



## **Consultation on “Draft Regulatory Strategy: 2013-2016”**

**(7 April to 23 May 2013)**

**Summary of Comments Received and Response of the Regulatory Authority (RA)**

**24 June 2013**

RA 24-06-13-1

## **Consolidated summary of key comments received and RA's response**

Responses to this public consultation have been received from the following parties (by alphabetical order):

1. Es'hailSat
2. Ooredoo
3. Orange Horizons
4. Qnbn
5. Vodafone Qatar

Consolidated Key Comments from all Respondents			
Question	Subject	Comments	RA response
1	Current state of the telecommunications market	<ul style="list-style-type: none"> <li>• Respondents provided a range of suggestions for the areas to take into account when conducting a high level analysis of the telecoms market. These included: data on the broadband market; and market shares and prices for the fixed and mobile markets.</li> <li>• One respondent also considered that the RA should update the analysis conducted for the Strategic Sector Review.</li> <li>• A large number of areas for improvement were suggested including: accounting for demand for new services, mobility and homeworking; assessing competition in the SME and enterprise sector; clarity on competition in the fixed market and the role of Qnbn; addressing the use of VoIP; barriers to infrastructure deployment; and copper retirement and LTE deployment.</li> </ul>	<ul style="list-style-type: none"> <li>• RA welcomes the suggestions made for analyzing the telecommunications market and will consider these for future analyses conducted. The RA currently has no plans to update the Strategic Sector Review. However, it recognizes the need to conduct regular reviews of the market in order to develop regulation that is fit for purpose. Views of stakeholders will be sought when the market is next analysed in detail.</li> <li>• The areas for improvement are noted by the RA and will be considered when developing specific policies under the strategic priorities.</li> <li>• A number of areas suggested will be addressed under the strategic priorities (such as barriers to infrastructure deployment and VoIP)</li> <li>• Regarding broadband policy for Qatar, ictQATAR is currently consulting on a draft National Broadband Plan (NBP) for the State of Qatar (Policy Instrument Proposal dated 8 May 2013 12-STPL-POLI-POL-01-01 Ref: 35794-422 (Draft NBP))</li> <li>• The Draft NBP includes discussion on the need to address a number of competition issues in the fixed market including the role of Qnbn. RA's Regulatory Strategy workstreams are aligned to the actions to address this as outlined in the NBP. The relevant workstreams in the Regulatory Strategy include the development of a wholesale interconnection and access framework, the future consideration of new licences (including fixed service licences) and the role of the RA in streamlining the processes for network deployment by licensed operators.</li> </ul>

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Question	Subject	Comments	RA response
2	Proposed strategic priorities	<ul style="list-style-type: none"> <li>Respondents broadly agreed that the strategic priorities proposed are appropriate.</li> <li>A number of suggestions were made, including: aligning the priorities with those in the National Broadband Plan (NBP) and treating broadband infrastructure deployment as a priority; providing more detail on the priorities and aligning objectives to Qatar's specific goals; analyzing trade-offs when determining policies (e.g. price competition vs. service innovation); and building RA's capacity and capability.</li> </ul>	<ul style="list-style-type: none"> <li>RA considers broadband deployment an important priority which fits within a number of the strategic priorities already outlined (e.g. enhancing competition). The high-level actions in this area (outlined in the draft NBP) will be reflected in the final Regulatory Strategy.</li> <li>The Regulatory Strategy is intended to provide a high-level overview of the priority areas and actions. More detail and specificity will be provided as individual workstreams are progressed.</li> </ul>
3, 4	Enhancing the competitive environment	<ul style="list-style-type: none"> <li>Whilst two respondents identified no additional priorities, other respondents presented a range of ideas. These included: addressing areas inhibiting the deployment and sharing of infrastructure, including setting out clear access policies and issuing an in-building cabling Determination; addressing the issues around Greenfield sites; and increasing action against non-compliance.</li> <li>A number of respondents considered it important to address current impediments in the market, prioritizing workstreams on interconnection, access and barriers to network build, ahead of introducing new service providers.</li> <li>Respondents identified a number of challenges in terms of enabling competition in the market. There was a general consensus that impediments to infrastructure deployment are an issue. Additionally, a respondent raised the issue of the policy direction on fixed line markets, particularly in relation to broadband. The appropriateness of the model of service level competition was questioned given that Ooredoo has deployed its own FTTH network alongside Qnbn.</li> <li>The need for consistent application and enforcement of the ARF was also noted.</li> </ul>	<ul style="list-style-type: none"> <li>RA welcomes the additional suggestions and will consider these further. A number of the suggestions will be addressed under the strategic actions already proposed, e.g. access policy and competition policy. The RA notes, however, that there is a need to prioritise actions.</li> <li>The suggestions for prioritizing regulatory issues such as access ahead of licensing new providers are noted. As shown in the proposed timeline, the RA plans to address issues relating to interconnection and access frameworks and barriers to network build as a high priority over the next 2 years.</li> <li>RA recognizes the challenges around barriers to network build and access and has identified this in the Regulatory Strategy. It also notes the challenges identified and will consider these when taking forward the proposed actions.</li> <li>Actions relating to improving the competitive environment in the broadband market (as set out in the National Broadband Plan) will be incorporated within the Regulatory Strategy. Specific issues relating to the broadband market will be addressed through that consultation.</li> </ul>
5, 6, 7	Interconnection and Access Frameworks	<ul style="list-style-type: none"> <li>Respondents broadly agreed that the measures outlined in the draft Strategy will improve the competitive environment.</li> <li>A number of additional points were made, including the need for: barriers to access to be removed; consultation on issues to be addressed in reference offers; prices, terms and conditions to be based on analysis of the impact on the "build or buy" decision; and clear policy direction on sequencing, timing and the approach to price setting. One respondent suggested that the RA should avoid over-regulating interconnection and that commercial negotiations should be preferred.</li> <li>A number of additional actions were proposed by respondents. These focused on addressing access in multi-building units (which</li> </ul>	<ul style="list-style-type: none"> <li>The Regulatory Strategy is intended to set out the high level priorities and actions. It is not intended to be an Implementation Plan.</li> <li>RA is working on developing the wholesale interconnection and access framework in 2013/14. The specific details are being developed and there will be opportunity for stakeholders to engage in due course. RA does consider, however, that in order to enhance the effectiveness of competition it is important to regulate interconnection rather than to rely on commercial negotiations.</li> <li>RA notes the additional actions suggested and will consider these when developing the detail of the framework for access</li> </ul>

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		<p>one respondent considered it should be granted exclusivity over); developing a policy on in-building wiring; and enabling service provider to have multiple wholesale providers. It was also suggested that RA should initiate quarterly meetings with service providers and relevant Authorities to address access impediments.</p>	<p>and interconnection.</p> <ul style="list-style-type: none"> <li>The issue of exclusivity for Greenfield sites is not within scope of this consultation. The Megaprojects consultation provides stakeholders with the opportunity to present detailed views on the policy and proposed actions in this area.</li> <li>RA agrees that meetings between service providers and relevant Authorities may help to address the barriers to access and build. Involving the large property developers in these meetings may also assist in resolving access issues. This initiative will be considered as part of the detailed Interconnection and Access Policy and Regulatory framework.</li> </ul>
8, 9	Liberalization steps	<ul style="list-style-type: none"> <li>Respondents provided extensive responses on the key elements that the RA needs to ensure are in place before new entrants are introduced. A key theme in the responses was to address access issues and develop the interconnection and access framework, including reference offers and the RAS.</li> <li>In the fixed market, allowing greater market maturity and providing clarity on Qnbn's scope and business model were noted amongst other issues.</li> <li>In the mobile market, the need for improvements in mobile site deployment was highlighted by respondents. Difficulties in acquiring sites and the need for site sharing were considered a barrier.</li> <li>One respondent also considered that RA should take account of the role of the satellite industry and satellite broadband technology in enhancing competition in the telecommunications market.</li> <li>Respondents presented a range of views on the most appropriate form/type of market structure.</li> <li>In the mobile market some respondents suggested that competition should come from virtual network operators. One respondent, however, considered it important to analyse the costs and benefits of new entry including the impact on investment incentives.</li> <li>In the fixed market, one respondent considered that new entry was inappropriate. Other respondents raised issues around clarification of the role Q.nbn is to play in the infrastructure, passive dark fibre and fixed markets. One respondent considered competition should be based on the ladder of investment model and welcomed the licensing of virtual service operators (such as Internet Service Providers).</li> </ul>	<ul style="list-style-type: none"> <li>RA notes the suggestions made and will consider these when looking in more detail at the issue of introducing new service providers to the market. It plans to address a number of the issues identified through the actions prioritized within the Regulatory Strategy. Further opportunities for stakeholders to contribute views will be provided.</li> <li>The RA agrees that it is important to enhance the regulatory framework and to address the priority areas ahead of introducing new entrants. This is reflected in the timelines for the workstreams as presented in the Regulatory Strategy.</li> <li>RA recognizes that work needs to be done to address current issues in the market and gaps in the regulatory framework ahead of the licensing of new entrants in the fixed and mobile market. However, the RA considers that further liberalisation is likely to be important for the future development of the market.</li> <li>To date the RA's focus has been on promoting competition at the infrastructure level and the RA will prioritise actions to progress this objective. Depending on the state of competition in the market, the RA may consider the introduction of measures that promote service level competition in order to enhance the competition environment and promote the interests of consumers.</li> </ul>

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10, 11	Reducing barriers to building	<ul style="list-style-type: none"> <li>All respondents agreed that the RA should prioritise reducing barriers to building infrastructure.</li> <li>Identified issues to consider in reducing barriers to building infrastructure included access to government land (noted by two respondents) and access to private property. It was noted that this has led to delays as has the length process for permit approval to deploy mobile infrastructure. Mobile site deployment was considered an urgent issue for one respondent.</li> <li>Other issues raised included the need for timely decision making on consultation; the need for the RA to play an active coordinating role with other government agencies; and the need to address issues over in-building infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>RA notes that reducing the barriers to network build is a strategic priority and a key requirement for effective infrastructure based competition. The RA notes the key issues identified and will consider these further when developing the detailed policies and regulatory actions associated with this workstream.</li> </ul>
12	Reducing consumer switching costs	<ul style="list-style-type: none"> <li>Respondents presented different views on additional measures the RA should consider introducing to reduce customer barriers.</li> <li>One respondent considered a range of additional measures were required, relating to: blocked handsets, handset subsidies and convergent loyalty programs.</li> <li>Another respondent was against further regulation of pre-paid credit and SIM card prices. A further respondent agreed that it saw little basis for further retail market regulation. It also did not think that competition to support more frequent switching would benefit many customers.</li> </ul>	<ul style="list-style-type: none"> <li>RA notes the views presented. RA will take them into account when further considering the details of specific actions to reduce barriers to customer switching. High barriers to switching can reduce incentives for service providers to innovate, invest and to compete on price and quality in order to attract and retain customers.</li> </ul>
13, 14	Improving clarity and predictability of the regulatory framework	<ul style="list-style-type: none"> <li>Respondents agreed that the proposed actions would help to improve the clarity and predictability of the regulatory framework. It was also noted that the actions would have to be implemented properly and consultation with stakeholders.</li> <li>One respondent also noted the need to enforce any policies/guidelines introduced.</li> <li>The lack of legislation in relation to the introduction of an arbitration process was considered to limit its effectiveness by one respondent.</li> <li>Respondents presented a range of additional actions to improve the clarity and predictability of the regulatory framework. These included: regular forums and workshops between all stakeholders; consultation and the ability for affected providers to make representations to the RA; greater transparency on how the RA has reached Decisions or positions; the need to align principles with government policy and minimize regulatory uncertainty with a transparent plan; and the need to align all ARFs and eliminate inconsistencies.</li> </ul>	<ul style="list-style-type: none"> <li>RA notes the concerns raised about the lack of legislation. RA considers that reviewing the arbitration process is important and will deliver benefits to the industry. Specific details on a streamlined arbitration process will be developed in due course and the views of stakeholders will be sought. The need for changes to the law will be considered as part of this review.</li> <li>RA notes the suggestions made for additional actions and agrees that regular forums will help improve transparency and clarity of the regulatory framework and RA decisions. In addition, the RA considers that public hearings and the publishing of responses to consultation submissions will assist in improving the transparency of decision making.</li> <li>The RA sees the development of the Regulatory Strategy as a first step in improving transparency, determining the priority areas over the years ahead and setting out its plans.</li> </ul>
15, 16	Compliance and	<ul style="list-style-type: none"> <li>Respondents generally agreed that enforcement and compliance capabilities are important for the RA. One respondent considered</li> </ul>	<ul style="list-style-type: none"> <li>RA welcomes the support and broadly agrees with a number of the suggestions made. The specific detail of the compliance</li> </ul>

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	enforcement	<p>that the lack of enforcement powers undermines the effectiveness of the regulatory framework.</p> <ul style="list-style-type: none"> <li>Issues noted by respondents included: the need for a well-defined, expedient appeals process; the need to avoid arbitrary and disproportionate decision making; and for the enforcement policy to clearly prescribe processes.</li> <li>Graduated sanctions were welcomed by all respondents, but together with a well developed and effective appeals process. Some respondents indicated that fines should be graduated according to the seriousness of the offence. Others explained that proportionality should be applied and arbitrary sanctions should be avoided.</li> </ul>	<p>and enforcement actions will be developed in due course and the views of stakeholders will be sought.</p> <ul style="list-style-type: none"> <li>RA notes that a well-defined and effective appeals process is one of its strategic priorities. As part of the workplan, the RA will consider a range of options to strengthen the current appeals process. The RA recognizes that this may require changes to the law.</li> </ul>
17	Streamlining RA dispute resolution procedures	<ul style="list-style-type: none"> <li>Some respondents agreed that a streamlined dispute resolution process would be beneficial to the market. Other respondents, however, believed that the current system is effective but required more consistency, clarity and resources to be effectively maintained.</li> </ul>	<ul style="list-style-type: none"> <li>RA notes the comments made and will consider the detail in due course when developing the dispute resolution procedures.</li> </ul>
18	Streamlined procedures to appeal RA decisions	<ul style="list-style-type: none"> <li>Respondents suggested that appeals systems with suitably qualified experts' opinion and that are informed by practices from other countries will be suitable for Qatar. 'Fast-track' appeals systems were also welcomed.</li> </ul>	<ul style="list-style-type: none"> <li>RA notes the comments made and will consider the detail in due course when developing the procedures, which will be subject to consultation.</li> </ul>
19	Competition policy	<ul style="list-style-type: none"> <li>Most respondents indicated the need for clarity and effectiveness in the guidelines for competition. Some respondents suggested that abuse of dominance definitions and behaviors need to be addressed. One respondent stressed the need for monitoring and ex-post analysis.</li> </ul>	<ul style="list-style-type: none"> <li>RA notes the comments made and will consider these in the development of the detailed competition policy. It will be based on specific requirements in Qatar as well as international best practice. This will go hand in hand with liberalization steps.</li> </ul>
20	Remedies to address market dominance	<ul style="list-style-type: none"> <li>Respondents held differing views on the matter of remedies. One respondent suggested that RA already holds the tools necessary to address abuse of dominance. Another suggested that additional tools should be considered as part of policy development in the area, including the need to consider the customer journey.</li> <li>One respondent also questioned the RA's assessments of dominant market service providers and suggested that it should not be based on market share. Analysis should focus on assessing the effectiveness of competition constraints on the dominant service provider on its actual behaviour.</li> </ul>	<ul style="list-style-type: none"> <li>RA notes the suggestions made and will consider these in developing its competition policy.</li> </ul>
21	Retail and	<ul style="list-style-type: none"> <li>Respondents broadly agreed with the need for the development of policies on retail and wholesale price regulation. Some</li> </ul>	<ul style="list-style-type: none"> <li>RA is now developing its detailed price regulation proposals for retail at this stage. This consultation sought views on</li> </ul>

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	Wholesale Price Regulation	<p>respondents took the opportunity to set out the shortcomings of the current regulation, including:</p> <ul style="list-style-type: none"> <li>- The proportionality of regulation and not creating a burden for small market players</li> <li>- Costing mechanism for regulatory prices</li> <li>- Need for those seeking access to infrastructure to be incentivized to invest in their own infrastructure</li> </ul>	whether the development of further policies, guidelines and instructions would help RA fulfill its role and deliver benefits.
22	Simplifying Licences	<ul style="list-style-type: none"> <li>• All respondents agreed with the need for a simplified unified licensing regime. Most respondents, however, indicated that it should not be a priority for the three-year plan and that it should be developed in the long term. Some aspects of the current licenses, particularly around clarity, could be addressed immediately.</li> </ul>	<ul style="list-style-type: none"> <li>• RA notes the comments made and will consider these further as part of the proposed license review. While the RA agrees that there may be other issues of greater priority, there is merit in considering reforms to the current licensing regime (particularly if new entrants into the market are being considered).</li> </ul>
23, 24, 25	Spectrum allocation and assignment policies and fees	<ul style="list-style-type: none"> <li>• The effective management of spectrum was welcomed. Some respondents said that they did not wish for spectrum to be held for a potential new entrant. One considered the potential for releasing UHF spectrum for mobile services.</li> <li>• Some operators indicated that the National Frequency Plan should be developed with regulation taken into account and refreshed frequently. One respondent said that excessive fees would be damaging to the industry. Another respondent suggested that incorporating satellite operations will facilitate the efficient management of spectrum.</li> </ul>	<ul style="list-style-type: none"> <li>• RA notes the comments made but believes that there may be merit in holding spectrum for new entrants so that they are able to compete more effectively in the market. Further strategic issues around the allocation policy will be discussed and the views of stakeholders will be sought.</li> <li>• RA plans to review the spectrum plan and associated fees regime in 2013. Current fee arrangements are being reviewed and the fee schedule will be revised and published. RA also agrees that the involvement of satellite stakeholders will be important.</li> </ul>
26	Revised numbering plan	<ul style="list-style-type: none"> <li>• Some respondents do not believe that numbers are a scarce resource and therefore believe that the current numbering plan and policy do not need to be replaced, but could be revised on particular aspects such as short codes and value added services. One respondent suggested the need for reserving numbers for new service providers.</li> </ul>	<ul style="list-style-type: none"> <li>• RA considers that numbering is a scarce resource. This is especially the case for certain number ranges (such as short codes). Effective management of existing number ranges will reduce the need to introduce changes to the numbering plan (such as longer number ranges) with increase costs to consumers and industry. RA notes the views of stakeholders and will consider these when developing the detail of the National Numbering Plan.</li> </ul>
27	Revised numbering plan	<ul style="list-style-type: none"> <li>• Respondents broadly agreed that allocation is a priority, but that the management of the allocation rather than additional allocation is a priority for the services described in the answers to question 26 above.</li> </ul>	<ul style="list-style-type: none"> <li>• RA notes the views of stakeholders.</li> </ul>
28	QoS regulatory framework	<ul style="list-style-type: none"> <li>• Some respondents agreed that the actions will lead to improved Quality of Service (QoS). Others stated that the actions focus on the monitoring aspect only and that surveying QoS should be supported by empirical data. However, the monitoring of QoS was also broadly supported by the respondents.</li> </ul>	<ul style="list-style-type: none"> <li>• RA considers that monitoring QoS is the first step as part of a wider policy to promote better quality of service. RA has already started annual customer satisfaction surveys but also considers that reviewing empirical data in relation to QoS is important to inform any action that it may consider appropriate.</li> </ul>

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Question	Subject	Comments	RA response
29	Providing customers with sufficient information to make informed choices	<ul style="list-style-type: none"> <li>Respondents broadly agreed with the information to be published as proposed by RA. One suggested that tariffs need not be published as they are already published by providers. Most respondents suggested additional information that could be published including SLAs follow up information, NGA coverage and broadband revenues.</li> </ul>	<ul style="list-style-type: none"> <li>RA notes the concerns expressed in relation to the publication of tariffs. RA will consider this further, however, at this stage considers it important to ensure that customers can readily access the tariffs in order to ensure they have sufficient information to make informed choices.</li> </ul>
30	Consumer protection policy	<ul style="list-style-type: none"> <li>Respondents stated that a transparent consumer protection policy is important. It should take into account the impact on the market of convergence and should aim to provide clear and transparent information to consumers to allow them to make more informed choices when comparing service offers from competing providers</li> </ul>	<ul style="list-style-type: none"> <li>RA notes the suggestions made and will consider these when developing the detail of the consumer protection policy.</li> </ul>
31, 32, 33, 34	Supporting industry to an internet-connected Qatar	<ul style="list-style-type: none"> <li>Respondents believed that a clear VoIP policy is important, with additional comments from one respondent that range of demand side initiatives (such as e-Government and e-learning) should be pursued as part of this workstream</li> <li>There were different views on whether Qatar had the required capacity to connect international traffic with one respondent suggesting that submarine cables and non-resident contracts need to be reviewed and others suggesting that access to current infrastructure for multiple providers to share is the key problem.</li> <li>Respondents broadly supported the Internet Exchange, with the need for international co-ordination to make it successful</li> </ul>	<ul style="list-style-type: none"> <li>RA notes the comments made and is currently developing a policy on VoIP. It also plans to continue supporting demand-side initiatives.</li> <li>RA notes the comments made in relation to international capacity. Specific details on the policies to improve international data capacity will be developed in due course and the comments made will be considered. There will be further opportunity for stakeholder consultation.</li> </ul>
35	Additional regulatory issues	<ul style="list-style-type: none"> <li>One respondent considered the competition on the passive layer to be inadequate in the broadband market</li> </ul>	<ul style="list-style-type: none"> <li>RA notes the comments made. Issues specific to broadband are set out in detail in the Draft National Broadband Plan.</li> </ul>