

# HASHEMITE KINGDOM OF JORDAN



Telecommunications Regulatory Commission (TRC)

## **Draft Regulatory Decision on Provisioning of Mobile Virtual Network Operator (MVNO) Services in Jordan**

Amman, 21 June 2007

*Deadline for submitting comments is: 8/7/2007*

Telecommunication Regulatory Commission

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# **Draft Regulatory Decision on Provisioning of Mobile Virtual Network Operator (MVNO) Services in Jordan**

## **1 Introduction**

The Telecommunications Regulatory Commission (TRC) published a consultation document seeking comments on the broad principles that should govern the implementation of Mobile Virtual Network Operator (MVNO) in Jordan. The TRC has published the consultation document on 14<sup>th</sup> January 2007.

The TRC invites the views of interested parties on the proposed regulatory framework defined hereunder, which conclude such consultation.

### **1.1 Purpose of this document**

This document describes the regulatory framework that is intended to formally govern the provision of MVNO Services in Jordan. It sets out the TRC's views, following the assessment of the comments received to the public consultation on implementation of MVNO, on the most appropriate regulatory approach for the introduction, regulation and provisioning of such services, and its plans to work with licensees to ensure adequate provisioning of Public Mobile Wireless Services by MVNOs.

### **1.2 Consultation**

The TRC hereby seeks input from interested parties on the draft decisions on provisioning of MVNO Services in Jordan outlined within this document. The TRC invites consumers; the industry; and other interested parties to submit written comments on any issue that they deem relevant with respect to this document.

The views received will help the TRC to prepare a more defined regulatory decision on the provisioning of MVNO Services in Jordan.

Interested parties are encouraged to submit their comments to the TRC on or before the deadline stated on the cover page of this document. All comments of the interested parties will be taken into account in the formulation of the final determination, but the TRC is under no obligation to adopt the proposals of any particular party or parties.

## **2 Definitions**

- 2.1 The following words and phrases shall have the meanings assigned thereto hereunder, unless the context indicates otherwise. Any words and phrases not defined hereunder shall have the meanings ascribed thereto in the Law and the Regulations issued pursuant thereto:
- 2.2 “**Customer**” means any Person who has indicated willingness to the Licensee to receive telecommunications services from the Licensee on the Licensee’s terms

and conditions, or has entered into a contract with the Licensee for the provision of such services.

- 2.3 **“Frequencies”** mean the radio frequencies assigned to the Licensee for use in the operation of its Licensed Activities, as amended or modified in accordance with TRC Regulations.
- 2.4 **“General Spectrum License”** means the TRC General Radio Spectrum License for Radiocommunications Systems Related to the Integrated licensing Regime granted by the TRC to use certain radio frequencies associated with the Licensed Activities undertaken pursuant to the Operating License and the License Agreement.
- 2.5 **“Individual License”** means a License to provide public telecommunications services and/or operate public telecommunications networks that use in the provision of some or all services or operation of networks Scarce Resources that have not been specifically exempted by the TRC from an Individual License requirement.
- 2.6 **“Interconnection Services”** means the services identified in the Interconnection Instructions that may be provided by interconnected Licensees to each other in accordance with these Instructions
- 2.7 **“Licensee”** means a Person who holds a License issued in accordance with the Law.
- 2.8 **“Licensed Activities”** means the activities the Licensee is allowed to conduct under the terms of the License Agreement and the Operating License.
- 2.9 **“License Agreement”** means any License Agreement issued by the TRC in accordance with the Telecommunications Law.
- 2.10 **“Mobile Network Operator” (MNO)** means a Licensee that provide Public Mobile Wireless Services and holds a General Spectrum License for the provision of such services.
- 2.11 **“Mobile Virtual Network Operator” (MVNO)** means an operator that is licensed to resell Public Mobile Wireless Services under its own name using the network of, and Frequencies assigned to licensed MNO(s),
- 2.12 **“MVNO Services”** means Public Mobile Wireless Services that are provided by an MVNO.
- 2.13 **“Operating License”** means the Public Telecommunications Services Individual License granted by TRC to the Licensee, as amended or modified in accordance with the terms stated within the License Agreement.
- 2.14 **“Person”** means any individual, company, corporation, partnership, joint venture, consortium, government or governmental entity.

- 2.15“**Public Mobile Wireless Services**” means public telecommunications services, as defined by the Telecommunications Law, that (i) permit two-way communications between users’ terminals (radio stations) and other similar radio stations, as well as with any apparatus, station or service connected to any of the Public Telecommunications Networks in Jordan, and (ii) are supplied by means of multiple cells of radio communication transceivers, configured so as to permit full mobility of customer radio stations, with hand-off between adjacent cells.
- 2.16“**Regulations**” means any instructions and regulatory decisions issued by the TRC in accordance with the Telecommunications Law.
- 2.17“**Scarce Resources**” include radio frequencies and/or public rights of way and/or numbering that have not been exempted from an Individual License requirement by the TRC and as defined in the Regulations.
- 2.18“**Telecommunications Law**” means the Telecommunications Law (Law No. 13 of 1995) of Jordan, and its amendments.
- 2.19 “**TRC**” means the Telecommunications Regulatory Commission of Jordan.
- 2.20 “**Telecommunications System**” means any transmission or switching device or other device or instrument used to convey, receive or transmit telecommunications signals for the purpose of providing public telecommunications services.

### **3 Provisioning of MVNO Services in Jordan**

#### **3.1 Types and Characteristics of MVNO**

- 3.1.1 The MVNO Services definition shall be considered as an extension to the current definition of Public Mobile Wireless Services as defined by the TRC comprising, but not limited to, the following characteristics:
- 3.1.1.1 Full responsibility of the MVNO for the relationship with its subscribers in accordance with terms and conditions of its license agreement and any related Regulations.
- 3.1.1.2 Differentiated tariff schemes and business strategies of MVNO from those of its host Mobile Network Operator.
- 3.1.2 MNOs and MVNOs shall be free to negotiate the model that best fulfil their interests and business strategies. Consequently, more than one type of MVNO can be implemented in Jordan depending on how far an MVNO wishes to rely on the facilities of the host MNO, the adopted segmentation of the market and the proposed product sets.

## **3.2 Licensing**

- 3.2.1 The MVNO is a provider of Public Telecommunication Service (as defined within Article 2 of the Telecom Law). Thus, any party intending to provide MVNO Services is required to apply for a License in accordance with the current licensing and regulatory regime.
- 3.2.2 The type of License required for the provision of MVNO Services shall be the Individual License. This is due to using of Scarce Resources as detailed in Article (3.6) hereunder.

## **3.3 Interconnection**

- 3.3.1 Licensees who provide MVNO Services shall be eligible to interconnect and negotiate their interconnection arrangements with other Licensees in accordance with their License Agreements and any related Regulations.
- 3.3.2 If the agreed MVNO operational arrangements between the host MNO and the MVNO implies wholly or in part using one or more of the identified Interconnection Services, then the host MNO shall provide such Interconnection Services to the MVNO in accordance with its obligations under the License Agreement and Interconnection Instructions

## **3.4 Access to the MNO Facilities**

- 3.4.1 Licensees intending to provide MVNO Services shall be eligible to negotiate their operational arrangements with the intended host MNO in order to obtain access to the MNO's Frequencies, underlying network infrastructure and Telecommunications System for the purpose of conveying the traffic originated by and/or destined to the MVNO subscribers in a fair and non-discriminatory manner.
- 3.4.2 Traffic generated by the subscribers of the MVNO is not considered within the scope of the Traffic Origination Services as defined within the current Interconnection Instructions. Therefore, the provision of any service by the MNO that is not identified within the current Interconnection Instructions, such as access to MNO's Frequencies, underlying network infrastructure and Telecommunications System necessary for MVNO operation, shall be subject to commercial negotiations between the MNO and the MVNO.

## **3.5 Approval of Agreements**

- 3.5.1 Any agreement between the host MNO and any MVNO shall be filed for approval by the TRC. Such agreement shall not come into effect until it has been approved by the TRC. The TRC shall be deemed to have approved any such agreement thirty (30) days after it is filed unless it gives written notice of disapproval to the both the host MNO and the MVNO prior to the expiry of that thirty (30) day period.

## **3.6 Numbering and Network Code Requirements**

- 3.6.1 The TRC shall allocate blocks of numbers directly allocated to MVNOs in accordance with the National Numbering Plan (NNP) and the Regulations for Allocation and Reservation of Number Capacity. Sub-allocation from number ranges of the host MNO shall not be allowed.
- 3.6.2 The TRC shall allocate Mobile Network Codes (MNCs) to MVNOs in accordance with the National Numbering Plan (NNP) provided that the MVNO has the capacity to authenticate a roamed subscriber. For greater certainty, and in order to be eligible for an NMC allocation, the MVNO must have a Home Location Register (HLR), switching capacity and an authentication centre.

## **3.7 Quality of Service Obligations**

- 3.7.1 The MVNO and the host MNO shall sign a Service Level Agreement (SLA) so as to ensure that the Quality of Service (QoS) obligations for Public Mobile Telecommunications Services are fully met. Such SLA shall be submitted to the TRC for approval in accordance with Article (3.5.1) above.

## **3.8 General Provisions**

- 3.8.1 Win-back campaigns by the host MNO shall be prohibited for a period of One (1) year starting from the day the MVNO starts providing MVNO Services.
- 3.8.2 There will be no undue restriction upon the number of MVNOs to be licensed.
- 3.8.3 Revenue share obligations that are imposed on the MNOs shall also be applicable to the MVNOs. Therefore, the MVNO shall pay to the TRC annually in arrears on each anniversary of the Effective Date 10% of its operating revenues from its MVNO Services net of service tax, calculated in accordance with the following formula as amended modified or replaced by TRC:

Operating Revenue from MVNO Services =  $A' + (B - C)$ , where:

- A': Total annual sales of the licensed MVNO Services to its Customers net of service tax.
- B: The annual aggregate receivables from interconnected licensees and international carriers for the interconnection capacity or traffic originating from their customers and destined to customers on the MVNO's network.
- C: The annual aggregate payables by the MVNO to interconnected licensees and international carriers for interconnection capacity, traffic originated from MVNO's network or its customers' traffic originating using the host MNO's network.

- 3.8.4 Providing MVNO Services by an MNO shall be subject to TRC pre-assessment, evaluation and determination on a case-by-case basis so as to ensure that this shall not give rise to any anti-competitive practice or market distortion.
- 3.8.5 Licensing of any party that is intending to provide MVNO Services by the TRC shall not oblige MNOs to provide access to their underlying network infrastructure, Telecommunications Systems and facilities. Moreover, the TRC shall not intervene if negotiations between the MNO and MVNO cannot be concluded or a viable agreement cannot be reached.
- 3.8.6 Mobile Number Portability (MNP) regulations shall be applied to the MVNO as soon as they are implemented.
- 3.8.7 Any dispute or difference arising between the host MNO and the licensed MVNO relating to or arising out of any agreement approved by the TRC shall be resolved in accordance with the Dispute Resolution Instructions.
- 3.8.8 Any agreement between the host MNO and MVNO shall include provisions on the procedure, processes and the associated costs that are to be applied when an update or enhancement to host MNO's or MVNO's facilities and/or Telecommunication Systems are in place, or in case of migration from one set of used network elements to another.