INJAZ INTERNATIONAL TELECOMMUNICATIONS

Response to TRA Consultation on Reference Access Offer of Omantel

Mobile Reseller, Oman

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1 Introduction

Injaz welcomes the opportunity to respond to the TRA's public consultation pertaining to the reference access offers of Omantel.

We hope that our response assists the TRA in developing the Internet Services in Oman and that we can help to bring internet into the homes of the Omani people at an affordable price and with excellent levels of service.

Oman has one of the lowest Internet penetration rates in the gulf and the world as a whole and Injaz would like to help change this for the better. In this day and age, the Internet has become a critical business tool as well as a personal necessity for millions of families. Injaz would like to help the TRA in ensuring people and businesses have the ability to access the internet no matter where or who they are.

Injaz is committed to delivering a long term vision of triple play and ultimately quad play services in the Oman market and as such, sees the accessibility of Internet Service Provider (ISP) licences and access offers as a key milestone in achieving this goal.

In markets where competition is emerging a vital mechanism for ensuring that competition continues to evolve is the wholesale input offered by the incumbent or dominant operator. New market entrants (who aim to provide services competition) are unable to provide their own versions of these inputs because there is not a sufficient level of infrastructure competition (due to barriers to entry such as exceptionally high required investment). The terms of which these wholesale inputs are offered is contained within a Reference Access Offer or similar product description. Therefore, the starting point for competition in terms of ISPs is a viable RAO from Omantel. Injaz urges the TRA to bear this defining principle in mind when reviewing the RAOO to make sure that the terms on which the wholesale input is offered are economically and technically feasible and allow an efficient, innovative Class II licensee to respond to market demands.

2 Current Omantel Application Process

The current application process requires that prospective ISP's complete first of all the Internet Access Service Provider (IASP) application with Omantel. In order to provide Broadband services, the prospective ISP must then complete the wholesale ADSL application.

Injaz believes this process could be made far simpler for existing class II licence holders wishing to expand their service offerings through the use of a simple resale agreement based on a cost plus business model. Negotiations can take place to determine the exact rates including any volume discounting or bonus related schemes.

The definitions for the technical integration points and split of responsibilities for technical infrastructure and processes should also be flexible to allow potential resellers to enter the market with very little investment required. The current RAO's dictate that ISP's need to invest in all their own infrastructure including access technologies which is different to the model used for mobile resale where all access is provided by the host and the reseller is able to concentrate on differentiating factors for the customer like sales, products and customer care.

2.1 Wholesale Pricing

The current offers must be reviewed and the wholesale prices lowered because they are in fact more expensive than the current retail offers available direct from Omantel. It is clear that no-one will enter the market under these conditions and reinforces the need for a similar process to the mobile resale arrangement where rates can be negotiated on a case by case basis using a cost plus or retail minus model. Realistically, ISP's should be paying a rate at around 30 – 40% less than current retail to allow them to build sustainable businesses.

2.2 Access Speeds

The currently available packages described in the reference access offers talk about speeds not reflected in the current retail propositions from Omantel. Again, potential ISP's are unlikely to enter into the market if they can only offer speeds of up to 1Mb maximum when the incumbent can provide up to 16Mb. Failure to offer wholesale inputs that are comparable to the retail offerings of the incumbent are clearly both anti-competitive because Omantel is abusing a dominant position and discriminatory in favour of Omantel's own business.

3 Feedback on RAO's

The following section shows the specific items from the reference access offers and our comments regarding each of them.

3.1 RAO Annex C18_Internet Access d4

3.3	The IASP connects its Internet Service platform to the Omantel network at the designated nodes, situated at the same places as the Points of Interconnection, POI. The connection is realized through a link of leased line(s).	What about co-location and cost for renting data centre spaces from Omantel
3.4.1	Dial-up internet service where the IASP bills the user for the traffic usage. In this case the IASP applies for Free Phone number(s) from TRA for the access. The internet users' equipment calls this number and connects the user equipment to the IASP modem pool. The user identifies himself through username and password supplied by the IASP. When authentication is cleared the service user can enter the internet.	The point is limiting the licensee to use one scenario for Dial-Up i.e. using free phones for accessing the internet, and it is now accounting for different business models that the ISP might be interested to deploy like toll numbers where the subscriber doesn't need to have a username/password and he will be billed (by Omantel) an extra amount by dialling into this number and using the internet.
3.4.1	The traffic case is considered as a reverse termination and Omantel bills the user the termination charge. The IASP bills the customer for the service and for the traffic usage. Access from other networks is prohibited to protect the IASP of excess charges.	Now with having a second fixed line licensee the traffic should be allowed from the second fixed line network, termination rates should be clear for the Class II licensee
3.4.2	Dial-up internet where Omantel bills the customer and the IASP collects a share of the revenue paid to Omantel through termination charges. To implement this solution the IASP applies for geographical numbers from TRA. The numbers are used by the internet service user's equipment to connect the user equipment to the IASP modem pool. The user identifies himself through username and password supplied by the IASP. When authentication is cleared the service user can enter the internet.	It is not clear how Omantel will be charging the IASP; what are the termination rates, what are the billing units and how are they calculated?

3.2 RAO Annex C10_Internet leased Lines d5

9.8	The charges for the Internet Leased Lines are exclusive of any filtering and security elements. These charges are provided separately and levied based on the actual cost incurred by Omantel	The model should allow for the operator to provide his own security and filtering systems under the supervision of the TRA and the respected authorities Filtering and security data should be exchanged periodically in case the Operator decided to manage his own filtering and security systems

3.3 RAO Annex C19_Wholesale ADSL d6

3.2	The IASP will be able to brand, price and market the service, take full first line customer care responsibility and charge its customer, taking full responsibility for collection of revenues	It is not clear what the operator should provide in terms of technical resources, platforms and support. Injaz suggests having a responsibility matrix for both implementation and operation phases, along with cost of each responsibility.
4.1	Due to the roll-out of the Omantel network capacity the CWAI is available in specific geographic zones.	Geographic coverage should be made available to the licensee, along with a number of houses that have access to the service, future roll-out plans etc.
4.6	The CWAI will be available in different Classes depending on segmentation and bandwidth.	The bandwidths are outdated and should be updated frequently Some packages should be provided to churn dialup users to the ADSL like introducing the 256Kbps packages or 128Kbps at a competitive rates
5.1	The pricing model consists of the following price items and are listed in table 1: - Installation fee - Traffic fee (the sum of downstream and upstream traffic) per Gigabit - Periodic fee	It is not clear what Omantel and the CWAI responsibility is in terms of installation, support and maintenance.
		The current offering is limiting the ADSL usage to monthly/annual subscriptions, and not allowing for providing prepaid ADSL Monthly/hourly…etc. cards