



Ref. REG-403-17

Date: 30/08/2017

Subject: TRC Decision Regarding
Jordan Telecom LLU Reference Offer

H.E. Dr. Jobor,

Reference to The TRC board decision number (1-9/2017) regarding Jordan Telecom Local Loop Unbundling Reference Offer, kindly find attached herewith Zain Jordan's objection and comments on the mentioned offer, hope to be taken into consideration.

L.R.

A handwritten signature in black ink, appearing to be "AH" followed by a stylized flourish.

Best Regards,
Ahmad Al Hanandeh

CEO, Jordan Mobile Telephone Services Company

المملكة الأردنية الهاشمية	
مملكة تنظيم قطاع الاتصالات	
التاريخ	٥ أيلول - ٢٠١٧
الوارد	٩٤٣٢
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Zain's Comments and Objection on Jordan Telecom
"Local Loop Unbundling Reference Offer"

30th August 2017

Zain welcomes the long-awaited TRC decision to have the Jordan Telecom Company (JT) publish its Local Loop Unbundling Reference Offer (RUO), with all its related documents, including service schedules, Price List, etc., a step that we believe is towards the development of an efficient competitive market in Jordan.

However, this long waited regulatory intervention intended basically to the liberation of the Copper Infrastructure, that is owned solely by the fixed incumbent monopolist JT, has unfortunately came out as an unbalanced, biased, and total adherence contractual service provisioning, that will probably prevent any interested party (either existing or potential ISP) from benefiting from such services, and actually - contrary to the main target of the liberation of the copper network- with terms and conditions that are a clear barrier to entry.

Moreover, the over-pricing of the full and shared LLU services, as well as for the associated services are unacceptable as they are obviously in favour of JT, and would place all service providers at a major competitive disadvantage compared with JT's own retail arm.

Most of terms and conditions of the RUO are subjective, aiming primarily to prevent the just and proper provision of the services to the Alternative Operators (AOs) and/or make such provisioning only to the convenience of JT rather than a mutual benefit for the two parties, JT and service provider as it should be in the first place.

We set out below our comments on the LLU offer as presented by JT to present this discriminatory treatment, and we reserve the right to make further comments on the offer which we urge the TRC to take them into consideration and take the necessary actions to modify this RUO in a way that protects the rights and interests of all Stakeholders.



Zain's Specific Comments on the Reference Unbundling Offer

1. MAIN OFFER DOCUMENT

Section 2. Definitions and Interpretation

The order of precedence should be modified to read as follows:

- a. The Telecommunications Law.
- b. The TRC Instructions, (including Interconnection Instructions)
- c. The License.
- d. This Reference Offer

Section 3.4.1 – LLU service Descriptions

This article should be amended to read (additions in bold): "Full Local Loop Unbundling, in which the Alternative Operator will rent the copper wire from JT and **will have the exclusive right to provide his end users with telecoms services using the rented copper wire**".

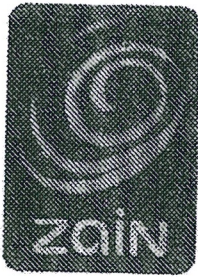
Section 3.4.3 – Information that shall be provided

JT shall provide a detailed coverage map.

Section 4.1 – Availability of service

The word "unreserved" needs to be defined.

We are also concerned that this article could be used by JT to exclude AOs from certain exchanges either by claiming that there are no "sufficient, available, qualified and unreserved" local loops at the requested site, when such local loops are available, or by reserving for itself all local loops at a site. This article therefore provides JT with the means to discriminate against its competitors and stifle competition.

**Section 4.3 -- JT standards**

Pre-testing of all non-JT equipment by JT is unnecessary. Any detriment from the use of sub-standard equipment will affect AO's only and not JT. Again, this article can be used to discriminate against AO's by JT claiming equipment does not meet its standards and thereby deny the AO access to LLL

However, any TRC type-approved equipment of the AO should be accepted by JT without unjustified condition of pre-testing.

Section 4.8 -- Adding pair gains

This is not acceptable. JT has to provide clear argument and reasoning for this statement.

Section 4.9 -- Damages not affecting JT or other AOs

If any damage does not affect JT or other (Other Alternative Operators) OAOs, then insisting it is corrected within one week is unnecessary. If the article is meant to mean that correction has started within a week, then this should be clarified, but we still consider such a requirement to be excessive if no other operator is affected.

Section 4.10 -- Damages affecting JT or OAOs

We propose that it is made clear that "such damages and associated losses" does not include consequential losses.

Section 4.11 -- Test Equipment

Test equipment should be to international standards, not JT standards, taken into account that they are already type approved by the TRC.

Section 4.14 -- Service suspension for repair and essential maintenance etc.

Five working days' notice of planned works is insufficient, especially if those works are likely to disrupt End User services. JT should be required to inform the AO's as soon as those planned works are felt necessary to be carried out (i.e. advance notice of likely works) and again as soon as the actual date/time has been set, subject to a minimum



notice period of 21 days (15 working days). This applies only to planned work and not emergency work. However; the planned outage should not exceed 4 hours per month. AO's have to be compensated for planned outages that last for more than 4 hours, and the SLO should reflect such requirements.

The statement of "The service still has to be charged during the suspension of the service" must be removed.

Section 4.19 – Billing the Customer upon the Completion Date

The AOs will start charging the customer for using the LLU services since the completion date determined by AOs and not by JT, so this article shall be modified.

Section 4.21 – Disconnection of AO equipment by JT

JT has no right to disconnect the service as it is related to customer rights and benefits; and in case of such disconnection, JT shall inform the AO within one hour.

Section 4.22 – changes to premises or facilities

a two week notice of changes where these changes will affect the LLU service is unreasonably short. JT should be required to inform the AO's as soon as those changes are felt necessary to be carried out (i.e. advance notice of likely works) and again as soon as the actual date/time has been set, subject to minimum notice period of two months (40 working days). Also, OAO's ought to have a right to complain to TRC if needed and to get the changes suspended whilst their need and impact are assessed.

Section 4.23 – Force Majeure

The service should not be subject to charge in case of the Force Majeure.

Section 4.26 – no damages for late connection of LLU service

This article is not acceptable. By denying itself liability for inconvenience etc.; JT is providing itself with the right to connect all LLU lines late, that will certainly harm the competition in the market. There should be a standard time for delivery of LLU service, and penalty articles for late delivery. The penalty articles should be at a lower level when



JT is able to inform the Alternative Operator early in the process that it will not be able to meet the standard delivery date, and they should be higher when JT informs the alternative operator later in the process.

Section 4.27 – Breach of obligations

"Reasonable objective grounds" is too vague a reason to suspend service etc. The grounds for any suspension of service should be clearly set out and notified to the AO in advance. As it stands, the article could easily be abused by JT to discriminate against its competitors.

Section 4.28 – Recover the cost of repair of any reported fault

We believe that JT shall bear the cost of repair of any reported fault in case the fault not caused by the AO as it is part of JT service maintenance liabilities.

Section 4.29.a – Billing the End User for any outstanding JT charges

Any outstanding payment due to JT must not prevent the AO to provide the customer its LLU services (Full/Shared).

Section 4.31 – Early Termination of LLU Agreement

JT has no right to charge the AOs for the full year commitment in case they terminate the LLU agreement prior the year term for the reason of changing the customer residency.

Section 4.32 – LLU Reservation

This article – although apparently reasonable - could be used by JT to discriminate against its competitors. It is a realistic scenario that JT could say for any loop not reserved with six months' notice that there are not enough loops available, thereby preventing its competitors offering a competitive service.

Section 4.33 – Refuse the LLU Service

these points give JT the open privilege to reject any request!

**Section 4.34 – Costs to facilitate delivery of LLU**

This is also vague as to what it could cover. Our concern is that an AO could end up being invoiced for things that they "requested" without realising a cost would be incurred.

Section 4.35 – Removal of LLU service(s) if no longer mandated by TRC

This article is unacceptable and should be removed to reserve all related parties' rights and interests. In the event that the TRC does withdraw the obligation of LLU from JT, then we would expect a phasing out of LLU to allow AO's to remain active in retail markets.

Section 4.36 – Forecasting

This article is unacceptable and should be removed. It is not acceptable that JT under no commitment to meet the AO's forecast!

Section 4.37 – Batches of 10 Metallic pairs

The number of metallic pairs should be subject to the AOs need and should not be limited to JT, this article should be cancelled.

Section 10 – Quality of Service

JT needs to undertake that the quality of the services that it provides to the AOs shall comply with the quality standards in ETSI and/or the ITU.

Section 13. Disputes Resolution

The TRC should oversee dispute resolution to ensure that it is working in practice. It is only when disputes have occurred that the suitability of the process can be judged. We ask the TRC to replace JT's Dispute Resolution procedure with the well-established procedure that has been approved and confirmed by the TRC in all approved Interconnection Agreements between the licensed operators.



Section 13.2 – Payment of invoices under dispute

We do not accept that disputed amounts should be paid whilst a dispute is in progress. As it stands JT could issue invoices at random for millions of JD and then get the money whilst dragging out the dispute resolution. Disputed invoices should not be paid until the dispute is settled.

Zain ask the TRC to remove this article; the disputes regarding billing and invoices shall be treated separately through billing reconciliation process; the TRC can refer to the "Billing Reconciliation and Billing Disputes Process" that has been used in all approved Interconnection agreements by TRC.

Section 15.2 – Suspension for non-payment

This seems to imply that if an AO is 5 working days late in paying one invoice then JT can disconnect every single LLU line. Such action would clearly be unacceptable after such a short period. A much longer period is required for remedying a breach.

Section 15.3 – Termination for breach

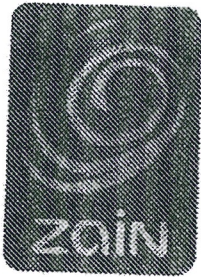
The TRC should be involved prior to JT being able to terminate an LLU Agreement for a breach with supportive justifications which shall be approved by TRC.

Section 15.4.3 – Termination for late-payment

This is an excessively strict condition. Under the article as it stands three late payments over a 50-year period could result in the AO having all LLU lines disconnected. The article should be removed.

Section 15.5.3 – Return of Equipment

This article should be reciprocal. If JT expects the AO to remove equipment at JT sites at its cost and within certain time limits, then the same should apply to JT's equipment at AO sites.



SERVICE SCHEDULES

Note: The following comments on the service schedules should be read in conjunction with the relevant articles of the main offer document.

Full LLU Service Schedule 2.01

1. **Article 3. Service Terms:** "...the service is Conditional upon the availability of the associated services..."

Comment: who will decide on the availability? the article should be modified to state that TRC is responsible in case the Alternative Operator (AO) is not convinced by the JT justification,

2. **Article 3. Service Terms:** "Site Information" and the rechargeable information

Comment: the whole service is basically rechargeable, and actually as we shall mention later is overpriced, there is no justification to recharge any site information, taking into account that JT is under obligation (in Broadband and Narrowband Market Reviews decisions) of Transparency, which include the making available all necessary information on its sites and locations to any party requesting its services.

3. **Article 3.2** the obligation on AO Service to pay for the remaining period if cancellation of the service is requested before the end of the term period.

Comment: this obligation is unreasonable and unjustified, since the commitment of the AO's customers could be on a monthly basis, therefore this article should be modified to be according to AOs offering to its customers as well as the obligation is per site.



4. Article 3.5 JT will cease the full LLU service if the regulatory obligation to provide it is no longer valid,

Comment: this is not acceptable, what about the rights and interests of the customers of the AO? and how can this AO protect these rights when JT has the ability to shut down the service at any time once the obligation becomes invalid. TRC should keep great attention to this as being actually the only entity responsible for customer's protection in the Telecom market.

JT ceasing of the service in such cases must be approved by TRC and carefully take place under precise and timely manner, that should take all precautionary and necessary actions to prevent the harm of AO customers' rights and allow the affected AO to provide the required alternatives to these customers, and certainly that would necessitate an adequate notification time of not less than 6-12 months depending on the customers' volume and types of the provided services.

5. Article 3.6 JT can suspend the full LLU service upon "reasonable Objective Grounds".

Comment: granting JT the ability to suspend the full LLU service at any time it desires, according to "reasonable Objective Grounds" that are determined on JT's own discretion is not acceptable, when JT finds such "reasonable Objective Grounds" and needs to suspend the service, JT shall request a prior TRC approval and TRC has the final say in that regard.

6. Article 4.1.2 "Changes to JT placement"

Comment: not clear and needs clarification.

7. Article 7.2 "AO to place a Forecast at the beginning of each Quarter.

Comment: this is impractical, and time wasting. The forecast should be on quarterly basis, but not modified every quarter, AO instead can submit a 2-year quarterly forecast, with modification at the beginning of each year.



8. Article 7.3 AO to pay for minimum 80% of the forecast regardless of the requested lines.

Comment: this is also un reasonable and not acceptable, AO might face circumstances where it cannot meet its forecast due to external reasons, in such case AO can report to JT and JT in turn should accept.

9. Article 10.4 "Wrongful Repair Charge"

Comment: this is a strange, unreasonable and un acceptable type of charges that are decided solely by JT without any justified basis, and actually this charge is basically not defined in the price List document of the LLU offer.

10. Article 10.5.2 "The AO acknowledges that the End user remains liable for paying any outstanding to JT..."

Comment: how can the AO be liable for paying any outstanding to JT? and on what basis? how this liability be actually effectuated into reality, this term should be cancelled.

11. Article 10.6.2 "reasonable requirements"

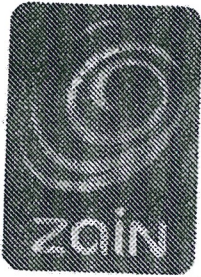
Comment: that is a subjective term, since the JT is the only party to determine these "reasonable requirements", JT has to define such requirements in advance.

12. Article 12.1 "Billing Period"

Comment: The Billing period should be consistent with all such terms "Billing Period" that are used and approved by the TRC in all agreements and RIOs, which states the following: "Billing shall be conducted on a monthly basis (the "Billing Period") commencing on 00:00:00 hours on the 1st day of each calendar month and ending at 24:00:00 hours on the last day of the same month".

13. Last Article (No Number) "Central Switches Sites".

Comment: Data removed, and it is necessary to be available for any AO to request Full LLU service from JT.



Shared LLU Service Schedule 2.02

1. **Article 3.1** Service Terms: "...the service is Conditional upon the availability of the associated services..."

Comment: who will decide on the availability? the article should be modified to state that TRC is responsible in case the Alternative Operator (AO) is not convinced by the JT justification

2. **Article 3.4** AO to inform in writing JT of any change to its equipment"

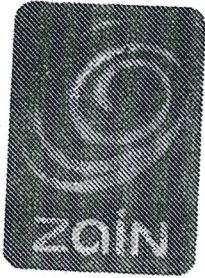
Comment: this article should be reciprocal, i.e. JT has to inform in writing the AO ahead of any changes to equipment/technology

3. **Article 3.7** JT Termination of the Shared LLU services.

Comment: the reference should be to the Termination Conditions in the main LLU Offer and not to the Shared LL Schedule, as these conditions are not stated in this schedule, taking into considerations our comments on th termination and suspension articles within the main offer document stated earlier.

4. **Article 3.8** JT will cease the shared LLU service if the regulatory obligation to provide it is no longer valid,

Comment: this is not acceptable, what about the rights and interests of the customers of the AO? and how can this AO protects these rights when JT has the ability to shut down the service at any time once the obligation becomes invalid. TRC should keep great attention to this as being actually the only entity responsible for customer's protection in the Telecom market, JT ceasing of the service in such cases must be approved by TRC and carefully take place under precise and timely manner, that should take all precautionary and necessary actions to prevent the harm of AO customers' rights and allow the affected AO to provide the required alternatives to these customers, and certainly that would necessitate an adequate



notification time of not less than 6-12 months depending on the customers' volume and types of the provided services.

The reference should be to the Termination Conditions in the main LLU Offer and not to the Shared LL Schedule, as these conditions

5. **Article 3.9** JT can suspend the shared LLU service upon "reasonable Objective Grounds".

Comment: granting JT the ability to suspend the shared LLU service at any time it desires, according to "reasonable Objective Grounds" that are determined on JT's own discretion is not acceptable, when JT finds such "reasonable Objective Grounds" and needs to suspend the service, JT shall request a prior TRC approval and TRC has the final say in that regard.

6. **Article 4.1.2** Article 4.1.2 "Changes to JT placement"

Comment: not clear and needs clarification.

7. **Article 5.1.7.1** AO has to get JT approval on types and specifications of the provided modems.

Comment: subjective condition, JT must accept any TRC Type-Approved modems of the AO.

8. **Article 5.1.10** JT has the right to disconnect the AO's equipment if it affects JT narrowband equipment at the End User side, JT will charge the AO with "wrongful repair charge".

Comment: this is unacceptable intervention by JT, if JT needs to approve the AO equipment is disturbing the End user narrowband equipment and accordingly inform the AO to clear the disturbance, if the disturbance is cleared in a given time then JT must not charge the AO with its "wrongful repair charge", which is basically not defined and left to JT own discretion.



9. **Article 5.2.5** the obligation on AO Service to pay for the remaining period if cancelation of the service is requested before the end of the term period.

Comment: this obligation is reasonable and unjustified, since the commitment of the AO's customers could be on monthly basis, therefore this term should be modified to be according to AOs offering to its customers as well as the obligation is per site.

10. **Article 7.2** "AO to place a Forecast at the beginning of each Quarter.

Comment: this is unpractical, and time wasting. The forecast should be on quarterly basis, but not modified every quarter, AO instead can submit a 2-year quarterly forecast, with modification at the beginning of each year.

11. **Article 7.3** AO to pay for minimum 80% of the forecast regardless of the requested lines.

Comment: this is also un reasonable and not acceptable, AO might face circumstances where it cannot meet its forecast due to external reasons, in such case AO can report to JT and JT in turn should accept.

12. **Article 10.1** "Billing Period"

Comment: The Billing period should be consistent with all such terms "Billing Period" that are used and approved by the TRC in all agreements and RIOs, which stats the following: "Billing shall be conducted on a monthly basis (the "Billing Period") commencing on 00:00:00 hours on the 1st day of each calendar month and ending at 24:00:00 hours on the last day of the same month".

14. **Article 11.4** "Wrongful Repair Charge"

Comment: this is a strange, unreasonable and not acceptable type of charges that are decided solely by JT without any justified basis, and actually tis charge is not defined in the price List document of the LLU offer.



15. Article 11.6.2 "The AO acknowledges that the End user remains liable for paying any outstanding to JT...".

Comment: how can the AO be liable for paying any outstanding to JT? and on what basis? how this liability be actually effectuated into reality, this term should be cancelled.

PRICE LIST FOR FULL LLU AND SHARED LLU AND ALL ANCILLARY SERVICES

The prices contained in the JT "Price List for full LLU and shared LLU and all ancillary services" is obviously a JT method to continue its fixed broadband monopoly, these prices constitute a clear barrier to entry and is deterrent to any existing or potential ISP to invest in providing broadband services based on this JT Full and Shared LLU services prices.

These prices are excessively in favour JT and would place all service providers at a major competitive disadvantage compared with JT's own retail arm.

The prices for the "Local Loop Unbundled Service" and for "Tie cable to connect MDF and HDF" are set without any basis or defence, the prices for the shared LLU services in particular are high, if compared to the currently ISP provided service "Bit-stream".

However, these prices in general need to be justified and based on an accepted costing methodology.

As for the Collocation and infrastructure sharing service, they are also overpriced especially if compared to the currently collocation prices in "Hashim" which is used by the ISP providing ADSL "Bit-stream" services based on JT Infrastructure, as follows:

LLU Colocation Prices					LRIC	
Site	Item	Unit	Rate Unit	JD	Site	JD
Amman	19-inch rack in Shared Cabinet	RU1	JD /Unit/Month	8.2	Hashim	7.18
	Cabinet space in Shared Room	Cabinet Space	JD /Unit/Month	216.5		184
	Secure Room	Sqm	JD /Unit/Month	125.9		107



A.1 LLU Annexes 4 Main Offer

- Point E.2.1.1: The cancelation and relation with current provider should be governed in a different way which does not limit others in providing the services.
- Point E.2.1.7 and all Points of E.3: Sum up with a provisioning time of 9.5 weeks, Zain see that this period is too excessive, and conflict with the SLO of 15 working days.

A.2 Service Schedule 2 01 Full LLU

- Point 3.2: Must be of (1) year commitment at least, why not monthly if the setup fees are already covered by JT?
- Point 7: This is limiting OLO's from providing this LLU and put OLOs at financial risk, while this high risk obligation does not exist on JT.

A.3 Associated Services 4 Full LLU

- Point 4.a: Mention that a minimum chargeable collocation service will be one cabinet for floor space while in the price list document there is Rack Unit price in a shared cabinet.
- Point b.iv: Regarding forecasts for additional Tie cables, Zain criticize this obligation of forecast as according to document "3 Service Schedule 2 01 Full LLU Amended 2 Jul 2017" Point 7, this is limiting OLO's from providing this LLU and put OLOs at financial risk. While this high risk obligation does not exist on JT.

A.4 SLO 4 LLU Offer

- Point 2.1: Delivery Lead Time of 15 working days to 1 month is excessive.
- Point 3.4: Repair time of 72 hours – 5 working days, Zain see this is excessive and should be 24 hours.

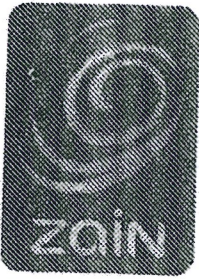


A.5 Operation and Maintenance 4 LLU Offer

- Point 3.2.8: what are the charges to be billed on Alternative Operator?
- Point 3.2.10: one hour to close ticket if no response from OLO is very tight.
- Point 3.2.17: the charges should be defined.
- Point 3.3: Minimum Time before escalation is excessive.

A.6 10 Interference Management Plan IMP 4 LLU

- Point 3.12: why these SDSL technologies are not allowed for OLO, while allowed for JT.



CONCLUSION

Although we believe that the publication of the JT LLU offer documents and availing its services to the interested parties could be considered a good and acceptable efforts towards liberated fixed broadband market, but unfortunately the offer terms and conditions were formulated in a way that would make the use of LLU service is totally subjected to JT-favoured terms and conditions.

Accordingly, we kindly reiterate on our above mentioned comments and views on the JT LLU offer terms and conditions, hoping that - if taken into consideration by the TRC - would facilitate the provision of LLU offering by AOs in an un-anticompetitive environment, with affordable prices that will allow the AO to profitably provide the service, as well as the JT to benefit from having more ISPs interested in its LLU services. Zain believes that the TRC once impose certain modifications on JT's Reference Unbundling Offer according to the reasoned and justified comments provided by Zain, will yield an efficient competitive service provisioning in the fixed broadband market in Jordan.

The above views and comments are up to our understanding of the whole LLU documents, we may provide further elaboration on later stages if found relevant or if otherwise required, Zain would appreciate the TRC kind taking of the above comments into account, and reconsider their approval decision of the LLU reference offer, we also welcome any further discussion in that regard with the TRC at their convenience.