



United Arab Emirates



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# Regulatory Policy

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## Interconnect Pricing

Version 1.5

Document Date: 15<sup>th</sup> December 2010

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Telecommunications Regulatory Authority (TRA)  
P O Box 26662, Abu Dhabi, United Arab Emirates (UAE)  
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Regulatory Policy, Interconnect Pricing, Version 1.5, Issued 15<sup>th</sup> December 2010

**Version Control:**

<b>Version:</b>	<b>Issue Date:</b>	<b>Reason for Revision:</b>
1.5	15 <sup>th</sup> December 2010	Reflection of revised instructions
1.4	30 <sup>th</sup> April 2008	Reflection of revised instructions
1.3	15 <sup>th</sup> March 2007	Extension of time for cost model completion
1.2	15 <sup>th</sup> April 2006	Extension of time for cost model completion
1.1	1 <sup>st</sup> March 2005	Typographical error
1.0	28 <sup>th</sup> February 2005	



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### 1. Legal Reference

- 1.1 Federal Law by Decree No. 3 of 2003 as amended, explicitly acknowledges that interconnect terms, conditions and prices are fundamental factors for successful introduction of competition in the telecommunications sector.
- 1.2 Specifically, Article 14 (2) of Federal Law by Decree No. 3 of 2003 as amended, provides the TRA with the power to issue regulations, orders, resolutions and procedures in relation to:

*“The Interconnection of and access to Telecommunication Networks and Telecommunication Services provided by the Licensees, and the co-location of assets and sharing of infrastructure by such Licensees, including the terms, conditions and prices of such Interconnection, access, co-location and sharing...”*

- 1.3 Furthermore, Article 41 of Federal Law by Decree No. 3 of 2003 as amended states:

*“Etisalat and any of its subsidiaries shall, at the direction of the Authority, satisfy in a timely, efficient and least cost manner all requests from a Licensee for Interconnection, co-location or sharing of sites and facilities at the best point as determined by the Authority. In particular Etisalat shall:*

*1. comply with any regulations, guidelines or licence conditions issued pursuant to the provisions of this Federal Law by Decree or its Executive Order relating to Interconnection, co-location or sharing of sites and facilities;*

*2. subject to the regulations issued pursuant to the provisions of this Federal Law by Decree or its Executive Order, offer and provide Interconnection, co-location or sharing of sites and facilities on terms and conditions (including as to cost and quality) which are in accordance with best international practice;”*

### 2. Scope

This Policy shall apply to all interconnection services offered by Reporting Licensees<sup>1</sup>.

<sup>1</sup> “Reporting Licensee” is used as defined in the TRA’s Cost Accounting, Accounting Separation and LRIC Modelling Instructions, Version 3.0, issued 14<sup>th</sup> July 2010



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**3. Requirement for Cost Orientation**

- 3.1** The interconnection services offered by a Reporting Licensee shall be cost oriented.
- 3.2** Long Run Incremental Cost (LRIC) shall be the primary criterion for the TRA to determine prices for interconnection services provided by the Reporting Licensee.
- 3.3** The Reporting Licensee shall create a LRIC model for the prices of its interconnection services in accordance with the TRA's Regulatory Framework.
- 3.4** If a LRIC model, and/or prices of the Reporting Licensee's interconnection services, in accordance with the TRA's Regulatory Framework are not available to the TRA, the TRA shall determine the prices of the Reporting Licensee's interconnection services using international benchmarks.

**4. Effective date**

This Regulatory Policy shall be effective on the date of issuance.

**5. Revocation**

This Regulatory Policy shall replace and supersede Interconnect Pricing Policy, Version 1.4., issued 30<sup>th</sup> April 2008.