with respect to “Public Telecommunications Network”; and
- CRA is accountable for its actions, however, Clause 13.3 is not required and will be deleted.

In summary, With the exception of the redrafting of Clauses 6.1 and 6.2 and the removal of Clause 13.3, the comments received do not justify any deviation from CRA’s proposed revised text for the Private Telecommunications Network Class License.

An overview of the changes to be made to the draft Private Network Class License as a result of comments received from stakeholders is provided in the table below:

Clause number	Proposed change
6.1 and 6.2	Will be redrafted as a single clause with the following text:  The connection with a Public Telecommunications Network must be achieved only via a Gateway (e.g., PBX) where the Licensee must pay the applicable retail tariff.
13.3	Clause 13.3 will be deleted in its entirety.

In addition to the above changes, CRA will also make other editorial changes and refinements to the text.

## 3 Resale Class License

### 3.1 Key relevant comments

The key relevant comments submitted by each stakeholder are summarized below:

#### Ooredoo

- CRA should not implement any changes that are not in response to the change in the Telecommunications Law;
- The proposed revisions may reduce the turnover of service providers holding Individual Licenses and will impact their ability to invest, and may impact their ability to comply with the Regulatory Framework;
- Resale by Landlords could lead to a change in competitive structure of the market;
- The proposed changes will result in reduced Quality of Service, privacy, security and a worsening of Qatar's performance in international benchmarks;
- The number of low-income workers is decreasing and amending the Resale Class License to address concerns regarding their welfare is not the best approach – market driven approaches would be more effective;
- Price regulation and the application of the Retail Tariff Instruction is not addressed;
- Charging a tenant an indirect fee for the provision of a Telecommunications Service is not Resale; and
- CRA should be accountable for its actions.

#### Vodafone Qatar

- Resale by Eligible Persons as per the currently published Resale Class License is practical and workable;
- However, Vodafone Qatar strongly disagrees with extending the scope to include Commercial and Residential Landlords as it will be detrimental to competition, reduce consumer choice and will have security implications, as well as be a 'nightmare' for CRA to regulate (particularly with respect to tariffs);
- A Reseller should not be permitted to operate a Telecommunications Network and Article 2.2 of the Class License should be withdrawn; and

- The requirement for Eligible Persons to notify CRA of their intent to Resell should be maintained under all circumstances as it gives visibility market size.

#### **Qnbn**

- The consultation did not provide market penetration studies to inform a meaningful response;
- Measures should be implemented to maintain choice, avoid anticompetitive behaviour and increasing prices to end customers;
- Eligible persons should exclude hotels and short-term rental residences; and
- Resale pricing should not be higher than the retail prices available in the market.

#### **Techno Gate**

- Resale is a necessary activity in Qatar – it already exists unregulated in most parts of the country and cannot be ignored;
- Provision of internet services via Wi-Fi to low income workers provides an affordable and reliable means to maintain contact with family;
- Resale activities will require the Licensee to own/operate a Telecommunications Network and this must be authorized within the scope of the Resale Class License; and
- The list of Eligible Persons and the scope of authorized Resale services are appropriate but not clear enough. For example, for Wireless Internet Zones, the name is inaccurate, and it is not clear who is eligible for this activity – clarity should be provided regarding where this service can be provided;
- Resale for an Indirect Fee should be within the scope of the Class License to ensure such Resale is regulated thus ensuring quality of service and protection of privacy;
- Resale to Tenants enables the Landlord to provide a better service and make the property more desirable; and
- The Resale Class License should specify the monthly tariff that the Individual Public Telecommunications License holder can charge the Reseller.

### **3.2 CRA responses**

Having carefully considered all the above inputs, CRA's response is as follows:



- In light of the concerns expressed by stakeholders regarding a reduction in competition, reduced consumer choice and security implications, as well as the difficulties associated with regulating Resale services, CRA will not include Residential and Commercial Properties as Eligible Persons in the Resale Class License;
- The requirements for a commercial relationship between IPTL and Reseller, as well as the requirements to comply with the Retail Tariff Instruction will be clarified;
- As mentioned above, the definition of 'Telecommunications Network' is broad and, for example, the provision of Resale by a hotel, which Vodafone Qatar supports, is facilitated via the hotel's Telecommunications Network;
- In order to simplify the process for Resellers and avoid unnecessary regulatory burdens on CRA, CRA will remove the requirement for Eligible Persons to notify CRA of their intent to Resell. Therefore, there will be no Notification Fee to be paid, thus reducing the burden on authorized Resale activities; and
- CRA is accountable for its actions, however, Clause 20.4 is not required and will be deleted.

In summary, CRA will not add Residential or Commercial Properties to the list of Eligible Parties authorized to Resell Telecommunications Services. Further, the Resale Class License will be amended to remove the requirement for Eligible Persons to notify CRA of their intention to Resell, therefore also removing the need to pay the Notification Fee. Other changes to the Resale Class License will be adopted as proposed in the draft license.

An overview of the changes to be made to the draft Resale Class License as a result of comments received from stakeholders is provided in the table below:

Clause number	Proposed change
New 2.2 will be inserted	The purchase of Telecommunications Services for Resale must rely on a Resale Agreement between the Reseller and an Individual Public Telecommunications Licensee, which must be based on Tariffs complying with the Retail Tariff Instruction (published on CRA's website).
3.1	Will be updated as shown below to remove text that is no longer required because the scope will not be extended to Residential and Commercial

	<p>Properties:</p> <p>The legal persons authorized to resell retail Telecommunications Services under the License are <del>the owners, operators and/or managers</del> of the specific categories listed below (referred to as Eligible Persons). The scope of the authorized resale for each category is also specified.</p>
3.1 (4)	The definition of <b>Wireless Internet Zones</b> will be further clarified in Annex 1 to ensure consistency with the decision not to include Residential and Commercial Properties as Eligible Persons.
3.1 (6)	Residential and Commercial Properties will be deleted.
7	The entire clause 7 regarding notification and fees will be deleted.
20.3	20.3 will be deleted in order to be consistent with the removal of the requirement to notify.
20.4	20.4 will be deleted in its entirety as it is not required.
Annex A Add definition	<b>Resale Agreement:</b> an agreement between Reseller and an Individual Public Telecommunications Licensee which permits the Reseller to resell Telecommunications Services purchased from the Individual Public Telecommunications Licensee.
Annex A Clarify definition	<p>The definition of <b>Wireless Internet Zones</b> will be further clarified to ensure consistency with the decision not to include Residential and Commercial Properties as Eligible Persons. The definition will be updated as follows:</p> <p><b>Wireless Internet Zone or “Hotspot”:</b> a specific geographic location where the public can access the Internet through wireless networks. These zones are increasingly found in places such as airports, restaurants, coffee shops, parks and other similar places <u>where people congregate for a relatively short period of time (temporarily)</u>. Wireless Internet Zones <b>do not include</b> the Resale of wireless Internet access in any types of residential and commercial properties (including buildings, compounds, etc.), except in Hotels, Public Call Offices and Internet Cafés as stipulated in Clause 3</p>

	of the License.
Annex B	The Notification Form in Annex B will be deleted.

In addition to the above changes, CRA will also make other editorial changes and refinements to the text.

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