

Public Consultation Document

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Public Consultation Document

on

**The Proposed Updated Interconnection Guidelines
and Guidelines for Access to Physical Facilities
in the Kingdom of Saudi Arabia**

Issued by CITC in Riyadh, 13/1/1436H; 6/11/2014G

1 Introduction

The Communications and Information Technology Commission (CITC) is empowered by its Statutes to establish the terms and conditions that govern public communications network access in the Kingdom of Saudi Arabia (KSA), with the objective of encouraging fair competition in all fields of and Information and Communications Technology (ICT).

In view of the technological and market developments in ICT since the current Interconnection Guidelines were issued in 2003, CITC has concluded that the Interconnection Guidelines need to be updated and new Guidelines issued to cover access to physical facilities, while taking into account the increased competitiveness in the ICT markets, the Decisions issued by CITC with the introduction of the Regulatory Framework for Designation of Markets and Dominance in the Telecom Sector; as well as to reflect the impact of introduction of next generation networks (NGN) based on IP and optical fiber.

In addition, CITC wishes to foster increased penetration of high speed broadband services. Construction of new broadband infrastructure including fixed access networks is time-consuming and costly and can result in disturbance to the public. It is therefore also important to establish rules and guidelines that encourage investment and optimize access to network infrastructure by licensed Service Providers.

With this public consultation, CITC seeks the views of interested parties on the two attached proposed Guidelines documents.

2 Comments Invited

CITC hereby seeks comments from interested parties on the proposed Guidelines outlined in this Public Consultation. CITC invites concerned parties and the public to submit written comments on any issue they believe relevant regarding the Guidelines.

CITC welcomes and invites comments and responses to the numbered “Questions” set out in the Consultation Document. CITC particularly encourages parties directly affected by the Guidelines to provide detailed comments on the issues raised in this Public Consultation Document supported by appropriate data, analysis, benchmarking studies, and justifications.

These comments will be taken into account in shaping the final Guidelines. CITC may give greater weight to comments supported by appropriate evidence.

CITC welcomes written comments delivered in both Arabic and English; however, comments in either language will suffice.

The consultation document and any responses to it are not binding on CITC. The Commission may publish the comments on its website if it deems appropriate and in conformance to its Statutes. In general CITC does not consider such responses to be confidential.

3 Form of Response, Schedule and Procedures

In providing their comments, interested parties are requested to specify contact details including the name of the party, address, phone number(s) and e-mail address.

Parties providing comments are kindly requested to use the template provided in Appendix A at the end of this document and to clearly indicate the title and section or paragraph of the document to which the comments refer.

All comments must be submitted to CITC no later than 13/4/1436H, corresponding to 2/2/2015G, to one or more of the following addresses:

1. E-mail to: interconnection@citc.gov.sa
2. By hand delivery (a softcopy and a hardcopy) or by post to the following address:

Office of the Governor

Communications & Information Technology Commission (CITC);

Al-Nakheel Quarter, Prince Turki Bin Abdul Aziz I and Imam Saud Bin Abdul Aziz Intersection

P.O. Box 75606

Riyadh 11588

Kingdom of Saudi Arabia.

4 Development of the Guidelines

In developing the Guidelines, CITC conducted certain reviews, studies and benchmarking of practices in other countries. Some of the more significant findings of these studies are summarized as follows:

- Access and interconnection are important regulatory topics which usually are addressed at the policy-setting level. Most benchmarked countries view both topics as interrelated although a common definition of terms does not always exist.
- Given the differences in the content of interconnection and access issues, and based on common international practice, two separate documents were developed:
 - (1) Interconnection Guidelines which regulate the provision of services that enable any-to-any communication between end-users through interconnection between Service Providers. This document represents a revision of the Interconnection Guidelines issued in 2003.
 - (2) Guidelines for Access to Physical Facilities that focus on the efficient use and sharing of physical telecommunications infrastructure and passive network elements.
- In most countries, as is the case in KSA, access and interconnection obligations vary depending on whether a service provider is deemed to be dominant. Although general obligations for all network service providers to interconnect are specified, dominant service providers are normally subject to further obligations, for example the obligation to publish reference offers.
- Due to the developments in broadband infrastructure, especially fiber networks, the remedies imposed on service providers have recently been broadened in many countries to support the rollout of such networks. In particular, additional access services (e.g. access to ducts and dark fiber) have been introduced. This approach is applied in the development of the Guidelines for Access to Physical Facilities
- Specific consideration has been given to the relationship between symmetric and asymmetric regulation. Asymmetric regulation is very common internationally and is also applied in KSA. The rationale for asymmetric regulation is to redress the consequences of dominance. Where no service provider is dominant, regulations are generally applied symmetrically on all service providers. Further, symmetric regulation may be useful with respect to newly established infrastructure where no service provider benefits from a historic advantage. As the rollout of ultra-fast broadband networks (mobile and fixed) is currently ongoing by several Service Providers in KSA and all Service Providers would benefit from a reduction of rollout costs, symmetrical regulation could also be applied for most wholesale services with regard to rollout of new infrastructure.

5 Interconnection Guidelines

CITC published its Regulatory Framework for Designation of Markets and Dominance in the Telecom Sector with Decision 271/1431 dated 18/9/1431H, and issued subsequent individual Decisions on designation of markets and dominance pursuant to that Regulatory Framework. These Decisions designated which Service Providers, if any, are dominant in each of those markets.

Accordingly, the proposed Interconnection Guidelines are designed to:

- Distinguish between the different ICT markets and define the obligations of the Service Providers that are found to be dominant in such markets. For example, if a Service Provider is found to be dominant in the market for fixed call termination, its dominance related obligations will be limited to the services it provides in that market.
- Update and expand the list of interconnection services based on current market conditions and clarify the definition of the services.
- Reflect the impact of technological changes while at the same time avoiding references which are technology specific (technologically neutral approach).
- Reflect the requirements specified in Regulatory Framework documents issued since the initial Guidelines were published, for example the Regulatory Framework on Interconnection for IP based networks, international cable landing points and leasing of dark fiber.

Furthermore, given that working relationships are in place and functioning between Service Providers, the proposed Interconnection Guidelines provide somewhat less detailed and specific provisions on technical, operational, management and regulatory aspects of interconnection. It is not anticipated that by reducing such stipulations in the Guidelines, the technical, management and operational aspects of interconnection will be impacted. On the contrary, these aspects should not only be maintained but be further developed by way of the bilateral working groups as well as the multilateral working groups of all Service Providers that may be formed, rather than by regulation. This approach should support the introduction of IP based networks, ensure interoperability of these networks, and guarantee any-to-any communication for the benefit of end-users.

6 Guidelines for Access to Physical Facilities

The rollout of fiber-based (access) networks requires extensive new outside plant installations and substantial investments in digging and laying fiber cables to connect network infrastructure, dwellings or governmental and business establishments to the network.

The worldwide developments in broadband access networks indicate a strong need for access-related regulation. It is generally recognized that infrastructure competition in fiber-based access networks is not economically viable. Furthermore, construction by competitive Service Providers would cause significant public disturbance by multiple digging and construction works.

It is international best practice that the regulatory authorities establish policies and regulations that support the rollout of next generation networks and that enable Service Providers to reduce their investments and expedite the rollout of their networks. Such policies and regulatory measures can include encouraging access to existing infrastructures, as well as supporting coordination among telecommunications Service Providers in the construction and rollout of fiber-based networks. Such support can be joint construction, where two or more parties jointly build and possibly own and operate the infrastructure; co-investment, where one party deploys the infrastructure and the others participate through investment; provision of (spare) capacity for future lease by other parties; or granting access to existing facilities and infrastructure.

Telecommunications legislation in the benchmark countries supports the concept of access and infrastructure sharing; however, this comes in different forms and obligations. If no dominance is found (or no market is defined) such access is granted on a commercial basis.

The Act, Bylaw and CRTC Regulatory Frameworks require Service Providers to provide access to infrastructure (such as towers, masts, ducts, vaults, dark fiber, cable landing points, and certain buildings). Symmetric regulation is appropriate for such access, where no Service Provider is designated as being dominant. However, additional obligations can apply where dominance is found in the relevant markets or where a Service Provider is determined to be controlling Essential Facilities.

Currently, no markets are designated for services relating to access to physical facilities, and no Service Provider has been designated as being dominant in such markets. Furthermore, CRTC has made no determinations on such Essential Facilities or on the conditions for their provision. Therefore, the general provisions set out in the Guidelines, which are based on

commercial agreements that adhere to commercially reasonable and technically feasible conditions, will initially apply to all Service Providers. However, the Guidelines do contain specific obligations that apply to Dominant Service Providers and to the Essential Facilities of all Service Providers, should CITC make such determinations in the future. These obligations include preparation of a Reference Access Offer.

In order to safeguard availability of access in the future, the Guidelines also contain provisions requiring all Service Providers to take into account future access needs when planning new infrastructure. For example, by joint construction and reserving capacity for other Service Providers.

The Guidelines in general apply to existing and new infrastructure. However, the Commission is cognizant of the operational complexity of sharing existing ducts that were not designed for the purpose of sharing (including safety and security).

The Guidelines further include stipulations for a multilateral working group. Such a working group may be set up in order to facilitate efficient rollout of next generation (access) networks by setting the right incentives for joint construction, spare capacity, and access to newly established ducts and dark fiber.

In this regard and in addition to preparing these Guidelines, CITC is already working with the Facilities Based Providers (FBPs) to develop-mutually agreed principles, technical standards and procedures for cooperation by entering into partnerships for the implementation and sharing of FTTX duct and cable infrastructure that would optimize investment and minimize the digging of streets.

7 Questions for the Public Consultation

7.1 General Questions

1. What are your views on the extent to which the Guidelines for Access to Physical Facilities will support and speed up the development of infrastructure and network rollout in the KSA?
2. How do you evaluate the provision and availability of access products in the Kingdom? What are your views on the extent to which the proposed Guidelines support the availability of such services and foster investment in the sector?
3. How do you evaluate the general relationship between (1) the Interconnection Guidelines and (2) the Guidelines for Access to Physical Facilities? Do they complement each other? Do you agree with the scope each one covers?
4. How do you evaluate in general the two proposed Guidelines documents? Will they improve the current situation regarding interconnection and access and will they support faster and more cost-effective network rollouts?
5. Are there areas in which the proposed Guidelines need to be amended or extended?

7.2 Questions on Interconnection Guidelines

6. Are the definitions of interconnection services sufficiently clear? If not, which amendments to you propose?
7. Do you agree with the principles and obligations stated in the Guidelines? Do other principles need to be included, and if so which ones?
8. Are the technical and operational requirements in the Guidelines clear and sufficient? If not, please elaborate on which requirements need to be clarified or added
9. Does the set of interconnection services suffice or are additional interconnection services needed? Are any defined interconnection services unnecessary? If so, what amendments are proposed?
10. What are your views on the conformance of the requirements in the Guidelines to the principle of technological neutrality?

11. What are your views on the approach in the Guidelines relating to pricing of interconnection services in a RIO? Do other principles need to be included?
12. What is your view on the extent to which a multilateral working group would be an appropriate means to further develop the technical, operational and management aspects of interconnection? How would you suggest such a group be established?
13. What are your views on the extent to which the obligations of Dominant Service Providers are clear and sufficiently linked to the markets in which they are dominant?

7.3 Questions on Guidelines for Access to Physical Facilities

14. Are the definitions in the Guidelines sufficiently clear? If not, which amendments do you propose?
15. Do you agree with the principles and obligations stated in the Guidelines? Do other principles need to be included, and if so, which ones?
16. What are your views on the extent to which symmetric regulation of infrastructure sharing for non-dominant Service Providers is the right approach in order to encourage investment in new infrastructure and promote network rollout?
17. Do you agree with the proposed regulatory requirements and content of a RAO? Do other requirements need to be included, and if so, which ones?
18. Does the set of access services suffice or are additional access services needed? Are any defined access services unnecessary?
19. What are your views on the extent to which a multilateral working group would be an appropriate means to further develop the technical, operational and management aspects of access to infrastructure? How would you suggest such a group be established?
20. Do you agree with the approach in the Guidelines to pricing of access services in a RAO? Do other principles need to be included?
21. The Guidelines for Access to Physical Facilities generally apply for all infrastructures. Nevertheless, CITC intends to apply a different approach for access to ducts. Do you support the intended approach or can you propose a different approach for access ducts?

22. What are your views on the extent to which the stipulations in the Guidelines about the obligations for safeguarding availability of access in new infrastructure (including reserved capacity) are suitable to support future access to such infrastructure?

Document Name:

Respondent

Name of organization:

Respondent's name:

Address:

Phone Number:

E-Mail:

Paragraph Number in Document or Question Number	Comments / Answers