

Order

To Ooredoo Q.P.S.C. and Vodafone Qatar Q.P.S.C

On charges applicable to wholesale services for
years 2018, 2019 and 2020

CRARAC 2018/05/08

May 08, 2018

Table of Contents

1	Background and Introduction	3
1.1	Background.....	3
1.2	The process followed to set the charges	3
2	Legal Basis	3
3	Order	5
3.1	Wholesale Charges approved for the years 2018, 2019 and 2020	5
3.2	Implementation Date of Wholesale Charges	7
3.3	Review of the Wholesale Charges	7
3.4	Treatment of Value Added Tax.....	7
3.5	Publication	7
3.6	Effective date and supersession of this Order	7
4	Compliance, Monitoring and Enforcement	7

1 Background and Introduction

1.1 Background

1. This Order (“**Order**”) is issued pursuant to the powers of the Communications Regulatory Authority (“**CRA**”) to direct Service Providers (“**SPs**”) to implement specific interconnection or access charges or changes to such charges, as determined by the CRA.
2. Licensees subject this Order are Ooredoo Q.P.S.C. (“**Ooredoo**”) and Vodafone Qatar Q.P.S.C. (“**Vodafone**”) who are designated as Dominant Service Providers (“**DSP**”) in a relevant market pursuant to the Notice and Orders of the CRA dated May 9, 2016 (ref. CRARAC 09/05/2016 issued on 9 May 2016).

1.2 The process followed to set the charges

3. On May 21, 2015, the CRA approved the Wholesale Charges applicable to the Products included in the Reference Interconnection Offers (“**RIO**”) of Ooredoo and Vodafone, in the Reference Transmission Offer (“**RTO**”) of Ooredoo and in the Reference Infrastructure Access Offer for Ducts of Ooredoo (“**RIAO**”) with CRA Order 2015/05/21F.
4. On March 28, 2017, the CRA sent to Ooredoo, Qnbn and Vodafone a Data Request for the purpose of identifying the costs related to Wholesale Products, along with a simplified version of the cost model used by the CRA to perform forecasts and calculations.
5. On April 25, 2017, the CRA held an Industry Meeting to provide the SPs with clarifications on the Data Request.
6. Having received responses the CRA issued the First Consultation Document on setting the Wholesale Charges on September 27, 2017 (ref. CRARAC 2017/09/27).
7. Having received responses by Ooredoo, Qnbn and Vodafone the CRA issued the Second Consultation Document on December 13, 2017 (ref. CRARAC 2017/12/13).
8. Ooredoo, Qnbn and Vodafone responded to the Second Consultation Document by the deadline set by the CRA (February 11, 2018).
9. The Response Document annexed to this Order (ref. CRARAC 2018/05/08A-NC) includes the Responses to the First and Second Consultation Documents and CRA’s final comments.
10. The wholesale charges related to Termination Services, Interconnection Link Services, Transmission Link Services and Duct Products for years 2018, 2019 and 2020 are approved with this Order.

2 Legal Basis

11. The following legal provisions, which are not exhaustive, provide a basis for this Order.

Emiri Decision No. (42) of 2014 Establishing the Communications Regulatory Authority

12. Article 4 makes the CRA responsible for regulating the communications information technology and the post sectors, as well as access to digital media, with the aim of providing advanced and reliable communication services across the State.
13. Article 4(6) make the CRA responsible for ensuring interconnection and access for all users by setting conditions for effective interconnection and access.

14. Article 15(2) empowers the CRA to develop appropriate charging regulations according to market requirements, and determine fees for retail and wholesale services.

Telecommunication Law 2006 (“Law”)

15. Article 19 requires the CRA to “... *promoting appropriate, effective and low cost interconnection between communications networks ...*”.
16. Article 28 states that Dominant Service Providers must submit to the CRA the offers for the prices and charges of the telecommunications services in the markets where they have been designated as dominant Service Providers and obtain the CRA prior approval for them.
17. Article 29 provides that the charges for communications services provided by Dominant Service Providers must be based on the cost of efficient service provision and the charge must not contain any excessive charges which result from the dominant position that the Service Provider enjoys.

This Article also states that the CRA may issue decisions along with justifications to amend the charges where it finds that they are not in line with the cost of the service provision, provided that such decision must prescribe the new charge amount.

Executive By-Law for the Telecommunications Law 2009 (“By-Law”)

18. Article 6 empowers the CRA to issue legal instruments including Orders for the implementation of the provisions of the By-Law and the Law.
19. Article 50(1) provides that the CRA 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.
20. Article 54 of the By-Law prescribes that the CRA shall have the authority to review all Service Provider charges, including wholesale and retail charges, and to determine any requirements regarding charges, their approval and publication, and the CRA may issue regulations or orders to regulate the charges of Service Providers.
21. Article 56 requires that charges that are subject to filing with and approval by the CRA shall enter into force only after they have been approved by a decision from the CRA.
22. In accordance with Article 59, the CRA may require a Dominant Service Provider to prepare or participate in the development of a cost study of its telecommunications services if it determines that a cost study would be necessary in implementing any scheme of charge or price regulation. Also, the CRA may require any Dominant Service Provider to prepare or participate in the development of a cost study for the purpose of determining the costs of providing different types of telecommunications services or the business activities of the Service Provider and the CRA shall decide on the cost categories, form, approach, procedures and timing of the cost study. The Service Provider shall comply with all requirements identified by the CRA; and shall file with the CRA the study. The CRA shall consult with the Service Provider required to file a cost study and any other interested parties before it makes an order requiring the study. The CRA may require a Dominant Service Provider to adopt identified cost accounting practices to facilitate cost studies or to achieve any other regulatory purpose under the Law or the By-Law, including the separation of accounts among different categories of business activities or services or as directed by the CRA.
23. Article 60 empowers the CRA to develop methods of price control and to consult Service Providers or any other interested parties. The CRA may issue orders or notices prescribing guidelines for the development of proposals for methods of price control; or setting out directions for the further development of any proposal that has been filed with the CRA or any method of price control that is under development by the CRA. The CRA

may also approve a proposal or method of price control for implementation by one or more Service Providers. Following development and approval of any method of price control, the CRA may also issue regulations, rules, orders or notices required for its implementation.

Retail Tariff Instruction

24. Where applicable, the rules of the Retail Instruction (“RTI”, ref. CRA 2015/05/07) are implemented to assess the relationship between the Wholesale and Retail Charges.

Cost of Capital

25. The Cost of Capital is set at 10.45% as per the Order related to the Determination of the Cost of Capital for Service Providers declared as having a Dominant Position, dated December 6, 2017 (CRARAC 2017/12/06).

3 Order

3.1 Wholesale Charges approved for the years 2018, 2019 and 2020

26. SPs are ordered to apply the wholesale charges listed in this section in their respective agreements and Reference Offers:

26.1 Termination Services

Charges to be applied by Ooredoo and Vodafone

Termination Services		2018	2019	2020
Fixed Call Termination Service to Geographic Numbers	QAR/min	0.0119	0.0063	0.0006
Mobile Call and Video-Call Termination Service	QAR/min	0.0590	0.0419	0.0247
Call Termination Service to Toll-Free Numbers (reverse charge) for fixed and mobile	QAR/min	-0.0590	-0.0419	-0.0247
Call Termination Services to Numbers for Inbound International calls	QAR/min	Commercially Agreed		
Termination Emergency Services	QAR/min	0.0119	0.0063	0.0006

Mobile Messaging Termination Services

SMS Termination	QAR/SMS	0.0093	0.0057	0.0020
MMS Termination for picture and video	QAR/MMS	0.2936	0.1572	0.0208

Outgoing International Call Conveyance

As and when arises	
--------------------	--

- 26.2 The CRA has opted not to regulate inbound international calls for the time being. The CRA may review this decision, in case (i) Ooredoo and/or Vodafone restrict or impede OTT services or (ii) Ooredoo and/or Vodafone use the absence of OTTs, as a constringing element, in an undue fashion.

26.3 Interconnection Link Services

Charges to be applied by Ooredoo

Interconnection Link Services		2018	2019	2020
Recurring Charges				
E1 (distance independent)	QAR/E1/month	229	133	37
Km (distance dependent)	QAR/km/E1/month	54	43	32
One off fees				
Connection Fee	QAR	5,000	5,000	5,000
Disconnection/reconfiguration Fee	QAR	950	950	950

26.4 Transmission Link Services

Charges to be applied by Ooredoo

Transmission Link Services - SDH

speed/length	Connection fee		Recurring Charges		
	2018, 2019, 2020	2018	2019	2020	
	QAR	QAR/month	QAR/month	QAR/month	
for E1 (no differentiation for SLAs)					
00-10		3,036	1,240	1,158	1,081
11-20		3,036	1,314	1,226	1,145
21-30		3,036	1,387	1,295	1,209
31-40		3,036	1,460	1,363	1,273
41-50		3,036	1,534	1,432	1,336
50 and above		3,036	1,790	1,671	1,560
for E3 (no differentiation for SLAs)					
00-10		3,036	7,089	6,617	6,177
11-20		3,036	7,162	6,686	6,241
21-30		3,036	7,235	6,754	6,305
31-40		3,036	7,309	6,823	6,369
41-50		3,036	7,382	6,891	6,433
50 and above		3,036	7,639	7,131	6,657
for STM1 (no differentiation for SLAs)					
00-10		3,036	10,794	10,076	9,406
11-20		3,036	10,867	10,145	9,470
21-30		3,036	10,941	10,213	9,534
31-40		3,036	11,014	10,282	9,598
41-50		3,036	11,087	10,350	9,662
50 and above		3,036	11,344	10,590	9,886
for STM4 (no differentiation for SLAs)					
00-10		3,036	17,910	16,719	15,607
11-20		3,036	17,984	16,788	15,671
21-30		3,036	18,057	16,856	15,735
31-40		3,036	18,130	16,925	15,799
41-50		3,036	18,204	16,993	15,863
50 and above		3,036	18,460	17,233	16,087
for STM16 (no differentiation for SLAs)					
00-10		3,036	31,987	29,860	27,874
11-20		3,036	32,060	29,928	27,938
21-30		3,036	32,134	29,997	28,002
31-40		3,036	32,207	30,065	28,066
41-50		3,036	32,280	30,134	28,130
50 and above		3,036	32,537	30,373	28,353

27. Duct Products

27.1 The CRA has decided to further review the relevant charges. Therefore the current wholesale charges (ref. Annex 4 of the RIAO approved with Order CRA 2016/06/22) remain in force until reviewed by the CRA (ref. clause 3.3 below):

Charges to be applied by Ooredoo

Duct Products

Duct Access	QAR/m/cm2/month	0.1200
Facility Hosting	QAR/liter. First 20 liters of facility space per linear kilometer of route distance is provided without charge	1.0000
Supervision	QAR 375 per hour or part thereof of supervision, regardless the number of supervisors. Chargeable for all activities which are explicitly listed in Annex 3 Clause 4 of the RIAO. The total Supervision Charge is capped to 375,000 QAR per quarter.	375
Access Area Request	Charge in QAR for an Area Access Request as defined in Annex 1 of the RIAO. For avoidance of doubts, the charge covers all the activities required in processing the Area Access Request included in Annex 1 performed by Ooredoo following an Area Access Request, with the exclusion of the activities for which charges are explicitly defined in this table. Note: this fee is not refundable.	15,000
Route Access Request	Charge in QAR for a Route Access Request. For avoidance of doubts, the charge covers all the activities required in processing the Route Access Request. This applies only to Route Area Requests related to Areas for which an Area Access Request has been already submitted by OLO and approved by Ooredoo. The parties may negotiate charges for an Ad Hoc Request according to the specific requirements of the OLO.	0 N.B. The costs for managing a RAR are already covered by the AAR Fee.
Field Feasibility Analysis	QAR/man-hour or part thereof (transportation and misc. expenses not included)	375
GIS update	QAR/man-hour or part thereof to update the GIS system in conformance with As-built drawings provided by OLO	375
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
Transportation charge	One day per vehicle	150
Misc. expenses	per actual effort (time and material)	time and material

3.2 Implementation Date of Wholesale Charges

28. The wholesale charges determined for all of the above services will come into effect on July 1, 2018 for calendar year 2018, on January 1, 2019 for calendar year 2019 and on January 1, 2020 for calendar year 2020.
29. For the avoidance of doubt, the Order will remain in effect after 2020 until the CRA issues an Order amending the wholesale charges.

3.3 Review of the Wholesale Charges

30. Generally, SPs may request for a review of the wholesale charges subject to a material change in network costs in relation to the relevant services which shall be no earlier than 12 months from the effective date of this Order. Such a request shall be supported by an objective justification and relevant cost data.

For clarification, principles which have been defined during the consultation stages will not be subject to review, for example, wholesale mark up, retail mark up, cost of capital, etc.

31. The CRA shall assess the charges for the Duct Products when 100 Route Access Requests have been managed by Ooredoo or by the end of 2018, whatever comes first. The proposed principles for the charging mechanism have been laid out in the Response Document.

3.4 Treatment of Value Added Tax

32. It is the CRA's understanding that Value Added Tax ("VAT") will be introduced in the near future.
33. These wholesale charges are set excluding VAT. The forthcoming laws, rules and regulations shall define the treatment of VAT in this context. In case of uncertainties the CRA will clarify.

3.5 Publication

34. Ooredoo and Vodafone must publish the applicable wholesale charges determined in this Order on its official website 10 working days from the effective date of this Order.
35. 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.

3.6 Effective date and supersession of this Order

36. The Order is effective from the date of signature.
37. The Order supersedes all previous regulatory instruments on wholesale charges, notably the CRA Order 2015/05/21F, dated May 21, 2015, the CRA Order 2015/11/25, dated November 25, 2015 and the CRA Order 2016/06/22 dated June 22, 2016.

4 Compliance, Monitoring and Enforcement

38. Under Article 11 of the Telecommunications Law, the CRA is required to monitor the compliance of licensees in accordance with their licenses and the accompanying Law and By-Law.

39. Article 4 (14) of the Emiri Decision (42) of 2014, specifically mandates the CRA to monitor compliance of the Licensees with the regulatory frameworks and to take the necessary measures to ensure their compliance.
40. CRA will monitor the compliance of Ooredoo and Vodafone, inter alia, but not limited to against the following criteria:
 - 40.1 That Ooredoo and Vodafone publish the approved wholesale charges in their respective website;
 - 40.2 That Ooredoo and Vodafone apply the approved wholesale charges.
41. This monitoring will be carried out upon filing and checking of Ooredoo and Vodafone websites, along with specific request to verify the application of the wholesale charges put forwards by the CRA.
42. In the event of non-compliance, it shall result in one or a combination of the following enforcement provisions as stipulated under the Telecommunication Law:
 - 42.1 Invoking the provisions of chapter sixteen (16) of the Law, whereby the Licensee shall be subject to criminal prosecution as a form of punishment for non-compliance with the relevant provisions of the Law and its license; and
 - 42.2 Such non-compliance shall under Article 70 be punishable as an offence by a term of imprisonment not exceeding two (2) years and or a fine not exceeding one hundred thousand Riyals; or
 - 42.3 Such non-compliance shall under Article 67 be punishable as an offence by imposing a term of imprisonment not exceeding one year and a fine not exceeding one million Qatari Riyals; and
 - 42.4 Under Article 71, the person responsible for the actual management of the corporate entity, shall be punished with the same penalties assigned to the acts that are committed in violation of the rules of this law, if it is proved that such person was aware of such acts or the breach of his or her duties rendered upon him or her by such management, had contributed to the offense.



Mohammed Ali Al-Mannai

President of the Communications Regulatory Authority

Signed on May 10th 2018

