



**Responses to the first consultation on  
Licensing Framework (published on 14 January 2009)**

Seven responses were received from the following parties:

1. Qatar Telecom (Qtel)
2. Vodafone Qatar
3. Viacloud
4. SES
5. RigNet
6. Iridium
7. AT&T



**RESPONSE TO ICTQATAR'S LICENSING FRAMEWORK  
CONSULTATION DOCUMENT**

**FEBRUARY 15, 2009**

**Qatar Telecom (Qtel) Q.S.C.  
Doha**

## Introduction

Qtel welcomes the opportunity to provide comments on ictQATAR's Licensing Framework Consultation Document ("Consultation"). Qtel very much supports ictQATAR's goals as set out in the consultation document. We would, however, urge caution at this point in time around the issue of introducing service-based competition in Qatar. We would urge ictQATAR not to lose sight of the broader goals of fostering a healthy telecommunications sector. One further note of caution is that it is vitally important to ensure that the regulation of any future licensees and their place in the market is clear and well defined before licenses should be issued. The proposed Licensing Framework should, in Qtel's view, be reworked to allow some services without licenses (e.g. by hotels), while limiting others to individual licenses (e.g. large property owners with facilities-based networks), and in any case making any future class license regulatory regime less ambiguous and more detailed.

Qtel takes the following specific positions with respect to ictQATAR's Licensing Framework Consultation:

- It is premature for ictQATAR to issue class licenses for the resale of telecommunications services, and that the impact of this significant step on the telecommunications market should be thoroughly reviewed by ictQATAR before it finalizes this new framework.
- Any framework for issuing class licenses, whether for resellers or for authorizing private networks, must be sufficiently detailed to minimize conflict and confusion once new licenses are issued. In particular:
  - ictQATAR must distinguish clearly between class and individual licenses for acquiring wholesale services;
  - ictQATAR should prevent international gateway bypass;
  - Any future reseller license should address quality of service;
  - ictQATAR should prevent pre-paid card operator abuse;
  - Class licensees should pay the same fees as individual licensees;
  - Private networks should only be for private communication, not public telecommunications service.
- Prior to relaxation of authorization requirements for installation of telecommunications cabling, importation of telecommunications equipment and purchase, sale and rental of GSM handsets, there must be effective mechanisms

for ensuring compliance with ictQATAR's type approval requirements and measures to maintain the quality of indoor cabling in new developments in Qatar.

### **1. It is premature to issue licenses for the resale of telecommunications services to the public in Qatar**

Issuing resale licenses is likely to have a major impact on the telecommunications market in Qatar. As ictQATAR has noted in the past, development of service-based competition has the potential to impact investment in the telecommunications sector. In line with its obligation in the Telecommunications Law to "encourage sustainable investment in the telecommunications sector" (Art. 2), a thorough review of the potential economic impact of the proposed licensing framework is essential. ictQATAR stated in June 2007 that it is preferable in the early stages of liberalization not to encourage "service based competition" in order to foster investment in infrastructure. ictQATAR correspondingly stated that it would wait three years following market opening (2010) to "initiate a comprehensive Strategic Sectoral Review to consider among other issues, whether to open the market to additional infrastructure-based or service-based competitors." (*Consultation on Liberalization in the State of Qatar*, page 27) ictQATAR confirmed this view in July 2007 and stated its intended objective to "create sustainable competition, based on network infrastructure." (*Summary of Comments and Response*, page 4)

Qtel believes that the opening of the market for resale is a significant step in the development of any telecommunications market, one that ictQATAR should not take without a clear view of the potential impact on existing and potential operators and their planned investment. Qtel believes that ictQATAR should adhere to its previous conclusion and carefully examine the impact of any proposed further market liberalization prior to deciding whether to issue licenses for the resale of public telecommunications services. Such a review should occur only after competition has had sufficient time to develop in the market. As it has taken longer for new operators to be licensed and launch service than originally envisioned, Qtel believes that the 2010 target date for the Strategic Sectoral Review may be premature.

Qtel believes that the proposed licensing framework requires a great deal further review and refinement, based on a realistic view of actual market conditions before it can be finalized. In its current form, we believe it is unlikely to meet ictQATAR's articulated goal of "creating a foundation for a healthy, competitive market that consistently delivers high quality telecommunications services at affordable rates." Rather, we believe it would lead to a fragmented market, with a number of service-based operators with no incentives to invest or innovate. Qtel believes that much greater caution and oversight is necessary before ictQATAR issues the types of class licenses proposed. Qtel again urges ictQATAR to undertake a careful review of the

state of the market prior to taking any action that could negatively impact the incentives for investment in infrastructure or otherwise negatively impact the relatively small Qatari market, particularly in the current period of rapid change in the telecommunications market and continued economic volatility.

## **2. The proposed resale license framework is lacking in important details**

If, notwithstanding Qtel's arguments, ictQATAR decides to proceed with the issuance of class licenses for resellers, there are a number of critical issues that ictQATAR must consider. While Qtel does not offer a detailed review of the proposed class license terms and conditions, we believe the following issues, at a minimum must be addressed, before ictQATAR can proceed.

### ***a. The proposed services subject to license and activities authorized in the proposed licensing framework are inconsistent with international practice and have the potential to create problems in the market.***

#### ***i. Hotels should not need a telecom services license***

In the case of hotels, international practice indicates that no license should be necessary to allow them to offer telecommunications services to its guests. Regulators in most markets consider the provision of telecommunications services to hotel guests to be an integral part of providing lodging to hotel guests and therefore not qualifying as providing telecommunications service to the public and therefore not requiring a license. Qtel believes that the legal justification for requiring such licenses in Qatar is weak, because a) any telecommunications service is ancillary to the primary service provided by hotels (i.e. lodging) and b) hotel guests utilize telecommunications only in connection with their hotel stay and are arguably not members of the "public". For these reasons, Qtel believes that hotels should not require telecommunications licenses. To the extent ictQATAR believes it is prudent to maintain oversight of such activities by hotels, some simple consumer protection guidelines would better serve all parties' interests than the issuance of licenses.

#### ***ii. The broader provision of telecommunications services by commercial property owners has the potential to fragment the market and should not be allowed***

Qtel does not support allowing landlords or owners of residential compounds to resell telecommunications services to their residents, because such services should not qualify for a class license, but only under an individual license. Moreover, the issuance of licenses to commercial property owners has the potential to fragment the market for fixed telecommunications services, and such steps should be taken only after carefully considering the potential impact on the broader telecommunications market in Qatar. In Qtel's view, telecommunications services in residential towers and compounds should be provided only by existing individually

licensed operators pending outcome of the strategic sectoral review discussed above.

Owners of residential property, in particular large commercial property owners, are required to have an individual license by virtue of their need for significant underlying telecommunications infrastructure within the residential property. Such entities "own or operate a telecommunications network used for the provision of telecommunications" and thus are required to have a license (Telecommunications Law, Art. 9). Such entities clearly also own and operate telecommunications facilities, as defined in the telecommunications law. It would be inconsistent with ictQATAR's proposed class licensing framework to allow a commercial property owner to provide telecommunications services utilizing such infrastructure without an individual license (Consultation, pages 17-19). As ictQATAR has stated previously, further individual licenses should not be issued prior to the outcome of the strategic sectoral review. Even if ictQATAR is inclined to give large property owners individual licenses, Qtel believes that it must not allow such entities to offer service without also providing for the right of unaffiliated individual licensees to deploy network facilities necessary to offer competing services to their residents. To do otherwise would in effect allow such property owners to develop de-facto monopolies within the boundaries of their property development. Such a result would be damaging to the telecommunications sector and contrary to ictQATAR's objectives of "encouraging sustainable investment" and "encouraging competition" (Telecommunications Law, Art. 2)

Qtel believes that the best model is for commercial property owners to work with existing individually licensed telecommunications operators to provide telecommunications service to their residents. Qtel believes that it is best to foster commercial arrangements that such licensees can conclude with property owners to ensure access to equipment rooms and other areas necessary to provide service to residents.

***b. The Resale License Framework Must Include More Details Before It Can Be Finalized***

The proposed reseller class license must be revised to include important details, including the manner in which class licensees may acquire telecommunications services from individually licensed operators, the services that licensed resellers are authorized to provide, quality of service, consumer protection issues, and fees class licensees will be required to pay. To move forward without adequately addressing these issues would, in Qtel's view create the potential for significant market distortions and other future problems in the market.

***i. There must be a clear distinction between class and individual licensees***

It is unclear from the consultation document what services class licensees are entitled to acquire from individual licensees. The Telecommunications Law and existing individual license terms make no distinction between individual and class licenses for the purpose of connecting networks or acquisition of services from another licensed operator. It would, in Qtel's view, be unacceptable and contrary to international best practice to require individual licensees to treat class licensees in the same manner as other individual licensees with respect to the provision of wholesale services. Class licensees should not be entitled to interconnection, but rather must connect to an individual licensee's network as an end-user does. Allowing class licensees to acquire wholesale services from individual licensees or to interconnect their networks at the same rates as individual licensees would allow such entities an unfair windfall and destroy the incentives to invest in telecommunications infrastructure. Qtel urges ictQATAR to make it clear that any class licensee is entitled only to purchase services from individual licensees under existing tariffed terms and conditions and that such entities would not be entitled to interconnection or access to facilities as set out in Qtel and Vodafone Qatar's licenses. Qtel believes that modification to Annex F of its license or equivalent modification to the Applicable Regulatory Framework must be made to clarify these issues prior to issuance of class licenses.

*ii. ictQATAR Must Prevent Bypass of Licensed Operators' International Gateways*

The class license includes a prohibition on the "bypass of licensed facilities-based service providers in Qatar." Qtel supports inclusion of this clause and urges ictQATAR to clarify that the use of international private line circuits and voice-over-internet technology to bypass licensed operators' international gateway facilities is expressly prohibited. The fraudulent routing of inbound international calls into Qtel's network using unauthorized connections is and has been a significant problem that deprives Qatar of significant amounts of foreign currency and serves to benefit only foreign "grey-market" telecommunications operators. It would be harmful to the telecommunications market if the new class license regime allowed such conduct. Similarly, outbound bypass has the potential to destroy the value of the international services market in Qatar. Qtel urges ictQATAR to ensure that any new class licensing framework it adopts makes it clear that inbound and outbound bypass of a licensed operator's international gateway is expressly prohibited.

*iii. Any New Class License Should Address Quality of Service*

Class licensees, particularly those offering internet service, would be responsible for the level of quality of service that is offered to their customers. Internet services, in particular are vulnerable to larger numbers of users sharing low bandwidth wholesale connections. Qtel believes that class licenses should address minimum quality of service levels offered to customers in order to avoid this problem.

*iv. Class licenses need to ensure against abuse by prepaid card providers*

Qtel believes that the opportunity for abuse of consumers is manifest, in particular with respect to prepaid cards offered by independent operators. In light of the experience in other markets, Qtel believes that any class licenses issued for prepaid card operators must be accompanied by close oversight over such service providers to ensure they are not able to engage in sub-standard quality of service, misleading advertising, short expiry dates, undisclosed rate changes and other unscrupulous business practices. Qtel believes that at a minimum, the licenses should include some mechanism to ensure that consumers with valid prepaid cards have some recourse in the case of problems. Qtel supports the requirement of a deposit or bank guarantee consistent with an operator's projected outstanding card balances to avoid problems if prepaid card operators cease providing service before customers are able to use their cards.

*v. Class licensees should pay the same fees as other licensees*

Qtel notes ictQATAR's proposal that resale class licensees should only pay a one-time license acquisition fee, while individual licensees are required to pay a license fee as well as an industry fee. Qtel believes that it would be inconsistent for class licensees to be exempt from paying such fees and that the license fee and industry fees should be paid by class licensees.

**3. The Private Network licensing regime is lacking in important details**

***a. The definition of "Private Network" is confusing.***

The proposed definition of "private network" in the Consultation differs from the same definition in the individual licenses of Qtel and Vodafone Qatar. Private networks are defined in the consultation as,

any telecommunications network used to communicate within an organization and its defined user groups (as distinct from providing telecommunications services to the public) or to supply such communications to an organization and its defined user groups as part of a closed network. The term includes networks used by private companies, state enterprises, educational institutions and/or government entities.

Qtel's license defines Private Networks as,

a data or voice network that is utilized for the internal communications needs of a legal Person or any of its Affiliates, provided that such network is not connected, directly or indirectly, with any Public Switched Telecommunications Network.



The two definitions differ in the important respect that the proposed definition lacks the prohibition contained in the individual licenses on connection of a Private Network to any "Public Switched Telecommunications Network." This prohibition is extremely important in Qtel's view, as private network operators must not be allowed to use their private networks to provide public telecommunications services. To allow private network operators to connect such networks to the public switched telecommunications networks would effectively allow such operators to provide facilities-based public telecommunications services with only a class license. Such a step would clearly be at odds with ictQATAR's stated objectives and highly disruptive to the telecommunications market. If ictQATAR allows connection of private networks with public networks, it must be sure to prohibit the routing of calls through a private network, or so-called "break-in, break-out", which also could allow such private networks to be used to provide public telecommunications services.

Finally, Qtel believes that at a minimum, ictQATAR must clearly define the type of groups that may be connected by private networks. Qtel would favor a "closed user group" approach that is similar to the approach for VSAT operators recently proposed by ictQATAR in its VSAT licensing consultation. Such an approach would allow the use of such networks for efficient communication for a defined set of users, but not also open the door to providing public telecommunications service over such networks.

***b. Private Network operators should not also be class licensees***

Qtel believes that the Consultation creates the impression that a private network operator could use the private network rules to own and operate a facilities-based network and use it to offer public telecommunications services as a class licensee. Qtel believes that such a result would be equivalent to issuance of new facilities-based service licenses. Allowing such services would, in Qtel's view be highly disruptive to the market. Such a step should be taken only following a ictQATAR's planned 2010 Strategic Sectoral Review.

**4. The proposed changes to equipment import and premise wiring rules will likely have unintended consequences that ictQATAR needs to be prepared for.**

While Qtel has no objection to ictQATAR's proposals to no longer require approval for the import of non-radio equipment for a party's own use, ictQATAR should ensure that this change does not allow the import and use

of non-type approved equipment, which may cause damage to Qtel's network.

Similarly, Qtel is concerned that the proposal to no longer require authorization of installers of in-building wiring to receive authorization from ictQATAR will have a detrimental impact on the quality of in-building wiring installations. Qtel has recently experienced problems in several newly built towers in which wiring has not been installed in a manner sufficient to ensure quality service. Qtel cannot guarantee its quality of service over non-compliant internal cabling. Qtel urges ictQATAR to maintain oversight over this issue and not to take an overly deregulatory approach. Especially in light of the high volume of building projects currently underway, Qtel believes that it would be a mistake to withdraw completely from this area of regulation.



Regulatory Authority  
IctQATAR  
P.O. Box 23264  
Doha, Qatar

Per email: [consult@ict.gov.qa](mailto:consult@ict.gov.qa)

22 February 2009

**RE: LICENSING FRAMEWORK CONSULTATION**

Vodafone Qatar Q.S.C ("VQ") wishes to thank ictQATAR for the opportunity to provide comments on the Licensing Framework Consultation Document issued on 14 January 2009 ("Consultation Document").

In summary, VQ has the following comments, which we expand on below in this response and in Annexure A ("Response"):

1. We welcome the consultation process and make some recommendations for further processes;
2. We agree with some of the key characteristics of a license regime proposed by ictQATAR, however we have a number of significant concerns with the consultation document;
3. We have concerns with the proposed application of the principle of technology neutrality;
4. We have some clarifications on the proposed facilities-based and non-facilities based service provider licensees. VQ's interpretation is that only Qtel and VQ are facilities-based service providers and that non-facilities based service providers will lease or purchase services from Qtel and/or VQ;
5. We consider the proposal to issue licenses for resale of telecommunications services as premature and would encourage ictQATAR to allow reasonable time period for VQ to develop its own commercial distribution model rather have to comply with a mandated model;
6. We have significant concerns with the proposed private telecommunications networks license, specifically it is essential that ictQATAR provide clarity on what such licensees can and cannot do;
7. We remind ictQATAR of VQ's proposal on passive infrastructure licensing, which we consider to be a key priority to ensure a clear and transparent license regime in Qatar; and
8. We submit that the timing of the major sectoral review should be postponed until 2011.

We would like to request a meeting with ictQATAR, which could include Qtel and other interested stakeholder, to discuss the consultation document.

## 1. Consultation process

We acknowledge and support ictQATAR's intention to provide transparency of its licensing processes, promote technology neutrality and to align licensing practices with the Telecommunications Law No. 34 of 2006 ("Law") and to reduce barriers to entry through streamlined processes. We welcome ictQATAR's approach to issue a consultation document to stakeholders and grant a reasonable period to respond with comments.

As ictQATAR formalizes its consultation process, VQ recommends that the following are important requirements for such a process:

- (i) a consultation document, which sets out what is the purpose of the consultation, ictQATAR's analysis of the issues, proposed recommendations, and any specific questions which ictQATAR requires a specific answer from stakeholders (generally, subject to the comments below, VQ considers that ictQATAR has achieved this).
- (ii) a consultation document, which sets out a clear process and timeline for the further steps of the consultation and decision-making process. This should include: (a) the period of time that stakeholders have to respond to a consultation document (done on this occasion); (b) an indicative date when ictQATAR anticipates that it will provide an initial response or draft decision for stakeholders to comment; (c) an indicative time period for when stakeholders should respond to (b); (d) an opportunity for stakeholders to request a meeting to discuss consultation document and further documents within the timeline; and (e) an indicative date by when ictQATAR propose to issue a decision, subject to the consultation process.

## 2. Key characteristics of a license regime

VQ agrees with ictQATAR that:

- (i) a clear and transparent licensing regime is essential for the long term development of the telecommunication sector;
- (ii) the combination of individual and class license for certain services is a sensible approach, provided that the process, requirements, and timelines for the granting of such licenses are clear and transparent (including the consultation of stakeholders prior to a license being granted); and
- (iii) streamlining the license approval process, such as using online, is sensible, provided that the process, requirements, and timelines for the granting of such licenses are clear and transparent.

VQ submits that any regulatory decision making process on licensing regimes are of fundamental importance and must be carefully considered with input from all stakeholders notably existing licensees who have made significant investment and/or paid significant license fees.

VQ respectfully submits that it has a number of significant concerns with the Consultation Document, which we set out below.

## 3. Technology Neutrality

In Section 9 of the Consultation Document, ictQATAR states that it wishes to promote a technology neutral license regime.

In general, VQ supports the principle of technology neutrality. A good example is public mobile telecommunications networks and services licensees being able to use 900 MHz spectrum for both GSM 900 and UMTS 900 technologies.

However VQ considers that ictQATAR needs to carefully consider how they apply the principle of technology neutrality and what technologies are licensed in the context of the current technology specific license regime (i.e. distinct mobile and fixed licensees). VQ suggests that this is an issue that should be considered as part of the major sectoral review rather than today, when ictQATAR has granted the second mobile license last year and is due to grant the second fixed license this year.

VQ respectfully submits that it considers ictQATAR's explanation of the inter-play between the application of technology neutrality and the proposed different license categories of facilities-based or non facilities based service providers in Section 9 of the Consultation Document as needing greater clarity. Our interpretation is that ictQATAR would like such service providers to be able to choose which communications network technology they would like to use. Please can ictQATAR confirm if this interpretation is correct?

In addition to this clarification on the interplay between the application of technology neutrality and the proposed license categories, please note that VQ has concerns with ictQATAR's proposed Private Telecommunications Network License and the different categories of facilities-based or non-facilities based. These concerns are outlined in Sections 4 and 5 below.

#### **4. Facilities-based and non-facilities based services providers (Section 9 and 10)**

The Consultation Document introduces the concept of class licenses for facilities-based and non-facilities based service providers. Based on reviewing the Consultation Document, VQ's interpretation is as follows:

- (i) VQ considers the only facilities-based service providers permitted to own, lease, and operate telecommunications networks and facilities under the current license regime are the public mobile and fixed telecommunications networks and services licensees. Please can ictQATAR confirm if this interpretation is correct?
- (ii) VQ considers that non-facilities based service providers would only be able to lease telecommunications networks and facilities from the public mobile and fixed telecommunications networks and services licensees. Please can ictQATAR confirm if this interpretation is correct?

In the event that ictQATAR determines that a facilities-based and non-facilities based class license regime should be implemented, VQ respectfully submits that it is critical that ictQATAR gives thorough consideration on the rights of the public mobile and fixed telecommunications networks and services licensees and how they relate to the class licenses.

In addition, VQ wishes to understand if ictQATAR proposes to issue further non-facilities based licensees beyond the Resale of Telecommunications Service License provide in Appendix A? If so, then ictQATAR must issue such proposed licenses for consultation.

#### **5. Consultation on Resale of Telecommunications services is premature (Section 10 and Appendix A)**

VQ respectfully submits that the proposal; being considered in the Consultation Document on granting licenses for the resale of telecommunication services is premature for the following reasons:

- (i) The telecommunications market in Qatar is in its initial phase of liberalization. VQ has recently been licensed as the second public mobile telecommunications networks and services licensee and the second public fixed telecommunications networks and services license has not been granted yet. VQ is of the view that ictQATAR needs to give VQ and the second fixed licensee reasonable time to enter the market and for the implementation of the two mobile (and future fixed) public telecommunications networks and services license regime, before making significant changes to the licensing framework at the retail and wholesale levels.

- (ii) In particular, rather than prescribing a regulated distribution regime through the proposed non-facilities based class license for resale of specific telecommunications services at this time, ictQATAR should allow a reasonable time period for the two public mobile (and future fixed) telecommunications networks and services licensees to develop distribution models with partners on commercial terms (e.g. hotels, internet cafes, airport and shops). Such partners will be able to choose between mobile and fixed telecommunications networks and services offered by the licensees. Of course, any commercial distribution activities of the two public mobile (and future fixed) telecommunications networks and services licensees is subject to the Law.
- (iii) VQ considers our position consistent with what ictQATAR has stated publicly, in the Mobile License Application Procedures document ("MAP") and the Dominant Service Provider Determination in June 2008 that a major sectoral review is being planned in 2010.

VQ notes ictQATAR's statement in paragraph 6.1 of the Consultation Document (Page 9) that ictQATAR issues authorizations or approvals for specific telecommunications related activities. Besides type approvals and importations, VQ is not aware of: (a) the process and criteria, used by ictQATAR to grant such authorizations and approvals, (b) the identity of the current holders of such authorizations and approvals, and (c) the terms of these authorizations and approvals. Please can ictQATAR provide clarification in this regard?

VQ also notes ictQATAR's statement in paragraph 10.3 (1) of the Consultation Document (Page 19) that the Resellers should pay an administration fee. VQ respectfully submits that all licensees that sell services to the public should be subject to the same license fee framework (i.e. 1% annual license fee, 12.5% industry fee, and spectrum fees where applicable).

#### **6. Concerns on Private Network Telecommunication's consultation (Section 10 and Appendix B)**

VQ understands that there are a number of entities that have their own and operate private telecommunications networks, e.g. Ministry of interior, Qatari Armed Forces and Qatar Petroleum. It is sensible that ictQATAR would wish to provide clarity on the process to allocate such licenses, and the terms and conditions in relation to the operation of those licenses.

However, VQ has significant concerns with the proposed Private Network Telecommunications License in the Consultation Document (and in Appendix B) and we would like to get clarification from ictQATAR on the following:

- (i) What type of entities does ictQATAR envisage being granted the private telecommunications network license? Specifically we consider the definition of "Defined User Groups" as too vague and we would prefer that the license refers to specific types of entities (e.g. private companies, state enterprises, educational institutions and/or government entities).
- (ii) What a private network licensee can and cannot do under the license? VQ considers the definition of Private Network and its reference to a (undefined term) "*closed network*" as too vague.

In other markets where Vodafone operates, private network licensees are only permitted to self provide specific communications services within the licensees premises for the use of the licensees employees and personnel. Such licensees are not permitted to provide, lease or resell the use of the private network to third parties. Such licensees are not permitted to interconnect and provide international communications services.

VQ is of the view that private telecommunications networks should only be licensed on these terms in Qatar. Only public mobile and fixed telecommunications networks and services licensees may interconnect and provide international communications services. Please confirm if ictQATAR agree with this?

VQ respectfully submits that what the license can and cannot do should be expressly stated in section 3 "licensed services" of the draft license rather than in the definitions.

- (iii) What parties does ictQATAR consider or expect to be considered as a Facilities-Based Service Provider as defined in section 2.1(d) of Appendix B? VQ's interpretation is that only public mobile and fixed telecommunications networks and services licensees, under the existing license regime, are facilities-based service providers. Please confirm if ictQATAR agree with this interpretation?

VQ plans under its public mobile telecommunications networks and services license (and second public fixed telecommunications networks and services license if granted to Vodafone and Qatar Foundation Consortium) to provide corporate communication services as a competitive alternative to self provision through private telecommunications networks. Therefore the decision of ictQATAR on the licensing framework for private network licenses is critical to our business planning and the future development of the telecommunications market requires thorough consideration.

### 7. Passive Telecommunications Infrastructure License

One license category not considered in the consultation document is VQ's previously submitted proposal that ictQATAR introduce and grant Passive Infrastructure Licenses on a restricted basis. VQ wishes to further discuss ictQATAR's response to this proposal.

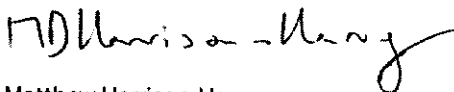
### 8. Timing of sectoral review

As VQ has discussed with ictQATAR previously, the MAP stated that the second public mobile telecommunications network and services licensee would have three years to enter and compete in the market before new players are introduced. VQ respectfully submit that the major sectoral review should take place in 4Q 2011 rather than 2010, due to the delay of granting of the second mobile and fixed licenses. This would allow ictQATAR reasonable opportunity to assess the impact for the market of the entry of the second mobile and fixed licensees, before making decisions on the licensing regime.

VQ requests an opportunity to meet with ictQATAR to discuss this Consultation Document and our response further.

I look forward to hearing from you.

Yours Sincerely



Matthew Harrison-Harvey  
Vodafone Qatar  
Director: Regulatory and External Relations



## **Annexure A - Specific answers to the questionnaire**

**Q1:** *Should ictQATAR's licensing framework be technology neutral so that Service Providers can deploy the communication technology of their choice as long as they meet all applicable standards or regulations?*

**A1:** Please see Section 3 of our Response.

**Q2:** *Do you agree that ictQATAR should issue individual licenses through competitive bidding process on a limited basis to service providers who are facilities based such as Qtel and Vodafone*

**A2:** Vodafone is of the view that a competitive bidding process is a good way of granting individual facilities based licenses, however as mentioned above, such competitive bidding process must only be undertaken after a major sectoral review has been conducted and the strategic review should only be conducted at such a time when VQ has had reasonable time to fully enter the market and compete with Qtel. Please see Section 8 of our Response.

**Q3:** *Do you agree that ictQATAR should allow service providers who resell telecommunications services (such as ISPs, hotels, calling cards, public call boxes) and private network operators to be licensed through a class licensing system, which is more or less automatic and the number of license holders is generally unlimited*

**A3:** Please see Section 5 of our Response.

**Q4:** Do you agree that online licensing processes are necessary

**A4:** VQ agrees that simple authorizations online licensing would be helpful, provided that the process is clear and transparent. Please Section 2 of our Response.

**Q5:** *Is there anything else that ictQATAR can do to improve its licensing administrative process?*

**A5:** Please see Section 2 of our Response.

**Q6:** *Should information describing ictQATAR's licensing processes and procedures be available on ictQATAR's website?*

**A6:** Yes, and so should all laws, draft laws and regulations and draft regulations that are applicable to the telecommunications sector.

**Q7:** *Is there anything else that ictQATAR should do to make its licensing processes more transparent?*

**A7:** Please see Sections 1 and 2 of our Response.

**Q8:** *Do you agree that ictQATAR should open up the market to resellers, including: internet services, Telecommunications Services resold by hotels and residential compounds and towers, Public Call Office Services, Prepaid Calling Card Services?*

**A8:** Please see Section 5 of our response.

**Q9:** *Are there any other types of telecommunications services that ictQATAR should allow in the market at this time?*

**A9:** VQ is of the view that ictQATAR should issue passive infrastructure license. Please see Section 7 of our Response and previous correspondence from VQ.



**Specific Comments on Appendix A: Class licence for the Resale of Specific Telecommunications Services**

Please see Section 5 of our Response.

**Specific Comments on Appendix B: Class licence for the provision of Private Network Telecommunications Services**

Please see Section 6 of our Response.

- end -

- Viacloud has some concerns regarding the time-frame of the liberalization program, is it possible to share with us the dates of the liberalization program? Based on many international practices, any liberalization program should have a clear timeframe for the regulations submission that govern the telecom market.
- Also, Viacloud has concern that the program did not mentioned any licensee interconnection relationship nor process. It is not clear whether it is obligatory for the incumbent licensee to interconnect with the new class license holders or wither this relation would be governed by an approved interconnect agreement from the TRA or a normal commercial agreement. Viacloud sees that the TRA should set a clear interconnection instructions or regulation that govern the relationships between the licensees, and should force the incumbent operators to interconnect with any license holder from the TRA with a reasonable time frame.

Background:

Page 8:

“Technology Neutral Licenses with Broad Service Categories. This form of licensing introduces licenses for broad categories of services using any telecommunications technology. For example, a single license can be issued for telephony services using either fixed or wireless technology platforms or a combination of both, notwithstanding the requirement of separate applications for the use of radio spectrum.

Viacloud Comment:

Viacloud has a concern that the example set in the above point as it is a service based example and not technology based example, as a telephone service and not a voice service, while a technology base is set usually for the technological aspects of the telecommunication services.

Does the statement above include the prepaid call card services and canr the licensee can use a different technology to transmit the Voice “VoIP”.

Promoting Technology Neutrality:

Viacloud has the following concerns:

- It is not clear wither the ISP can build its own network facility since the program states that the FSP and NFSP , but it does not mention if the class license can accommodate the ISP services based on FSP “Facility based internet service provider”
- it is not clear the type of services that the class license holder can provide and what type of telecommunication services can be provided with a class license “Example ILD (International Long Distance calls” “International Gateways” “International call origination and termination”

The class license:

Viacloud has the following concern:

- There are no dispute resolution processes in the license, since the license is an agreement signed between the TRA and the eligible or the qualified company to provide the telecommunication service.

- There are neither clear commitments nor obligations on the license holder, were it should have a clear points on the licensee.
- There are nothing mentioned on the license agreement regarding the licensee relation with the customers, since the license is for a telecom service that will be provided to the consumer.
- There is nothing mentioned on the license agreement regarding the license relation with the other licensees in term of interconnection or other required services.
- The license term is not set



14 February 2009

Regulatory Authority  
The Supreme Council of Information and Communication Technology (ictQATAR)  
P.O. Box 23264  
Al Nassr Tower  
Doha, Qatar

Ref: ICTRA 01/09-PEConsult

### **Response to the ictQATAR consultation on the proposed Licensing Framework**

SES welcomes ictQATAR's current initiative to create a new licensing regime in order to increase transparency, promote technology neutrality, and reduce barriers to entry. In particular, SES commends ictQATAR on the proposed new licensing framework, which is very simple and straightforward, and addresses several telecommunications and radiocommunications services. The liberalisation of the licensing regime is an important step towards allowing greater competition in the market, which will provide economic benefits both for Qatar and affected industries.

SES is also glad to note the recent publication of the consultation on VSAT services. It is highly desirable that the same approach of simplicity, transparency, and reduction of barriers to entry set out in this consultation be applicable to the resale of VSAT services. It is also important that competition within the VSAT services market is maintained to ensure that access to VSAT services is not unnecessarily limited.

In addition, it is mentioned in this public consultation that ictQATAR's process for authorising the use of radio spectrum will be further delineated in a forthcoming Spectrum Policy consultation planned for Q2 2009. SES believes this to be very important for the implementation and development of telecommunications services because many of them rely on the use of this scarce resource. SES requests that the publication date for this consultation remain on target, as the availability of radio spectrum is a key part of a liberalised telecommunications market and a key part of our company's plans to roll out new services in Qatar.

Furthermore, it is noted that ictQATAR intends to eliminate the requirement for persons to be authorised to import telecoms equipment for their own use. This simplification is to be applauded. At the same time, ictQATAR will continue to require importers and manufacturers of telecommunications equipment for marketing purposes to obtain an Authorization to do so, which will be valid for 2 years and subjected to a fee. SES supports this approach and asks that this proposal be put into force as soon as possible.

Finally, SES thanks ictQATAR for the opportunity to respond to this public consultation and would like to stress its willingness to work with ictQATAR in defining these new regimes. If ictQATAR would find it useful to examine any further documentation about the issues raised in this consultation response or to have a discussion with our industry experts, please contact me at [cecil.ameil@ses.com](mailto:cecil.ameil@ses.com) and I will be happy to provide assistance.

Cécil Ameil  
SES Senior Manager, European Affairs

**Responding Party**

Name:

Organization:

Address:

Telephone:

Email:

**Confidentiality Request**

No.

Yes. If so, please mark the sections of this form that you would like kept confidential.

**Consent**

By submitting this response to ictQATAR, the respondent consents to its publication in full by ictQATAR on its official website or in other media unless confidential treatment of all or part of the response has been requested on this form. The final decision on publication shall be entirely at the discretion of ictQATAR.

**Overall Licensing Framework Proposal**

		Yes	No	Undecided	Other Comments
1	Should ictQATAR's licensing framework be technology neutral so that service providers can deploy the communications technology of their choice as long as they meet any applicable standards and regulations?	<input type="text" value="Yes"/>			<input type="text" value="Stipulating technology neutrality will encourage license holder to implement new technologies which would ultimately benefit the end users, both public and corporate"/>
2	Do you agree that ictQATAR should issue individual licenses through competitive bidding process on a limited basis to service providers who are facilities-based such as Qtel and Vodafone?	<input type="text" value="Yes"/>			<input type="text" value="Yes, but provided that is it a proper closed bid process and awards are based on 'like for like' comparisons"/>

	Yes	No	Undecided	Other Comments	
3	Do you agree that ictQATAR should allow service providers who resell services telecommunications (e.g. ISPs, hotels, Calling Cards, Public Call Boxes) and private network operators to be licensed through a class licensing system, which is more or less automatic and the number of license holders is generally unlimited?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, but it is important that the license holders ability to deliver a quality service is vetted and assured.
4	Do you agree that on-line licensing processes are necessary?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No, it can over simplify the application and also potentially delay closure.
5	Is there anything else that ictQATAR can do to improve its licensing administration processes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No, the process and documentation is rolled our expertly and is very clear
6	Should information describing ictQATAR's licensing practices be available on its website?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, for ease of access
7	Is there anything else that ictQATAR should do to make its licensing processes more transparent?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Process is transparent
8	Do you agree that ictQATAR should open up the market to resellers, including	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	It is important to break down the current monopolistic market, allowing re selling will drive industry performance and efficiencies to a higher level
	a Internet Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Should permit new NISP's
	b Telecommunications Services resold by hotels and residential compounds and towers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There should be a "price watch" model to prevent excessive rates being charged by hoteliers
	c Public Call Office Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	d Prepaid Calling Card Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	e Should any other resale service be allowed into the market at this time?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No

	Yes	No	Undecided	Other Comments
9		<input type="text" value="No"/>		

### Class License for the Resale of Specific Telecommunications Services

If you have comments on any aspect of the proposed Resale class license, please specify as follows:

	Agree	Disagree	Undecided	Other comments
1	<input type="text" value="Agree"/>			
2	<input type="text" value="Agree"/>			
3	<input type="text" value="Agree"/>			
4	<input type="text" value="Agree"/>			
5	<input type="text" value="Agree"/>			
6				<input type="text" value="No, the T&amp;C's are acceptable"/>
7				<input type="text" value="License holders should be allowed to source internet from other ISP providers to help deliver a higher quality of service at more economical rates"/>

### Class License for the Provision of Private Network Telecommunications Services

If you have comments on any aspect of the proposed Private Network class license, please specify as follows:

	Agree	Disagree	Undecided	Other comments
1	<input type="text" value="Agree"/>			
2				<input type="text" value="No, the T&amp;C's are adequate"/>
3				<input type="text" value="No, the T&amp;C's are acceptable"/>



**IRIDIUM**

Iridium Satellite LLC  
6707 Democracy Boulevard  
Suite 300  
Bethesda, MD 20817  
USA

Main Telephone: 301.571.6200  
Main Facsimile: 301.571.6250

### **Overall Licensing Framework Proposal**

Iridium agrees with the concept of technology neutrality in principle. With the wide range of currently available technologies, it is Iridium's opinion that service providers should be given the chance to use the technology of their choice to best serve their customers as well as their business interests. ictQATAR's involvement should be limited to making sure that new technologies do not cause interference to or disrupt the operation of existing and planned technologies. This is most relevant in the case of satellite and terrestrial services being authorized in adjacent bands.

For facilities-based service providers, it is Iridium's opinion that a competitive bidding process can only add value and indeed justify the effort and expenses associated with it in the case of mass market services. Niche and/or limited markets should be treated differently. This is particularly relevant in the case of satellite services, and more notably Global Mobile Personal Communications Services (GMPCS). GMPCS services are limited in scope and take-up, especially when compared to terrestrial services. It is worth noting that GMPCS customers in some countries do not exceed a couple of dozens of users. While this may seem as a small number for other operators, Iridium's services are driven mostly by users responsible for safety and emergency preparedness, disaster relief, and industrial and strategic users. Iridium would therefore propose to license satellite services in general and GMPCS in particular under a general authorization or class licensing regime.

For non-facilities based service providers, Iridium agrees with ictQATAR that a class licensing regime is suitable.

Separately, on the issue of removing import authorization requirements for personal use, Iridium supports ictQATAR's initiative as being a step towards a more liberalized telecommunications market.

Finally, Iridium looks forward to ictQATAR's forthcoming Spectrum Policy consultation outlining the spectrum authorization process in Qatar and will be happy to contribute to it from an international best practices' perspective.





AT&T Services, Inc.  
1120 20<sup>th</sup> Street  
Washington, D.C. 20036  
United States of America

**Eric H. Loeb**  
Vice President, International External and Regulatory Affairs

Tel: +1.202.457.3803  
[loeb@att.com](mailto:loeb@att.com)

February 15, 2009

Regulatory Authority  
The Supreme Council of Information and Communication Technology (ictQATAR)  
P.O. Box 23264  
Al Nassr Tower  
Doha, Qatar

By e-mail to: [consult@ict.gov.qa](mailto:consult@ict.gov.qa)

### **Comments by AT&T on the Consultation Document “Licensing Framework”**

AT&T Services, Inc., a wholly-owned subsidiary of AT&T Inc. (collectively, “AT&T”), is pleased to submit comments on the public consultation document “*Licensing Framework*” released by the Supreme Council of Information and Communication Technology (“ictQATAR”) on January 14, 2009 (the “*Consultation Document*”). ictQATAR correctly recognizes that the rapid pace of technological innovation, combined with convergence of information and communication technologies (ICT), merits a review of existing licensing regimes. AT&T supports the regulator’s efforts to promote technological innovation, reduce barriers to entry, and increase transparency, while continuing to align licensing practices with the Decree Law No. (34) of 2006 (“*Telecommunications Law*”) and international best practices. Taking these actions will expand choice and promote competition.

Issues for Consultation: ictQATAR is committed to the country’s telecom liberalization and has introduced a sound regulatory framework to develop the ICT sector in the advent of convergence. Although there are several topics raised in the *Consultation Document*, AT&T’s comments focus on the proposed scope of Class Licenses.

An underlying purpose of the *Consultation Document* is to refine licensing parameters in a manner that will foster continued growth. AT&T is encouraged to see the introduction of Class Licenses without restrictions on the number of such authorizations.

For example, AT&T welcomes the proposed Resale Class License that would authorize specified resale activities. These will initially include Internet services provided by non-facilities-based service providers, telecommunications services resold to the public by hotels and residential towers and compounds, public call offices and prepaid calling card services. This is a good start, and we will be encouraged over time to see ictQATAR allow an unrestricted scope of permitted resale activities. A robust resale market can be beneficial both for the public interest (i.e., resellers may develop innovative customer care and pricing plans that meet or create unfilled demand), and also for the facilities provider (i.e., resellers may be a reliable wholesale bulk customer that efficiently utilizes networks). From an administrative perspective, it will be

more efficient for ictQATAR to promote competition and innovation under an unrestricted Resale Class License, than with a Resale Class License that must be periodically amended to add specific activities.

With regard to the proposed Private Network Class License, AT&T recommends for ictQATAR to clarify that this is also intended to authorize the provision of virtual private network (VPN) services to business enterprise organizations and their respective defined closed user groups, over shared leased facilities. A hallmark of early liberalization in other countries has been to permit the competitive provision of service to a defined enterprise closed user group (i.e., a group of users permitted to communicate with each other in a defined network), in large part because of the specialized and often multinational needs of an enterprise customer. Vibrant competition for the provision of enterprise VPN services is one of the most promising opportunities for increasing Qatar's readiness to attract IT-dependent multinational enterprises to locate sites in the country, and in turn, to position Qatar as a regional ICT hub. AT&T has seen in many other countries that class license authorization (or simple notification procedures) of enterprise VPN services can advance market competition goals, without negatively impacting existing sector investment, or impeding the introduction of services offered by facilities-based operators. Indeed, the Class Licensees become valuable and reliable wholesale customers of the facility-based operators. Such a measure will further cultivate competition for the provision of service to enterprise customers, thereby enhancing Qatar as a location for business investment.

On this point, Qatar is making substantial advancements in taking steps to diversify its economy. We note, for example, that Qatar ranks as the most competitive Gulf country economy covered by the World Economic Forum's Global Competitiveness Index (GCI)<sup>1</sup>. According to the Forum, Qatar ranked 26<sup>th</sup> (out of 134 countries measured), moving up 5 places since last year. While this assessment relates to a country's overall economic competitiveness, telecommunications measurements (e.g., infrastructure, technological readiness) are an important factor in the rating. The report suggests that notwithstanding Qatar's solid ranking and robust upward trend, several infrastructure and technological indicators – such as availability of latest technology, laws relating to ICT, Internet users, broadband and Internet subscribers – still exist as competitive disadvantages<sup>2</sup>. AT&T posits that ictQATAR's decision to embrace broader and more flexible licensing conditions, particularly in ways to promote open competition for VPN service to enterprise customers, could help move such indicators to relative advantages. In turn, Qatar has the opportunity to further advance its attraction as a place for economic investment.

Because the telecommunications market in Qatar is in the relatively early phase of liberalization, having just recently introduced new mobile and fixed operator licenses, ictQATAR determined that it would not issue additional tenders for facilities-based licenses until licensees have time to fulfill their performance obligations. AT&T believes that, until such time

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<sup>1</sup> World Economic Forum, *The Global Competitiveness Report 2008-2009*, at 10 (“Table 4: Global Competitiveness Index rankings and 2007-2008 comparisons”) and 30 (“The Global Competitiveness Index”).

<sup>2</sup> *Id.*, at 285 (“Country/Economic Profiles-Qatar”).



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as ictQATAR concludes that further facilities-based individual licenses are justified, competition can be further stimulated by expanding the scope of services allowed under the proposed Class Licenses.

\* \* \*

Qatar introduced telecom liberalization as part of broader overall reform of the country, recognizing the role ICT plays as a driver of national development – both as a key infrastructure and as a promising sector for economic diversification. We are pleased to see Qatar taking further steps to develop its telecommunications sector and we appreciate the opportunity to comment on your proposals, including the recommendation to define the Class Licenses expansively. AT&T would be pleased to provide any further information that would be helpful to the Council.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Eric Loeb".

**Eric H. Loeb**  
Vice President, *International External and  
Regulatory Affairs*