

## ORDER ON CHARGES APPLICABLE TO WHOLESALE SERVICES FOR YEARS 2015, 2016 AND 2017

CRA 2015/05/21F  
21 May 2015

This Order is issued pursuant to the powers of the Communications Regulatory Authority (CRA) to direct Dominant Service Providers (DSPs) to implement specific interconnection or access or changes to such charges, as determined by the CRA.

### Licenses subject the Determination on Wholesale Charges

A licensee, as defined under the Telecommunications Law, who is designated as a DSP in a relevant market pursuant to the Notice and Orders of ictQATAR dated 31 October 2011 (ICTRA/2011/10/31) and required to publish a Reference Offer(s), is subject to this Order. According to the above, Ooredoo and Vodafone Qatar are subjects to this Order.

### Background

The CRA is empowered to require DSPs to publish Reference Offers setting out the price and non-price terms and conditions for the supply of facilities and services prescribed under the Reference Offers.

In addition, the CRA is also empowered to determine specific interconnection and access charges set at cost-based. In this regard, DSPs are required to comply with the charges determined by the CRA.

Both non-price and price terms and conditions of the Reference Offers supersede any existing agreement with another Licensee.

Accordingly, on 13 July 2014, as part of the process to develop and approve the Reference Offers, the CRA issued a consultation document on Setting Wholesale Charges and the Relationship with Retail Charges in relation to the services prescribed on the Reference Offers (CRA 2014/07/13).

The consultation was targeted at relevant stakeholders and aimed to acquire input on the appropriate application method in regard to the following elements:

- Cost Base, Cost Standard and Cost Model;
- Charge Control;
- The timeframe for the application of the Charge Control (period of control);
- The relationship between Wholesale and Retail Charges.

On 15 September 2014, submissions were received from Ooredoo Q.S.C. (Ooredoo), Qatar National Broadband Network (QNBN) and Vodafone Qatar (Vodafone). Further information was also obtained after the close of this consultation stage through discussions with the parties.

On 6 November 2014, the CRA issued a second consultation document on Setting Wholesale Charges and the Relationship with Retail Charges.

On 11 and 27 November 2014, industry meetings were held to discuss the questions raised in the second consultation and provide clarification on the certain issues. On 6 December 2014 responses were received from Ooredoo and VFQ.

On 5 February 2015, the Authority issued a final consultation document on Setting Wholesale Charges and the Relationship with Retail. Responses were received from Ooredoo, Qnbn and Vodafone Qatar

CRA has now carefully reviewed the responses. The Wholesale Charges set by CRA are set out in this Order, accompanied by the economic analysis in the attached document "Wholesale Charges and their relationship with Retail Charges - Economic Analysis and Responses" (CRA 2015/05/21G-NC).

In addition, in determining the relevant Wholesale Charges, the CRA was informed by the following:

- data from Ooredoo's Regulatory Accounting System ("RAS"), FY 2010, 2011, 2012 and 2013, approved by the CRA and based on Historical Cost Accounting based on Fully Distributed Costs (HCA/FDC);
- Qnbn proposed Wholesale Charges submitted on 1 October 2014;
- the results of a HCA/FDC top down cost model presented by Vodafone on 20 October 2014.
- International Benchmarking, as supplied by Ooredoo

## LEGAL BASIS FOR THIS ORDER

The following legal provisions, which are not exhaustive, provide a basis for these Orders:

Article 25 of the Telecommunications Law provides that the CRA shall determine the rights and obligations of a Dominant Service Provider which include any requirements relating to the contents and publication of an interconnection reference offer and access agreements.

Article 28 of the Telecommunications Law states that Dominant Service Providers must submit to the General Secretariat the offers for the tariffs, prices and charges of the telecommunications services in the markets where they have been designated as dominant service providers and obtain the prior approval for them.

Article 6 of the Executive By-Law for Telecommunications Law 2009 (Executive By-Law) empowers the CRA to issue legal instruments including Orders for the implementation of the provisions of the Decree Law and Telecommunications Law 34 of 2006. Article 5 of the Telecommunications Law confers the same power, specifically in relation to regulating the telecommunications sector.

Article 50(1) of the Executive ByLaw provides that the General Secretariat may require that interconnection or access charges of any Dominant Service Provider be subject to Article (29) of the Law and Articles (56), (57), (58) and (59) of this By-Law. The General Secretariat may also direct Dominant Service Providers to implement specific interconnection or access charges, or changes to such charges, as determined by the General Secretariat.

Article 54 of the Executive ByLaw prescribes that the General Secretariat shall have the authority to review all Service Provider tariffs, including wholesale and retail tariffs, and to determine any requirements regarding tariffs, their approval and publication, and the General Secretariat may issue regulations or orders to regulate the tariffs of Service Providers.

## ORDER

1. Where applicable, Ooredoo and Vodafone are ordered to comply with the mandatory requirements set forth in relation to Wholesale Charges in their respective agreements and the forthcoming RxOs:

i. Ooredoo and Vodafone are ordered to apply the following Wholesale Charges for the Mobile and Fixed Termination Services:

Charges to be applied by Ooredoo and Vodafone		2015	2016	2017
<b>1 Termination Service</b>				
2 Fixed Call Termination Service to Geographic Numbers	QAR/min	0.0190	0.0182	0.0175
3 Mobile Call Termination Service	QAR/min	0.0900	0.0831	0.0762
4 Call Termination Service to Toll-Free Numbers (reverse charge)	QAR/min	-0.0900	-0.0831	-0.0762
5 Video Call Termination	QAR/min	see MTR		
6 Call Termination Services to Numbers for Inbound International calls	QAR/min	Commercially agreed		
7 Traffic Originated from GCC countries: Call Termination for Inbound International	QAR/min	Commercially agreed		
8 Traffic Originated from RoW: Call Termination for Inbound International	QAR/min	Commercially agreed		
9 Termination Emergency Services	QAR/min	see FTR		
<b>10 Mobile Messaging Termination Service</b>				
11 SMS Termination	QAR/SMS	0.0130	0.0130	0.0130
12 Picture: MMS Termination	QAR/MMS	0.4300	0.4300	0.4300
13 Video: MMS Termination	QAR/MMS	0.4300	0.4300	0.4300
<b>14 3 Outgoing International Call Conveyance</b>		as and when arises		

ii. Ooredoo is ordered to apply the following Wholesale Charges for the Interconnection Link Services:

Interconnection Links				
Recurring Charges (QAR/m)				
	2015	2016	2017	
E1 (distance independent)	999	571	326	
Km (distance dependent)	253	128	64	
Connection (QAR)				
	2015	2016	2017	
Connection Charge	5,000	5,000	5,000	
Disconnection/reconfiguration	950	950	950	

- iii. Ooredoo is ordered to apply the following Wholesale Charges for the Transmission Link Services:

Charges to be applied by Ooredoo						
Transmission Link		Connection charge	Recurring Wholesale Charges			
SDH		Retail minus	Retail minus	hybrid	benchmark	
speed / length		all years	2015	2016	2017	
for E1 (Standard SLA)		QAR	QAR/month	QAR/month	QAR/month	
00-10		3,036	3,759	2,588	1,418	
11-20		3,036	4,062	2,770	1,478	
21-30		3,036	4,336	2,937	1,538	
31-40		3,036	4,651	3,125	1,598	
41-50		3,036	4,931	3,294	1,658	
50 and above		3,036	7,299	4,584	1,868	
for E3 (Standard SLA)		QAR	QAR/month	QAR/month	QAR/month	
00-10		3,036	8,973	8,569	8,184	
11-20		3,036	10,375	9,299	8,224	
21-30		3,036	10,923	9,603	8,284	
31-40		3,036	11,897	10,121	8,344	
41-50		3,036	13,151	10,777	8,404	
50 and above		3,036	19,265	13,940	8,614	
for STM1 (Standard SLA)		QAR	QAR/month	QAR/month	QAR/month	
00-10		3,036	34,228	23,333	12,438	
11-20		3,036	40,945	26,721	12,498	
21-30		3,036	42,822	27,690	12,558	
31-40		3,036	46,987	29,802	12,618	
41-50		3,036	49,446	31,062	12,678	
50 and above		3,036	64,416	38,652	12,888	
for STM4 (Standard SLA)		QAR	QAR/month	QAR/month	QAR/month	
00-10		3,036	62,035	41,340	20,645	
11-20		3,036	68,238	44,472	20,705	
21-30		3,036	74,442	47,604	20,765	
31-40		3,036	80,645	50,735	20,825	
41-50		3,036	92,720	56,802	20,885	
50 and above		3,036	93,652	57,374	21,095	
for STM16 (Standard SLA)		QAR	QAR/month	QAR/month	QAR/month	
00-10		3,036	116,158	76,520	36,881	
11-20		3,036	127,774	82,358	36,941	
21-30		3,036	139,389	88,195	37,001	
31-40		3,036	151,005	94,033	37,061	
41-50		3,036	171,222	104,172	37,121	
50 and above		3,036	172,190	104,781	37,331	

- iv. Ooredoo is ordered to apply the following Wholesale Charges for the Duct Services included in its Reference Infrastructure Access Offer (RIAO or RPO):

RIAO - Wholesale Charges		Wholesale Charge 2015, 2016, 2017
Product	UoC	
Duct Access Charge	QAR/m/cm2/pm	0 12
Facility Hosting Charge	QAR/Liter. First 20 liters of facility space per linear kilometer of route distance. no charge	1 00
Supervision charge	Per actual effort. QAR/man-hour	375 00
Access Request Fee	QAR per access request	15,000 00
Field Feasibility Analysis	QAR/man-hour or part thereof (transportation and misc. expense not included)	375 00
GIS update	QAR/man-hour or part thereof to Update of GIS system in conformance with As-Built Drawings provided by OLO	375 00
Ad-hoc engineering support	QAR/man-hour or part thereof for expert support provided by Ooredoo at OLO request (transportation and misc. expenses not included)	375 00
Transportation charge	One day per vehicle	150 00
Misc. expenses	per actual effort (time and material)	time and material

## 2. Implementation Date of Wholesale Charges

The Wholesale Charges determined for all of the above services will:

- come into effect on **1 October 2015** for calendar year 2015, on 1 January 2016 for calendar year 2016 and on 1 January 2017 for calendar year 2017;
- supersede the current commercially agreed rates; and
- apply to current and new services within the scope of this Order.

## 3. Review of the Wholesale Charges

Service Providers may request for a review of the Wholesale Charges subject to a material change. e.g. in network costs in relation to the relevant services which no earlier than 12 months from the implementation date of this Order. Such a request shall be supported by an objective justification and relevant cost data.

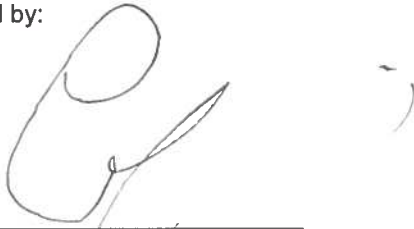
For the avoidance of doubt, this also applies to principles which have been defined during the consultations as e.g. wholesale and retail mark up, cost of capital, etc.

## 4. Publication

Ooredoo and Vodafone must make available the applicable Wholesale Charges determined in this Order on its official website by the implementation date of this Order.

Any clarification required on this Order must be made in writing. Please note any query or clarification from Ooredoo, Vodafone or both shall not affect the respective operators' obligation to comply with this Order.

Signed by:



Graeme Gordon  
Principal CRA Administrator  
Communications Regulatory Authority