

هيئة الاتصالات وتقنية المعلومات
Communications & Information Technology Commission



A Public Consultation Document

on

STC Reference Offer for Data Access (RODA)

Issued by CITC in Riyadh,

19/02/1430 H, 14/02/2009 G

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1. INTRODUCTION

One of the objectives of the Government of the Kingdom of Saudi Arabia ("KSA") in the sector liberalization process is to promote the expansion of broadband access and services across the Kingdom. Communications and Information Technology Commission ("CITC") Decision 1/1423 classified the Saudi Telecommunication Company ("STC") as a dominant service provider. Once so classified, STC became subject to the relevant provisions of the CITC statutes that apply to dominant service providers. This includes the provision of access to telecommunications facilities at any technically feasible point, and under the same conditions and quality as the dominant service provider offers its own services, or those of its affiliates.

As an initial step to promote the expansion of broadband access and service objective, CITC issued Decision 52/1425 on **21/7/1425H**, corresponding to September 5, 2004. Decision 52/1425 directed STC to prepare a proposal to provide data service providers ("DSPs") with unbundled line sharing and bitstream access to STC's local loop networks, for the provision of non-voice data services.

Decision 137/1427 approved the Regulatory Framework on Unbundling (the "Unbundling RF"), which set out that STC shall also offer unbundled line sharing and bitstream access to new fixed facilities-based service providers ("Fixed FBPs"). The Unbundling RF also stipulated that STC's unbundling obligation is for a period of five years from the date of award of the first Fixed FBP license and that at the end of the third year, the new Fixed FBPs utilizing any unbundling services shall submit their plans to CITC to maintain services to the subscribers at the end of the obligation period.

In Decision 178/1428, CITC approved STC's final revised Reference Offer for Data Access ("RODA"), following a first public consultation process (the "First Consultation") regarding STC's draft proposed RODA, pursuant to Public Notice 13/1427 issued on **17/7/1427 H** corresponding to August 12, 2006 G

Pursuant to Article Four of Decision 178/1428, CITC indicated that the STC RODA should be reviewed and an amended RODA should be issued within 18 months of the decision. Accordingly, CITC hereby initiates this Public Consultation on STC's RODA as a means of obtaining comments from all concerned parties regarding the STC RODA, prior to approving an amended RODA.

2. PUBLIC CONSULTATION PROCESS

2.1 Objective and Aim of the Consultation

CITC invites all members of the public, including the three new Fixed FBPs, the existing DSPs, as well as all other interested private individuals, public organizations, and commercial entities to register and participate in this consultation process (together, the "Respondents").

The objective of this consultation process is to provide Respondents with the opportunity to provide comments to CITC on STC's RODA, a copy of which is attached as Attachment B. The aim of this public consultation process is to assist CITC in its decision regarding the approval of an amended STC RODA.

2.2 Comments on Consultation Document

This Public Consultation Document is available on CITC's website at <http://www.citc.gov.sa>.

Respondents are invited to submit their comments in writing to CITC. All comments must be received by CITC no later than **1/4/1430 H**, corresponding to **28/3/2009 G**. All Respondents who submit comments on this Public Consultation Document by such date will be deemed to have registered with CITC for purposes of the Rules of Procedure.

Comments filed in relation to this Public Consultation Document may be submitted to one or more of the following addresses:

- a) E-mail to: **roda@citc.gov.sa**;
- b) Delivery (hard and soft copy) by hand or by courier to:

Office of the Governor,
Communications and Information Technology Commission (CITC)
King Fahad Road, P.O. Box 75606
Riyadh 11588
Kingdom of Saudi Arabia

CITC welcomes and invites comments and responses to the-numbered “Questions” set out in the Consultation Document attached as Appendix A (the “Consultation Questions”). Subject to section 3 below, CITC intends to publish on the CITC website copies of all comments submitted by Respondents

CITC encourages Respondents to support all comments with relevant data, analysis, benchmarking studies, and information based on the national situation or on the experience of other countries to support their comments. CITC may give greater weight to comments supported by appropriate evidence. In providing their comments, Respondents are requested to indicate the number of the Consultation Question(s), or of the clause(s) in the document, to which the comment relates. Respondents are not required to comment on all Consultation Questions. CITC will consider all comments received but is under no obligation to adopt the comments of any Respondent.

2.3 Replies on Comments

CITC hereby informs Respondents that, pursuant to Article 26 of the Rules of Procedure, CITC intends to provide all Respondents who submit comments in the context of this Public Consultation with an opportunity to submit “replies” in relation to the comments filed by other Respondents.

CITC will inform Respondents, at the same time as CITC publishes Respondents’ comments on the CITC website, of the date by which they must submit their replies (if they choose to exercise this right).

Replies filed in relation to this Public Consultation Document may be submitted to one or more of the addresses set forth above in Section 2.2.

3. PUBLICATION OF SUBMISSIONS AND THE TREATMENT OF CONFIDENTIALITY CLAIMS

The following methodology will apply to the publication of submissions and any claim of confidentiality by Respondents in relation to a document submitted to CITC in relation to this Public Consultation:

(1) Where a document is submitted by a Respondent to CITC in relation to this Public Consultation, CITC shall place a copy of the document on the CITC website at <http://www.citc.gov.sa> unless the Respondent asserts a claim of confidentiality, as regards part(s) or the entire document, at the time of such submission.

(2) A Respondent asserting such a claim of confidentiality in connection with a document shall at the same time submit to CITC either a redacted version of the document to be placed on the public record in which the confidential information in the document has been removed or, where the entire document is deemed by the Respondent to be confidential, reasons for objecting to the submission of a redacted version thereof. Where Respondents submit either paper or .PDF versions of their comments, Respondents must also submit documents in an electronic format that may be edited (such as MS Word or MS Excel). For redacted versions of submission, Respondents should edit them

in a manner that facilitates a determination of the places where and the extent to which information has been omitted (for example, by means of use of square brackets and/or hash marks - ##).

(3) Each claim of confidentiality made in connection with a document submitted to CITC or requested by CITC shall be accompanied by written reasons for such confidentiality claim. Any such claim of confidentiality shall itself be placed on the public record on the CITC website.

(4) CITC will only consider claims of confidentiality that meet the definition of "Confidential Information" set forth at section 11.1 of the Rules of Procedure. If a claim of confidentiality is made in relation to information that does not meet the definition of "Confidential Information" set forth in the Rules of Procedure, then CITC may, subject to subsection (8) below, decide to place the information on the public record on the CITC website.

(5) Where, pursuant to (3) above, it is asserted that specific direct harm would be caused to the Respondent claiming confidentiality, sufficient details shall be provided as to the nature and extent of such harm. If no justification is provided as to why the information should be designated as confidential information, then CITC will assume that it is non-confidential and may, subject to subsection (8) below, decide to place the information on the public record on the CITC website.

(6) Any registered party to the public consultation process wishing the public disclosure of information in respect of which there has been a claim for confidentiality may submit to CITC within 5 days of the publication of the confidentiality claim:

(a) a request for such disclosure setting out the reasons therefor, including the public interest in the disclosure of all information relevant to CITC's regulatory responsibilities; and

(b) any material in support of the reasons for public disclosure.

(7) A copy of a request from a registered party for the public disclosure of information in respect of which there has been a claim for confidentiality shall be provided to the Respondent claiming confidentiality and that Respondent may, unless CITC otherwise determines, submit a reply to CITC within 5 days after the date of service of the request and shall, where a reply is submitted, provide a copy thereof to the party requesting public disclosure.

(8) Where CITC of its own motion requests that information for which confidentiality has been claimed be placed on the public record, the Respondent claiming confidentiality shall have 5 days to submit a reply, unless CITC otherwise determines.

(9) Where CITC is of the opinion that, based on all the material before it, no specific direct harm would be likely to result from disclosure, or where any such specific direct harm is shown but the benefits of disclosure outweigh any harm to the person who submitted the information, CITC may issue a decision to order that the information be placed on the public record.

(10) Where CITC is of the opinion that, based on all the material before it, the specific direct harm likely to result from public disclosure justifies a claim for confidentiality for all or parts of the document, CITC may

(a) order that the confidential information not be placed on the public record;

(b) order disclosure of a redacted version of the document; or

(c) order that some or all parts of the document be verbally disclosed to the other Respondents at a closed hearing.

Attachment A: Assessment of STC RODA

This Public Consultation Document provides CITC's preliminary views with respect to the STC current RODA included in Attachment B of this Consultation Document. CITC's preliminary views are based on a detailed analysis of the current RODA and a review of the corresponding international practice and experience. This Chapter addresses the question of whether the current RODA meets the objectives set out in Decision 52/1425. That is, to provide DSPs with unbundled line sharing and bitstream access to STC's local loop networks, for the provision of non-voice data services.

1.1 *RODA Primary Document*

CITC does not have any comments on the Primary Document at this phase of the Public Consultation.

Question 1: *Please provide comments on the Primary Document, including whether you consider any of the terms to be unusual or anti-competitive.*

1.2 *Annex A: Definitions and Glossary of Terms*

CITC does not have any comments on Annex A at this phase of the Public Consultation.

Question 2: *Please provide comments on Annex A.*

1.3 *Annex B: Billing Processes and Procedures*

CITC does not have any comments on Annex B at this phase of the Public Consultation.

Question 3: *Please provide comments on Annex B.*

1.4 *Annex C: Technical Information*

1. **Annex C, Attachment 1: Bitstream ADSL CPE Specifications**

CITC does not have any comments on Annex C, Attachment 1 at this phase of the Public Consultation.

Question 4: *Please provide comments on Annex C, Attachment 1.*

2. **Annex C, Attachment 2: Bitstream Access Link CPE Specifications**

CITC does not have any comments on Annex C, Attachment 2 at this phase of the Public Consultation.

Question 5: *Please provide comments on Annex C, Attachment 2.*

3. Annex C, Attachment 3: Environmental and Power

This attachment defines the environmental and power requirements for OLO equipment; however it does not contain a statement of the environmental and power conditions that STC will supply within collocation areas. Moreover, in Paragraph 1.1.2, reference is made to a 'proof of compliance' being required for each environmental requirement.

Given that it is important that OLOs not face a burdensome compliance process that STC does not face, and in order to facilitate the compliance process for OLOs, CITC is of the preliminary view that Attachment 3 should be amended to contain a statement of the environmental and power conditions that STC will supply within collocation areas.

Question 6: *Please provide comments on the technical matter discussed above, including on CITC's preliminary views on this matter, as well as on any other matters in this Attachment.*

4. Annex C, Attachment 4: Tie Cable Characteristics

CITC does not have any comments on Annex C, Attachment 4 at this phase of the Public Consultation.

Question 7: *Please provide comments on Annex C, Attachment 4.*

1.5 Annex D: Management of Data Access Services

CITC does not have any comments on Annex D at this phase of the Public Consultation.

Question 8: *Please provide comments on Annex D.*

1.6 Annex E: Forecasting

Section B, Paragraph 2 & 3

The RODA requires that OLOs submit forecasts every 6 months. These forecasts fall into two groups: (i) Short term monthly forecasts for the next six months (Advanced Capacity Order); and (ii) Long term forecasts for each quarter over the next 18 months. This covers Line Sharing, Wholesale Bitstream Service, Bitstream Access Link Service, and Wholesale Backhaul for Line Sharing. ADSL DSLAM Site Sharing Service does not require a forecast, but it is proposed that these be allocated on a first come, first served basis.

CITC has examined international practice and trends in this matter. Benchmark results showed periods of 3 months for short-term forecasts and 12 months for long-term forecasts. The CITC is of the preliminary view that the length of time applicable to forecasts should be reduced in order to be more consistent with the benchmark results. In addition, CITC is of the preliminary view that OLO should submit short-term and long-term forecasts

every 3 months (corresponding to the proposed revised length of the short-term forecast). CITC therefore seeks Respondents' view on such matters.

Question 9: Please provide comments on the forecasting requirements matter discussed above, including CITC's preliminary views on this matter, as well as on any other matters in this Annex.

1.7 Annex F: Price List

Wholesale Bitstream Service (Schedule 1.1)

CITC has examined international practice and trends in this matter. Benchmark results showed an average rental charge per line per quarter for 256 k bit/s of approximately 210 SAR compared to the current STC rate of 240 SAR for this service. CITC is of preliminary view that RODA prices for this service should be reduced in order to be more consistent with the benchmark results. Moreover, given that STC provides 2 Mbit/s and 8 Mbit/s services on a retail basis, CITC is of the preliminary view that STC should offer on a wholesale basis services corresponding to all speeds of retail services and that the RODA be modified accordingly.

Question 10: Please provide comments on the STC prices for Bitstream Service and on the need to include in the RODA wholesale basis services corresponding to all speeds of retail services offered by STC as discussed above, including CITC's preliminary views on the matter. Respondents are encouraged to provide justification for their comments, including, if possible, with reference to international benchmarking.

Local Loop Sharing Service (Line Sharing) (Schedule 2.1)

CITC has examined international practice and trends in this matter. Benchmark results showed an average rate of approximately 20 SAR for the line sharing monthly rental compared to the current STC rate of 30 SAR for this service. CITC is of preliminary view that RODA prices for this service should be reduced in order to be more consistent with the benchmark results.

Question 11: Please provide comments on the STC prices for Line Sharing Service, including CITC's preliminary view on the matter. Respondents are encouraged to provide justification for their comments, including, if possible, with reference to international benchmarking.

ADSL DSLAM Site Sharing (Schedule 2.2, paragraph 3)

The RODA does not include a specific price for the rental of site sharing space, and proposes that it should be "bespoke". CITC notes that the principle of a reference offer suggests that terms and conditions should not be left as bespoke and that all services being offered should include standard terms and conditions, including with respect to charges. CITC is aware that collocation prices will vary depending on the commercial building or ground rents in any given location. Since each potential location will vary in price, CITC is of the preliminary view that STC should publish some examples of rentals in the RODA, plus maintain an annexed schedule of any site rentals that have been subject to quotation.

Question 12: *Please provide comments on the site sharing issue discussed above, including CITC's preliminary view on the matter. Respondents are encouraged to provide justification for their comments, including, if possible, proposed charges with reference to international benchmarking.*

Question 13: *Please provide comments on any other pricing matter in Annex F.*

1.8 Annex G: Services Schedule

Schedule 2.2: ADSL DSLAM Site Sharing Service for Line Sharing, General

The RODA includes that the ADSL DSLAM Site Sharing Service be provided by the means generally referred to as "Adjacent Collocation". CITC is concerned that STC is only offering Adjacent Collocation, as this may require relatively expensive and difficult construction of buildings within the STC site. Since this may be considered discriminatory, as STC's own ADSL equipment could likely be installed at a relatively lower cost within their normal exchange equipment area, CITC is of the preliminary view that, if feasible, STC should also offer "Co-mingling or Dedicated Collocation". If this is not feasible (for instance, if space is shown to be limited or if legitimate security concerns are demonstrable), then another alternative is for the OLOs and STC to develop proposals for the use of a containerized solution for Adjacent Collocation, which might reduce costs and simplify construction. Whatever solution is adopted, CITC believes that OLOs' DSL equipment should be installed in conditions that are as similar as possible to those of STC.

Question 14: *Please provide comments on the collocation matter discussed above, including CITC's preliminary views on the matter. Respondents are encouraged to provide justification for their comments, including, if possible, with reference to international trends and practices. CITC would particularly welcome comments on the comparative benefits and costs of the different possible forms of Adjacent Collocation (e.g. new building versus containerized solutions, etc.) and with respect to Co-mingling Collocation.*

Question 15: *Please provide comments on any other matters in Annex G.*

1.9 Annex H: Operations and Maintenance Manual

Section B, Paragraph 1.13 (and later)

This paragraph refers to a daily limit on subscriber activations and proposes that this constraint will be shared by all OLOs. CITC is concerned that such daily limits may reflect inefficiencies related

to manual and/or paper-based systems. CITC is further concerned that this daily limit may not apply to STC's retail service and therefore could be discriminatory. CITC is of the preliminary view that any daily limits should apply equally to both STC and the OLOs and that any inefficiencies in the wholesale provisioning process should be addressed (for example, through automation).

Question 16: Please provide comments on the provision process matters discussed above, including CITC's preliminary view on the matter.

1.10 Annex I: Quality of Service Measures

Schedule 1.1, Paragraph 2.4.1

In Annex I, the STM1 Link delivery time is set at 12 and 24 weeks. CITC has examined international practice and trends in this matter. Benchmark results showed best practice delivery time of approximately 6 and 20 weeks. CITC is of preliminary view that RODA delivery time for this service should be reduced in order to be more consistent with the benchmark results.

Question 17: Please provide comments on Annex I, including on CITC's preliminary view on the matter of STM-1 delivery time. Respondents are encouraged to provide justification for their comments, including, if possible, with reference to international benchmarking.

Annex I, Paragraph 3.1.1 & 3.3.1

In Annex I of the STC RODA availability targets are provided for a number of services including Bitstream Access Link service and Backhaul service for line sharing. These targets are set at 99% availability. CITC is concerned that these targets are somewhat low compared to international standards.

The CITC has examined international practice and trends in this matter. Benchmark results showed best practice availability rate of 99.8% for each link. CITC is of preliminary view that RODA availability rates for this service should be increased in order to be more consistent with the benchmark results.

Question 18: Please provide comments on Annex I, including on CITC's preliminary view on the matter of availability targets. Respondents are encouraged to provide justification for their comments, including, if possible, with reference to international benchmarking.

Question 19: Please provide comments on any other matters in Annex I.

2. Other Issues for Public Consultation on RODA

2.1 *Impact of NGN and NGA*

CITC wishes to obtain comments from Respondents as regards the need, if any, to revise the RODA to take into account the introduction of IP-based Next Generation Networks (“NGN”s) and Next Generation Access (“NGA”). CITC is of the preliminary view that, in the absence of significant deployment by STC of NGNs and NGAs, there is currently no compelling need to significantly revise the RODA. Few regulatory agencies across the globe have come to final decisions on the many NGN and NGA issues, so CITC intends to monitor national and international developments and seek to pursue the application of regulations that are consistent with best practice as it emerges.

The RODA should, however, require STC to give significant forward notification of any changes to network technology or topology that would be likely to impact materially on the past or future investment by OLOs in their wholesale interconnection and access arrangements. CITC is aware that Section 1.3.3 of Annex D to the RODA provides for advanced notification of firm proposals to changes to network infrastructure of at least 7 months. CITC is of the preliminary view that STC should provide OLOs with longer advanced notice as regards the introduction of NGN or NGA. Moreover, STC should consult with OLOs who receive services under the RODA regarding the potential impact on such OLOs’ networks that may result from such changes.

Question 20: Please provide comments on the impact of NGNs and NGAs on the RODA, including CITC’s preliminary views on the matter. Respondents are encouraged to provide justification for their comments, including, if possible, with reference to international benchmarking.

Attachment B: STC RODA

[Control List Document](#)

[Document Primary](#)

[A Glossary of Terms Annex](#)

[B Billing Annex](#)

[C Technical Aspects Annex](#)

[C Attachment 1 - Bit Stream CPE Annex](#)

[C Attachment 2 - Bit Stream Link Interface Annex](#)

[C Attachment 3 - Environmental and Power Annex](#)

[C Attachment 4 - Tie Cable Characteristics Annex](#)

[D Mgmt of Data Access Services Annex](#)

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