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Regulation of Retail Prices of Broadband Services and Access to Wholesale Broadband Services in Oman

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Background


- The Telecommunications Regulatory Authority (TRA) was established in 2002 to implement the government policy of liberalizing the Telecom Sector and enhancing competition for the telecom services in the Sultanate.
- TRA focuses on creating and maintaining a sustainable competitive environment, by removing barriers to market entry to facilitate achievement of competitive markets outcomes, such as improving service quality, increasing choices to consumers, and achieving reasonable prices.




Telecom Sector Policy Framework

- The Government issued Telecom Policy Framework in 2012 setting out following policy initiatives:
 - Increase internet penetration while focusing on high speed broadband access.
 - Prepare the suitable conditions for effective competition in the provision of infrastructure, telecom services & promote competition in the provision of these services.
 - Expand the provision of full range of telecom services in the unserved villages.
 - Creation of a supportive regulatory & legal environment.
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National Broadband Strategy

- Further to General Policy Framework and with the aim to focus on increasing broadband penetration in the Sultanate, the Government approved National Broadband Strategy (NBS) in 2013.
 - The NBS set out the targets to increase the penetration of broadband services and the strategies to achieve these targets.
 - Resultantly, Oman Broadband Company (OBC) – a government funded company – was created to provide passive infrastructure services to existing licensees.
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The Market Review

- The TRA initiated its first market definition and dominance analysis in 2010.
 - After detailed consultation and deliberation, the TRA issued its Market Definition and Dominance Decision (MDD Decision) in May 2013.
 - Total 18 markets were defined; 8 retail markets, and 10 wholesale markets.
 - As a result of market review, single or joint dominance were found in 6 retail markets and in all wholesale markets.
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Remedies

- The MDD Decision obliged the dominant licensees with following remedies:
 - Non discrimination
 - Transparency
 - Adherence to retail price control regulations
 - Accounting separation
 - Provision of wholesale access and interconnection services to eligible seekers.
 - Publication of Reference Access and Interconnection Offer

Regulation of Retail Prices of Broadband Services in Oman

- TRA issued Retail Tariffs Regulation in 2016 which covers the retail prices of broadband services.
 - Under this Regulation, retail prices of only dominant licensees (Omantel and Ooredoo) are regulated and they are required to seek approval of TRA before launching their tariffs.
 - The TRA while reviewing such tariff proposals ensures that these are neither discriminatory nor anti-competitive and follow the transparency requirements provided in the Retail Tariff Regulation.
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Regulation of Retail Prices of Broadband Services in Oman


- The non-dominant licensees (like Awaser) are free to set their tariffs for broadband services and are only required to file such tariffs with TRA before their launch.
- However, non-dominant licensees are required to follow the transparency requirements provided in the Retail Tariff Regulation.



Access to Wholesale Broadband Services in Oman

- After detailed consultations and deliberations with the industry, The TRA issued Access and Interconnection Regulation in 2016 where the dominant licensees are obligated to provide following broadband services under their Reference Access and Interconnection Offer:
 - Local Loop Unbundling
 - Line Sharing
 - Sub Loop Unbundling
 - Bitstream Layer 2
 - Bitstream Layer 3
 - Broadband Resale Service

Access to Wholesale Broadband Services in Oman

- The prices for wholesale broadband services are required to be fair, reasonable and based on forward looking long run incremental cost (LRIC) of efficient service provision except for Broadband Resale Service which is to be priced on Retail-Minus approach.
 - All licensees are required to negotiate and provide a Requesting Party access in accordance to A&I Regulations.
 - Oman Broadband Company is providing open access to its dark fibre to all requesting licensees on mutually agreed terms in order to enable them to provide high speed broadband services to end-users.
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Current Situation and Future Opportunities

- With three operators (Omantel, Ooredoo and Awaser) providing fixed broadband services (FTTH) having access from OBC, Oman has witnessed the improvement in penetration as well as quality of broadband services and the reduction in prices.
- With the implementation of Access and Interconnection Regulation and entry of more players in the market, the situation is likely to improve further.



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