



United Arab Emirates



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# VIOLATION DECISION No. (2) of 2007

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## Price Changes

Redacted Version

Issue Date: 24<sup>th</sup> June 2007

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Telecommunications Regulatory Authority (TRA)  
P O Box 26662, Abu Dhabi, United Arab Emirates (UAE)  
[www.tra.gov.ae](http://www.tra.gov.ae)

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## 1 BACKGROUND

1.1 [Redacted]

1.2 [Redacted]

1.3 It came to the attention of the TRA that Etisalat was offering an "Unlimited Global Usage" Plan for AED 295 which provided an "Email Push Service" domestically and included unlimited roaming at a flat rate. This pricing plan was not addressed in the original PCR; in fact, [Redacted]

1.4 Upon further investigation, the TRA discovered that Etisalat had been offering the "Unlimited Global Usage" pricing plan since May 2006.

1.5 On 17<sup>th</sup> June 2007 TRA personnel contacted Etisalat personnel to inquire as to why Etisalat offered a new price for which Etisalat had neither submitted a PCR to the TRA nor received authorization from the TRA for the service and price in question.

1.6 [Redacted]



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1.7 [Redacted]

1.8 [Redacted]

1.9 [Redacted]

**2 LEGAL REFERENCE**

**2.1** The following references were taken into consideration with respect to the prices charged by Licensees, whereas such prices shall be set in accordance with the Regulatory Framework of the TRA:

**2.1.1** Federal law by Degree No.(3) of 2003, as amended, in particular Article 14(1) stipulates:

*“...the Authority shall have power to issue regulations, orders, resolutions and procedures in relation to:*

*Tariff, charges and fees levied by Licensees...”*

**2.1.2** Federal law by Decree No. (3) of 2003, as amended, in particular Article 80 (21) stipulates:

*“The Board [Etisalat Board of Directors] shall, pursuant to the regulations issued by the Telecommunications Regulatory Authority, determine the charges for the services provided by Etisalat...”*



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- 2.2** Furthermore, the prices which Etisalat charges consumers are subject to its Public Telecommunication License No. 1/2006, which stipulates in Article 3 (7):

*“The prices that the Licensee may charge its Customers in connection with its Services, as well as the terms and conditions, are subject to Regulation by TRA as specified in the Regulatory Framework in effect at the time. “*

- 2.3** Pursuant to the above mentioned Article and according to the TRA Price Control Procedure Version 2.0, issued 1<sup>st</sup> August 2005, Article 3.1.1:

*“The Licensee shall provide to the TRA all requests to implement any new retail or wholesale prices or to change existing prices, including the bundling or packaging of services, in accordance with the Price Control Policy in effect at the time.”*

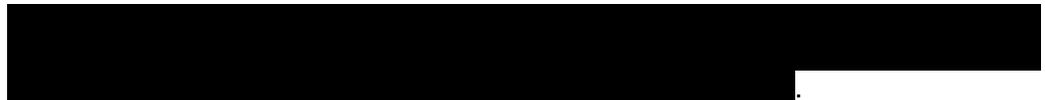
- 2.4** Furthermore, according to Etisalat’s Public Telecommunication License No. 1/2006, Article 16.3.2, if Etisalat fails to comply with the provisions of the article it may be subject to the penalty, at the sole discretion of the TRA:

*“If the licensee fails to comply with any of the following:*

- a) any obligations under the Telecommunications Law or its Executive Order;*
- b) any obligations within the License; or*
- c) any obligation contained in the Regulatory Framework in effect at the time.”*

**3 CONCLUSION**

**3.1**



- 3.2** The TRA rejects Etisalat's argument that the term "initially" used in relation to retail roaming charges used by Etisalat in the PCR requesting approval for two price plans for "Email Push Service" carries the assumption that Etisalat need not apply for any future price authorizations with regard to "Email Push Service".



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- 3.3** The TRA also rejects Etisalat's argument that retail roaming charges are outside the scope of the TRA's regulatory authority because they are determined by agreements with operators outside of the UAE and not based on Etisalat's independent discretion. In the view of the TRA, the Regulatory Framework specifies that authorization is needed for consumer prices. There is no exception based on the source of underlying costs.
- 3.4** Finally, the TRA rejects Etisalat's argument that the lack of previous regulatory involvement regarding roaming prices supports its belief that the TRA intended to abstain from regulating this portion of the sector. In fact, the TRA has not previously addressed roaming charges because, to date, Etisalat has submitted no PCRs for new or changed prices for roaming services.
- 3.5** In this case, Etisalat offered a new price plan with a new name and a new price without authorization from the TRA and has been doing so for approximately one year. Presently, 8,989 customers are using this unauthorized price plan.
- 3.6** In light of the above, the TRA finds that Etisalat has put into effect a price not in accordance with the TRA's Price Control Regulatory Framework. The TRA concludes that in so doing, Etisalat has violated Federal Law by Decree No. (3) of 2003, as amended, the TRA's Price Control Procedure, and the provisions of Etisalat's Public Telecommunications License No. 1/2006.
- 3.7** Based on the foregoing, the provisions of Etisalat's Public Telecommunications License No. 1/2006, Article 16.3.2, with regard to penalties, are applicable.



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#### **4 THE VIOLATION DECISION**

At its discretion and without prejudice to the TRA's rights regarding any future actions with regard to this violation or any other incident, either related or unrelated, the TRA has decided to issue a formal warning, admonishing Etisalat's violation of the Law and Regulatory Framework. Noting that this Pricing Policy Violation Decision is the third of its kind in less than nine months, the TRA strenuously urges Etisalat to implement appropriate internal protocols to avoid future transgression.

#### **5 PUBLICATION**

At its sole discretion, the TRA reserves the right to make public this Violation Decision, or any parts thereof.

#### **6 ACKNOWLEDGEMENT**

Etisalat shall notify the TRA in writing of its receipt of this Violation Decision within one (1) day of the date hereof.