



United Arab Emirates



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# DETERMINATION NO (2) OF 2011

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## Carrier Pre-Selection Charges

Issue Date: 22 December 2011

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Telecommunications Regulatory Authority (TRA)  
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## **1 History**

- 1.1 In January 2008 the TRA conducted a benchmark study regarding the prices for Carrier Pre-Selection service in various European countries.
- 1.2 On 8<sup>th</sup> June 2008, the TRA issued Directives No. (2) and (3) of 2008 wherein the TRA specifically ordered both Licensees to, *“... offer a commercially viable and technically functional Carrier Pre-Selection Interconnection Service within its entire network within six (6) months from the date of receipt of any request for CPS Interconnection Service.”*
- 1.3 In its letter to Etisalat reference RA/ETC/08/209 dated 8<sup>th</sup> July 2008 EITC officially requested Etisalat *“... to provide commercially viable and technically functional Carrier Pre-Selection Interconnection Service (CPSIS) within entire Etisalat network within 6 months of the date of this request for CPSIS.”*
- 1.4 In its letter to EITC reference RGA/DU-06/07/08-836 dated 9<sup>th</sup> July 2008 Etisalat officially requested EITC *“... to provide it with a commercially viable and technically functional Carrier Pre-Selection Interconnection Service within its entire network within six (6) months from the date of this request.”*
- 1.5 In the absence of material progress in the negotiations regarding the implementation of Carrier Pre-Selection Interconnection Service (CPS service), on 12<sup>th</sup> August 2010 the TRA sent letters reference TRA/RA/10/608 and TRA/RA/10/609 to Etisalat and EITC respectively requesting an update on the CPS negotiations as well as specific information regarding the CPS Service charges proposed by both Licensees.
- 1.6 On 25<sup>th</sup> August 2010, under cover of letter reference RGA/TRA-06/10/10-1716, Etisalat provided a response to the TRA's request in which Etisalat presented the charges (implementation charge and per line activation charge) which it communicated to EITC.
- 1.7 On 26<sup>th</sup> August 2010, under cover of letter reference TRA/RA/10/506, EITC provided a response to the TRA's request in which EITC confirmed that no agreement has been reached on the charges for CPS service and presented the charges which it considered to be appropriate for the CPS service.
- 1.8 In its letter to Etisalat reference TRA/RA/10/649 dated 30<sup>th</sup> August 2010 the TRA requested further information regarding the charges communicated to EITC.
- 1.9 Etisalat provided further information regarding its proposed charges for CPS service in its letter RGA/TRA-06/10/10-1784 dated 2<sup>nd</sup> September 2010.



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1.10 In its review of the information provided by both Licensees, taking into account the time period since the issuance of the TRA's initial framework document regarding CPS service, the TRA concludes that it is unlikely that continued commercial negotiations between the Licensees would yield any agreement. The TRA further concludes that it is in the best interests of the consumer for the TRA to exercise its powers, by intervening in the negotiations and setting CPS charges directly.

## **2 Legal Background**

2.1 Article 12 of Federal Law by Decree No. (3) of 2003 as amended, (the "Law") established the TRA as the, "...competent body to oversee the telecommunications sector in the State and all Licensees...".

2.2 Article 14(1) and (2) of the Law specifically grants to the TRA the power to issue regulations, instructions, decisions and rules regulating the following:

2.2.1 "...tariffs, charges and fees levied by Licensees...";

2.2.2 "...anything related to the use and Interconnection of Telecommunications Networks and Telecommunications Services provided by the Licensees, co-location and sharing of infrastructure by such Licensees, including the special conditions for costs of such Interconnection, access, site-sharing, time-scales and principles for negotiations and completion of agreements between concerned entities in relation to the foregoing matters."

2.3 Article 13.4.1 of Etisalat's and EITS's Licenses stipulates that, "The Licensee shall implement carrier selection and carrier pre-selection according to the Regulatory Framework in effect at the time."

2.4 Article 2 of the TRA's Carrier Selection and Carrier Pre-Selection Policy, version 1.2, issued 17<sup>th</sup> June 2006, stipulates that "... all licensees shall offer to the other licensees Carrier Selection (CS) and Carrier Pre-Selection (CPS) in the manner spelled out in the TRA Interconnection Instructions as amended from time to time." The Article further stipulates that "Licensees shall ensure that their network equipment has the appropriate functionality to implement CS and CPS in a manner as determined by the TRA."

## **3 Definitions**

3.1 The terms, words and phrases used in this Determination shall have the same meaning as are ascribed to them in the Telecommunications Law unless this Determination expressly provides for otherwise, or the context in which those



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terms, words and phrases are used in this Determination require it. For the purposes of this Determination:

- 3.1.1 **Access Provider** shall mean a Licensee who provides a Carrier Pre-Selection interconnection service to the Access Seeker.
- 3.1.2 **Access Seeker** shall mean a Licensee who obtains a Carrier Pre-Selection interconnection service from the Access Provider.
- 3.1.3 **Annual Inter-operator Charge** shall mean an annual recurring charge payable by the Access Seeker to the Access Provider for the provision of a Carrier Pre-Selection interconnection service.
- 3.1.4 **Per Line Activation Charge** shall mean a one-time non-recurring charge payable by the Access Seeker to the Access Provider each time the Access Provider enables a Carrier Pre-Selection interconnection service on a specific customer's line.
- 3.1.5 **Customer's Line Activation Date** shall mean a date when the Access Seeker receives an official confirmation of the Carrier Pre-Selection interconnection service activation on a specific subscriber's line.
- 3.1.6 **TRA** shall mean the Telecommunications Regulatory Authority.

#### **4 The Determination**

- 4.1 Having considered the provisions of Federal Law by Decree No. (3) of 2003, as amended, and the TRA's Regulatory Framework, taking into consideration the inputs provided by both Licensees and the benchmark conducted by the TRA, the TRA hereby determines the Carrier Pre-Selection Charges as follows:
  - 4.1.1 Annual Inter-operator Charge - For the period of this Determination the Annual Inter-operator Charge shall not exceed the charges as set in the Table 1 below.



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**Table 1: Annual Inter-operator Charge**

| Access Provider | Access Seeker | Annual Inter-operator Charge <sup>1</sup> |
|-----------------|---------------|---|
| EITC            | Etisalat      | AED 100,000                               |
| Etisalat        | EITC          | AED 500,000                               |

(1) The Annual Inter-operator Charge shall be calculated on an annual basis starting 1 January of each year. Part years will be charged on a pro-rata basis.

- 4.1.2 Per Line Activation Charge – For the period of this Determination the Per Line Activation Charge shall not exceed the charge as set in Table 2 below:

**Table 2: Per Line Activation Charge**

|                            |        |
|----------------------------|--------|
| Per Line Activation Charge | AED 25 |
|----------------------------|--------|

- 4.1.3 Other Applicable Charges – the Access Provider shall not impose charges, other than those outlined in this Determination or those applicable for call origination, on the Access Seeker for the provision of a Carrier Pre-Selection interconnection service.

## **5 Effective Date**

- 5.1 This Determination shall become effective on the date of its publication.
- 5.2 This Determination and the charges for carrier pre-selection which are referenced herein shall remain in force until otherwise determined by the TRA.
- 5.3 This Determination and the charges which are referenced herein are without prejudice to the TRA's authority to amend or withdraw, in whole or in part, the Determination and the charges set out herein.

## **6 Acknowledgement and Compliance**

- 6.1 The Licensees shall notify the TRA in writing of receipt of this Determination within one (1) business day of the date it is received.
- 6.2 The Licensees shall notify the TRA in writing within one (1) month of the date of receipt of this Determination that all relevant charges for the Carrier Pre-



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Selection interconnection service as outlined in this Determination have been agreed upon by the Licensees.