



Regulatory Framework on Carrier Selection

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1. INTRODUCTION

- 1.1 The Telecommunications Act (the Act) and its Bylaw (the Bylaw) give the Communications and Information Technology Commission (CITC) the mandate to “ensure creation of favorable atmosphere to promote and encourage fair competition in all fields of telecommunications.”
- 1.2 The Information and Communication Technology (ICT) sector in the Kingdom of Saudi Arabia (KSA) is being liberalized. With the entry of new players in the ICT sector, it is important to provide a regulatory framework that stimulates competition and ensures that competition result in greater benefits to the users. Carrier Selection is a regulatory tool that has the potential to bring about such benefits.
- 1.3 The CITC intends to promote competition in the ICT market by introducing indirect access through Carrier Selection.
- 1.4 This “Regulatory Framework on Carrier Selection” addresses the implementation of Carrier Selection by Fixed Facility Based Providers (FBPs).

2. DEFINITIONS AND DESCRIPTIONS

- 2.1 The words and expressions defined in the Commission Statutes shall have the same meaning when used in this regulatory framework. The following words and expressions shall have the meaning assigned to them below, unless the context requires otherwise.
- 2.2 “Carrier Selection” (CS) means a mechanism which allows Subscribers directly connected to one FBP’s network to proactively select an alternative FBP for voice telephony services. It is a form of indirect access as it allows FBPs access to Subscribers who are connected to the local loop of another FBP. There are two main schemes for CS implementation:

- a) Call By Call Carrier Selection (CBC CS); and
- b) Carrier Pre Selection (CPS)

These schemes can be implemented individually or together. In this document, CS refers to Carrier Selection in general, “full blown Carrier Selection” refers to CBC CS and CPS together, while Call by Call and Carrier Pre Selection will be strictly termed CBC CS and CPS respectively.

- 2.3 “Call by Call Carrier Selection (CBC CS)” means a mechanism that allows Subscribers to select an FBP to carry their call each time a call is made. This is done by dialing a Carrier Identification Code (CIC). CBC CS can be implemented in two ways:



- a) Equal Access: Whereby access to all carriers requires the dialing of a CIC + calling number. If no CIC is dialed, the call is not made. This means that there is no default carrier.
 - b) Unequal Access: Whereby access to new entrants requires the dialing of a CIC. If no CIC is dialed, the call is, by default, carried by the Carrier to which the Subscriber is connected.
- 2.4 “Carrier” means the same as a Facility Based Provider (FBP) in the context of this Regulatory Framework.
- 2.5 “Carrier Pre-Selection (CPS)” means a mechanism that allows Subscribers to select, in advance, alternative FBP to carry their calls without having to dial a prefix or install any special equipment at their premises.
- 2.6 “Facilities Based Provider” (FBP) means a service provider who builds, owns and operates a public telecommunications network.
- 2.7 “Fixed Services” are defined as electronic communications services between fixed or nomadic apparatus or stations.
- 2.8 “Fixed FBP” means FBP who provides Fixed Services.
- 2.9 “KSA” means the Kingdom of Saudi Arabia.
- 2.10 “Multi Basket Approach” means implementation of CPS where Subscribers can choose a different pre-selected FBP for each pre-selectable service.
- 2.11 “Subscriber” means any person or any entity that is a party to a contract or other similar arrangement that is in force with a service provider for the supply of ICT service(s).

3. CONSIDERATIONS

- 3.1 In the absence of any form of Carrier Selection, new entrants would have access to only a limited set of Subscribers due to the substantial investments needed to provide direct connections. Substantial time is also required for the construction of a new telecommunications network.
- 3.2 The benefits of Carrier Selection are as follows:
- 3.2.1 Increased choice for Subscribers: Subscribers can choose service(s) offered by competitor(s);
 - 3.2.2 Cheaper prices / Higher service quality: Since a Subscriber’s ease of migration increases, FBPs are pressured to attract new and existing Subscribers through lower prices and better service; and



- 3.2.3 Available to all Subscribers: Since all Subscribers have access to all FBPs; the benefits of CS will be available to all Subscribers.
- 3.3 The scope of CS services to be made available through CS should be guided by the degree of competition needed in the respective markets/ services.
- 3.4 A multi basket approach would have the effect of stimulating competition in specific markets (e.g. International Long Distance) and allow greater choice.
- 3.5 The CITC has also reviewed and assessed the comments received from the concerned parties in response to the Public Notice No. (8/1427) dated 15/04/1427H (13/05/2006G) on the Proposed Policies Related to Fixed and Mobile Service Licensing in the KSA.

4. REGULATORY FRAMEWORK

CS Applicability

- 4.1 All Fixed FBPs shall offer CS for their Subscribers according to the terms and conditions laid out in this regulatory framework. Subscribers directly connected to one Fixed FBP's network may select an alternative Fixed FBP for voice telephony services.

Approach to CS

- 4.2 A two phased approach shall be adopted - Phase 1: Call By Call Carrier Selection and Phase 2: Full blown Carrier Selection i.e. Carrier Pre Selection with Call By Call override.

Scope of CS Services

- 4.3 CS shall be introduced for the following services: International Long Distance (ILD) first, followed by National Long Distance (NLD) and Fixed to Mobile.
- 4.4 The need to expand the scope of services available through CS will be evaluated on a regular basis and the CITC may decide to expand the scope of such services from time to time.

Single / Multi-Basket Approach

- 4.5 A Multi Basket Approach shall be adopted wherein the Subscribers are allowed to select different Fixed FBPs for each service (e.g. Service Provider A for ILD, Service provider B for NLD etc.).



Cost Allocation and Recovery

- 4.6 The cost associated with CBC implementation shall be borne by the FBP who incurs the cost.
- 4.7 For the CPS implementation, the CITC will determine the costs for CPS implementation by Fixed FBPs and define the mechanism to equitably distribute the costs based on industry accepted practice.

CS Implementation

- 4.8 The CITC shall be responsible for coordinating the implementation of the CS, including details like access charges, cost recovery etc.
- 4.9 CS shall be implemented within the following time frame:
- a) D: First Fixed FBP licensed after the issuance of this regulatory framework
 - b) D+24 months: ILD Call By Call Carrier Selection
 - c) D+30 months: NLD & Fixed to Mobile Call By Call Carrier Selection
 - d) D+36 months: Full blown Carrier Pre-Selection i.e. Carrier Pre-Selection with Call By Call override