

THIS REFERENCE OFFER IS

MADE BY: **BAHRAIN TELECOMMUNICATIONS COMPANY** of PO Box 14, Manama, Bahrain (**Batelco**)

ON: **15 February, 2006**

BACKGROUND:

- A. Under section 57(b) of the Telecommunications Law, a telecommunications operator determined by the Regulator to be in a dominant position in the telecommunications market must, in respect of that market, submit a proposed Reference Interconnection Offer to the Regulator for approval. On 9 August 2003, Batelco was determined by the Regulator to be dominant in respect of some of the Interconnection Services. This Reference Offer operates, in part, as the Reference Interconnection Offer in respect of those Interconnection Services.

- B. Under section 57(e) of the Telecommunications Law, a telecommunications operator determined to be in a dominant position in a telecommunications market by the Regulator is required to offer access (on fair and reasonable conditions) within that market, to its telecommunications network and telecommunications facilities. Although there has been no such finding, Batelco may accept requests from other licensed operators for access to the Access Services on the terms and conditions set out in this Reference Offer.

- C. Under section 57(a) of the Telecommunications Law, a public telecommunications operator has the right to interconnect, and the obligation to negotiate in good faith on request for the interconnection of, its telecommunications network to the telecommunications network of another public telecommunications operator. Batelco proposes to seek Interconnection Services from other public telecommunications operators which seek Interconnection Services from Batelco on the terms of this Reference Offer.

1 UNDERSTANDING THE STRUCTURE OF THIS REFERENCE OFFER

1.1 This Reference Offer comprises:

- (a) clauses 1 to 7, which are the main body of this document;
- (b) Schedule 1 - Service Descriptions for each of the Services which Batelco is offering under this Reference Offer;
- (c) Schedule 2 - Notification and Acceptance of Service Request, which is the process for a Licensed Operator to request a Service which is offered under this Reference Offer, or to request a New Service;
- (d) Schedule 3 - Charges for Interconnection Services, Access Services and Wholesale Services and other Services. Some of these are repeated from the Service Descriptions;
- (e) Schedule 4 – Billing and Collection;
- (f) Schedule 5 – Ordering and Provisioning;
- (g) Schedule 6 – Fault Management;
- (h) Schedule 7 – Facilities Access Service;
- (i) Schedule 8 – Dictionary and Rules of Interpretation and Construction; and
- (j) Schedule 9 - Supply Terms.

2 MAKING AN AGREEMENT UNDER THIS REFERENCE OFFER

2.1 Batelco considers that it is valuable to establish one single integrated contracting framework between Batelco and each Licensed Operator. So Batelco has developed this Reference Offer to fulfil several roles:

- (a) as a Reference Interconnection Offer for Interconnection Services;
- (b) as the fair and reasonable conditions on which Access Services are to be supplied consistent with section 57(e) of the Telecommunications Law; and
- (c) as the standard terms on which Batelco and a Licensed Operator can agree to supply Wholesale Services from time to time to each other if they wish to.

2.2 For the purposes of the Reference Interconnection Offer approved by the Regulator pursuant to section 57(a) of the Telecommunications Law:

- (a) the Supply Terms only incorporate those terms and conditions that relate to Interconnection Services and do not incorporate those terms and conditions or those aspects of terms and conditions that relate only to the supply of other services; and
- (b) the supply of those other services is outside the scope of the Reference Interconnection Offer.

3 SUPPLY OBLIGATION

3.1 If, in accordance with Schedule 2, a Service Request for a specified Regulated Service has been submitted by a Licensed Operator authorised to make such a Service Request and has been accepted by Batelco, Batelco must enter into Supply Terms with the Licensed Operator for the supply of the requested Regulated Service:

- (a) at the Charges specified in Schedule 3 and such negotiated Charges as may apply in respect of the provision of Services by the Licensed Operator; and
- (b) on the terms and conditions of the Supply Terms as agreed by the parties.

3.2 Upon execution by the Licensed Operator of the Supply Terms, the parties must use their reasonable endeavours to implement the accepted prices, terms and conditions of the Supply Terms.

3.3 For the avoidance of doubt, if the Licensed Operator requests Batelco to provide services outside the scope of Schedule 1 (**Service Descriptions**), Batelco has no obligation to enter into Supply Terms with the Licensed Operator for the supply of those services.

3.4 In relation to the processing of applications and the implementation of Supply Terms, Batelco will use its reasonable endeavours to comply with the timetable set out in Section 6 of this Reference Offer.

4 VARIATION OF THE REFERENCE OFFER

- 4.1 Subject to Batelco first obtaining any approval from the Regulator required by the Telecommunications Law, Batelco may, by notice published on the Batelco Wholesale Services website, amend or vary the Reference Offer, including without limitation:
- (a) offering any new service and any amendment or variation to the Reference Offer arising from the new service; or
 - (b) cancelling any service and any terms or conditions, and any amendment or variation to the Reference Offer arising from the cancellation of that service.
- 4.2 If the Licensed Operator seeks the supply of a new service offered by Batelco under clause 3.1, then the Licensed Operator must submit a Service Request for each new service in accordance with Schedule 2. On successful processing of the Service Request, the new service will form part of the Supply Agreement in place between Batelco and the Licensed Operator.
- 4.3 For the avoidance of doubt, a change to Schedule 3 of the Reference Offer will identify the extent to which a variation in charges is (or is not) to apply to all existing Supply Agreements with other Licensed Operators.

5 STRUCTURE OF AGREEMENTS

- 5.1 By using the contracting framework of this Reference Offer, a supply agreement made between Batelco and a Licensed Operator under this Reference Offer in relation to the supply of Services ("**Supply Agreement**") will incorporate the following, whether physically assembled as a single document or not:
- (a) The signed Supply Terms; and
 - (b) Schedule 1: Service Descriptions for those Services (set out in Schedule 1 to this Reference Offer) which Batelco is required, or has otherwise agreed in accordance with the processes set out in this Reference Offer, to provide;
 - (c) Schedule 2: Notification and Acceptance of Service Request for each Service which the Licensed Operator has requested from Batelco and which request Batelco has accepted;
 - (d) Schedule 3: Charges;

- (e) Schedule 4: Billing and Collection;
- (f) Schedule 5: Ordering and Provisioning;
- (g) Schedule 6: Fault Management;
- (h) Schedule 7: [this Schedule is only included if the Facilities Access Service is provided];
- (i) Schedule 8: Dictionary and Rules of Interpretation and Construction; and
- (j) Joint Working Manual

in each case as amended by the parties to the Supply Agreement in accordance with the processes contemplated by clause 2.2, Schedule 2 and Schedule 9 to this Reference Offer.

6 TIMING TO FORM A SUPPLY AGREEMENT AND IMPLEMENT INTERCONNECTION

6.1 Batelco considers that the following timetable is a reasonable guide to the expected completion of interconnection. An ability to comply with the timetable depends on timely delivery of information and reply to correspondence; prompt attendance at meetings by the right personnel; a commercial approach to negotiation; the complexity of the Services sought and the interconnection necessary to support them; timely availability and delivery of equipment and other factors. For the avoidance of doubt, a particular case may vary between being a Simple, Intermediate or Complex Case at different stages of the process.

	Simple Case	Intermediate Case	Complex Case
Initial Processing of Request	One week	Two weeks	Three weeks
Negotiation of changes to Supply Terms, including Charges	Two weeks	Four weeks	Six weeks
Interconnection Planning	One week	Two weeks	Four weeks
Implementation	One month	Two months	Three months

6.2 Nothing in the timetable above is intended to limit the right of a public telecommunications operator under s. 57(g) of the Telecommunications Law to refer to the Regulator any dispute that arises with respect to interconnection or access if no agreement is reached within one month of the commencement of negotiations.

7 ADDING NEW SERVICES TO A SUPPLY AGREEMENT OR THE REFERENCE OFFER

7.1 The following is the framework that Batelco intends to use for the development of new services which a party may wish to add to a Supply Agreement (**New Service**). If either Batelco or the Licensed Operator (**Requesting Operator**) wishes the other operator (**Supplying Operator**) to supply to it a New Service, it may submit to the Supplying Operator a written request to that effect (**New Service Request**).

7.2 Where the Requesting Operator is the Licensed Operator and a New Service is a request for a new Interconnection Service then the New Service Request shall be processed in accordance with the Supply Terms. If the New Service Request is not a request for a new Interconnection Service, then the following clauses 7.3 to 7.10 apply with respect to that New Service Request.

7.3 A New Service Request should contain:

- (a) a reasonably detailed description of the proposed New Service, including a clear statement as to whether the service is capable of being and is intended to be a reciprocal service;
- (b) an outline of the technical and functional specifications which the Requesting Operator considers should apply to the New Service;
- (c) the Requesting Operator's opinion of the likely scope of the New Service including a preliminary forecast of the Requesting Operators' expected use of the New Service covering a period of at least 3 years.

7.4 The Supplying Operator will consider in good faith any New Service Request provided to it. The Supplying Operator should notify the Requesting Operator within one week of the receipt of the New Service Request when it considers that the operators should meet to discuss the New Service Request.

7.5 If, after preliminary discussions, the operators agree to explore in detail any of the relevant conditions (technical, commercial, legal, etc) which might apply to the supply

of the New Service, or if either operator is obliged to provide the New Service within the regulatory framework applicable in Bahrain, the parties should as soon as reasonably practicable after the preliminary meeting perform the following steps. At the request of either operator, such steps may be without prejudice to the question whether the New Service is to be provided or not:

- (a) collaborate to develop an appropriate agreed technical and functional definition of the New Service and outline of its scope;
- (b) negotiate the commercial terms applicable to the scoping, development, testing, implementation and supply of the New Service, including:
 - (i) the charges and pricing regime to apply to any or all of those activities considering the likely time and resources required;
 - (ii) the framework, dependencies for, and scope of, any proposed testing and acceptance processes;
 - (iii) a draft timetable for the scoping, development, testing, implementation and supply of the New Service; and
 - (iv) any other matters relevant to the New Service Request.

7.6 When the parties have concluded those preliminary discussions to the extent that they have been able to conclude them, the Requesting Operator should:

- (a) develop and submit to the Supplying Operator a comprehensive Statement of Requirements, setting out in detail the Requesting Operator's view of all resolved issues identified in paragraph 6.4;
- (b) provide to the Supplying Operator any further information the Supplying Operator reasonably requires to enable it to properly scope, develop, implement or supply the New Service; and
- (c) revise and reissue the Statement of Requirements as required by the Supplying Operator where the Supplying Operator considers that the Statement of Requirements does not properly reflect the positions covered in the discussions held between the parties.

7.7 Once a Statement of Requirements is finalised, the Supplying Operator will prepare a New Service Proposal applicable to the New Service which New Service Proposal may, at the option of the Supplying Party:

- (a) be submitted to the Regulator for approval; and/or
- (b) published by the Supplying Operator for general availability, whether or not as part of a Reference Offer

in each case the consent of the Requesting Operator to the disclosure is for all intents and purposes deemed to have been given, but such disclosure is without prejudice to the rights of either operator to refer the matter to the Regulator as a dispute in accordance with the Law.

7.8 An operator may consider this process to be at an end if:

- (a) matters negotiated between the operators including the terms of the Statement of Requirements or the New Service Proposal and relevant commercial terms cannot be agreed within 90 days of the receipt of the New Service request, or any lesser period set out in the Telecommunications Law in respect of specific services; or
- (b) there is no legal obligation on the Supplying Operator to provide the New Service; or
- (c) without prejudice to any duty of confidentiality, the other operator has failed to treat any information arising out of or in connection with the discussions between the operators as confidential (except as set out in paragraph 6.6),

7.9 For the avoidance of doubt, negotiations in relation to the supply of a New Service may continue while the parties are engaged in any dispute resolution, provided that the negotiations are strictly confidential and without prejudice.

7.10 Batelco considers that the following table gives a reasonable indication of the timescales for the development and implementation of New Services. An ability to comply with the timetable depends on the timely delivery of information and reply to correspondence; prompt attendance at meetings by the right personnel; a commercial approach to negotiation; the complexity of the New Service sought and the availability of interconnection and access services necessary to support the New

Service; timely availability and delivery of equipment and other factors. For the avoidance of doubt, a particular case may vary between being Simple, Intermediate or Complex at different stages of the process.

	Simple Case	Intermediate Case	Complex Case
Initial Processing of New Service Request and arrangements for preliminary discussions	One week	Two weeks	Three weeks
Discussions between Operators	Two weeks	Four weeks	Six weeks
Planning for New Service	One week	Two weeks	Four weeks
Development and Testing of New Service	One week	Four months	Six months
Implementation of New Service	One month	Four months	Six months