

THE HASHEMITE KINGDOM OF JORDAN



TELECOMMUNICATIONS REGULATORY COMMISSION

Regulatory Decision
on
the Fixed Markets Review

Issued by TRC board decision No.(14-12/2020) dated (30/9/2020)

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I. INTRODUCTION

On 28 July 2019, the Telecommunications Regulatory Commission (“TRC”) published a *Public Consultation Document* on the *Review of Fixed Markets in Jordan* (the “*Public Consultation Document*”). The analysis and the proposed *ex ante* regulatory obligations set forth by the TRC in that *Public Consultation Document* were made in performance of its duties and responsibilities under the *Telecommunications Law*¹ and the Ministry’s *General Policy for the Information & Communications Technology and Postal Sectors, 2018* (the “*Policy*”)²

The *Telecommunications Law* and the *Policy* provide the TRC with the legal competence and guidelines to conduct market reviews and to impose regulatory obligations on any operator found to be dominant in the relevant markets reviewed. A finding of dominance is equivalent to a conclusion being reached that the relevant market(s) in question is/are not subject to effective competition. As such, the dominant operator(s) on such a relevant market will need to be subject to those *ex ante* regulatory obligations deemed to be necessary in order to restore or to create conditions of effective competition. The methodology used by the TRC to perform the various analytical steps under the market review process are set out in detail by the TRC in the *White Paper on Market Review Process* (the “*White Paper*”).³

Formal responses to the *Public Consultation Document* were received from Jordan Mobile Telephone Services Company (Zain), Umniah Mobile Company (Umniah) and Jordan Telecommunications Company (Orange Fixed). Further comments to those respondents’ comments were received from Zain and Orange Fixed.

Following the public consultation process, the TRC hereby issues this Regulatory Decision, which sets out the TRC’s findings regarding the outcomes of the review of the Fixed Markets. This Decision is supplemented by an *Explanatory Memorandum*, which includes a summary of the responses received from interested parties, the TRC’s analysis of those responses and the ultimate findings based on those responses. As such, the text of the *Public Consultation Document* and the *Explanatory Memorandum* shall be deemed to constitute an integral aspect of this Decision insofar as it is necessary to support any material findings in the conduct of the market review process.⁴

¹ See the Telecommunications Law No. 13 of 1995 and, in particular, its Article 6(e) and Article 6(o).

² Paragraph 21 of the *Policy* requires the TRC to review its instructions and regulatory decisions periodically and, where market conditions allow and where, in the judgment of the TRC this is appropriate, to amend such instructions and regulatory decisions in line with these conditions. In this respect, Government requires the TRC to favour a presumption of withdrawal of *ex ante* regulation where market conditions allow so.

³ TRC, *White Paper on Market Review Process*, released 14 May 2009.

⁴ The TRC’s Decision reflects the conclusions drawn from the analysis set out in the *Public Consultation Document*. Insofar as the TRC departs in any material way from the preliminary conclusions reached in the *Public Consultation Document*, that departure is further explained by reference to the *Explanatory Memorandum* accompanying this Decision, based on the industry

This Regulatory Decision sets out the TRC's findings on the following issues:

- The definition of the relevant markets for retail and wholesale fixed telecommunications (Chapter III).
- An analysis of whether these relevant markets are susceptible to *ex ante* regulation (Chapter IV).
- Assessment of the conditions of competition in these markets and the designation of any Dominant Licensee(s) on these markets (Chapter V).
- The imposition, amendment or removal of *ex ante* remedies in these markets. (Chapter VI).

Annex 1 of the Decision provides a glossary of technical terms.

This Regulatory Decision shall come into effect as of the date of its approval by the Board of Commissioners of the TRC and its publication at TRC's website, and shall remain in force until such time as it is replaced, modified or otherwise changed by the Board of Commissioners of the TRC.

responses to the *Public Consultation Document* and recent data update.

II. DEFINITIONS

In this Regulatory Decision, the following terms shall have the meanings assigned hereunder unless the context indicates otherwise; terms not defined hereunder shall have the meanings assigned thereto in the Telecommunications Law Number (13) of the Year 1995 as amended, and the instructions issued pursuant thereto:

- TRC : The Telecommunications Regulatory Commission of Jordan
- Board/ Board of Commissioners : The Board of Commissioners of TRC
- Law/ Telecommunications Law : The Telecommunications Law Number (13) of the year 1995 as amended
- Interconnection Instructions : Interconnection Instructions issued pursuant to Board Decision No. (2-1/2005) Dated (5/1/2005) as amended by Board Decision No. (18-11/2010) Dated (15/6/2010)
- Competition Safeguards: The Instructions on Competition Safeguards in the Telecommunications Sector issued pursuant to Board Decision No. (1-3-2006) Dated (14/2/2006) as amended
- License : The authorization granted by the TRC, or the contract or license agreement signed between the TRC and a Person (including all appendices and schedules attached thereto), to allow a Person to establish, operate, and manage a Public Telecommunications Network, or provide Public Telecommunications Services, or use Radio Frequencies pursuant to the provisions of the Telecommunications Law and the by-laws and instructions issued pursuant thereto
- Licensee : A Jordanian company established under the Companies Law that holds a License
- The Dominant Licensee: The Licensee(s) designated as dominant by the TRC in Chapter V of this Regulatory Decision

III. DEFINITION OF RELEVANT MARKETS

The TRC hereby defines the following relevant product markets:

A **Retail Fixed Access and Call Origination (FACO)** market, which comprises both access and voice call origination; both PSTN and ISDN access; access over copper networks, fibre network and fixed LTE; both voice calls originated over switched networks and managed VoIP; fixed calls to all types of numbers; both domestic and international calls; and calls to both residential and business customers; and excludes retail mobile access and call origination.

A **Retail Broadband** market, which comprises retail broadband services provided over xDSL, fibre or FBWA, regardless of download speeds, and used by either business or residential customers, but excludes mobile broadband services and broadband services provided over leased lines.

A **Wholesale Local Access** market, which comprises LLU, VULA and wholesale products over FBWA, but does not include national wholesale products offered over platforms that are not included in the retail fixed access market (such as leased lines) or over mobile platforms.

A **Wholesale Broadband Access** market, which comprises bitstream type wholesale products delivered over copper and fibre networks, or offered over FBWA, but does not include products from alternative platforms (such as mobile) in the retail market.

A **Wholesale Fixed Voice Call Termination** market, which comprises the wholesale termination of all calls to end users or service providers on each fixed operator network (with a different market for each fixed operator), and also including managed VoIP termination, but excluding mobile termination.

A single **Wholesale Fixed Voice Call Origination** market, which comprises self-supply of wholesale call origination services for all retail calls in the FACO retail market, and all call types.

A single **Wholesale Fixed Transit** market, which comprises transit services for all call types, also including self-supply and both domestic and international transit services, but does not include the provision of leased lines.

The relevant **geographic market** for all of the above product markets is national in scope covering the whole of Jordan.

IV. SUSCEPTIBILITY OF THE RELEVANT MARKETS TO *EX-ANTE* REGULATION

In determining whether the relevant market defined in Chapter III of this Decision should lead to the imposition of *ex- ante* regulatory obligations, the TRC has relied on the “three criteria test”. The cumulative fulfilment of the following three criteria would render the relevant market in question susceptible to *ex- ante* regulation:

1. Existence of high and persistent barriers to entry;
2. Lack of dynamic trend towards competition; and
3. Insufficiency of *ex -post* intervention alone.

All of these three criteria have been found by the TRC to be fulfilled in relation to the following markets:

1. Wholesale Local Access;
2. Wholesale Broadband Access;
3. Wholesale Fixed Voice Call Termination;
4. Wholesale Fixed Voice Call Origination;
5. Wholesale Fixed Transit; and
6. Retail Fixed Access and Call Origination (FACO).

TRC has determined that the retail market for broadband services is not susceptible to *ex- ante* regulation.

V. DESIGNATION OF DOMINANT LICENSEES

To determine whether the market defined in chapter III of this Decision is characterized by dominance, the TRC assessed whether any given operator (or operators) has (have) "*such a sufficient impact on the market that it can control and affect the activity of the relevant market*", as stipulated in Article 8(a) of the *Competition Safeguards*. In assessing dominance in this market, the TRC considered the “impact factors” listed in the *Competition Safeguards* and the factors listed in the *White Paper*.

Unless specified otherwise in this Decision, the designation of a Dominant Licensee in this chapter V also extends to its existing or future affiliates that (i) form a single economic entity with the Dominant Licensee, by reason of common ownership or control, and (ii) offer, directly or indirectly, services in the market in which the Dominant Licensee has been designated as such. Accordingly, and unless specified otherwise in this Decision, any references to the designation of a Dominant Licensee in this Chapter V and all of the Dominant Licensee’s obligations defined in Chapter VI shall also apply to any affiliates of that Dominant Licensee that meet the above conditions.

1. Wholesale Local Access

The TRC has found that Orange Fixed meets several of the conditions associated with a dominant position in the wholesale local access market. In particular:

1. Orange Fixed has a market share of well in excess of 50%, the threshold for the presumption of dominance established required by Article 8(b) of the *Competition Safeguards*, and it is unlikely that alternative operators providing and/or self-supplying wholesale local access could increase their market shares sufficiently over the lifetime of this review to a level that would allow them to effectively compete with Orange Fixed or constrain its power.
2. Orange Fixed is highly vertically integrated, and is active on all relevant markets across the value chain. The existence of different Orange affiliates, operating in different market segments, does not affect this conclusion, as these affiliates are all under common ownership and control, thus constituting a single economic entity for the purposes of competition (Competition Safeguards, Article 8(c), Number 10).
3. Barriers to entry and expansion in this market are high (Competition Safeguards, Article 8(c), Numbers 13 and 14).
4. Orange Fixed has the benefit of economies of scale, scope and density; network effects and technological advantages (Competition Safeguards, Article 8(c), Numbers 3, 9 and 5) and its network will not be easily replicated.
5. Orange Fixed's ubiquitous access network also contributes to its significant retail customer base (Competition Safeguards, Article 8(c), Number 10 and Competition Safeguards, Article 8(c), Number 8).
6. With the exception of wholesale access via FBWA, Orange is the only potential provider of wholesale local access, and no wholesale products are active in the market. Therefore, there is no potential for countervailing buyer power (Competition Safeguards, Article 8(c), Number 6).

Based on the above, the TRC hereby determines to designate Orange Fixed as a Dominant Licensee in the market for Wholesale Local Access.

2. Wholesale Broadband Access

The TRC has found that Orange Fixed meets several of the conditions associated with a dominant position in the wholesale broadband access market. In particular:

1. Orange Fixed has a market share above 50%, the threshold for the presumption of dominance established required by Article 8(b) of the *Competition Safeguards*, and it is unlikely that alternative operators providing and/or self-supplying wholesale

broadband access could increase their market shares sufficiently over the lifetime of this review to a level that would allow them to effectively compete with Orange Fixed or constrain its power.

2. Orange Fixed is highly vertically integrated, with Orange Fixed providing WBA and Orange Data providing retail broadband, and is generally active on all relevant markets across the value chain. (Competition Safeguards, Article 8(c), Number 10).
3. Barriers to entry and expansion in this market are high (Competition Safeguards, Article 8(c), Numbers 13 and 14).
4. Orange Fixed has the benefit of economies of scale, scope and density; network effects and technological advantages (Competition Safeguards, Article 8(c), Numbers 3, 9 and 5) and its ubiquitous network cannot be easily replicated.
5. While other operators (notably fibre providers) self-supply wholesale broadband services over their own infrastructure, they remain reliant on Orange Fixed's bitstream product outside their areas of geographical coverage and this is likely to remain the case during the lifetime of this review (Competition Safeguards, Article 8(c), Numbers 2 and 3).
6. The largest customer of Orange's wholesale broadband service is Orange Data, and no other customer purchases a significantly high volume of wholesale broadband services to allow it to exercise countervailing buyer power (Competition Safeguards, Article 8(c), Number 6).

Based on the above, the TRC hereby determines to designate Orange Fixed as a Dominant Licensee in the market for Wholesale Broadband Access.

3. Wholesale Fixed Voice Call Termination

The TRC has found that all operators that terminate fixed voice calls on their fixed network have a dominant position in the respective wholesale fixed voice call termination market. In particular:

1. All of the operators in question have a market share of 100% in the respective market for voice call termination on their network, and thus well above the threshold for the presumption of dominance established required by Article 8(b) of the *Competition Safeguards*.
2. This monopoly position has not changed over time and will not change going forward, as the issue is structural. An individual fixed network operator's monopoly position is not contestable – no other supplier could provide termination services on another operator's network. There is thus a lack of actual and potential competition (Competition Safeguards, Article 8(c), Number 12).
3. Therefore, there is no potential for countervailing buyer power by other operators or end users (Competition Safeguards, Article 8(c), Number 6).

The above considerations are linked to structural issues that are not expected to be different in the case of any Licensee that enters the fixed market in the future and provides voice call termination services to its subscribers.

Based on the above, the TRC hereby determines to designate the following Licensees as a Dominant Licensee in the market for wholesale fixed voice call termination of calls to their fixed network:

1. Orange Fixed;
2. Any other Licensee terminating, now or within the review period, voice calls on its individual fixed network in Jordan.
3. Any Licensee that enters the fixed market in Jordan in the future and provides voice call termination services to its subscribers.

4. Wholesale Fixed Voice Call Origination

The TRC has found that no operator has a dominant position on the market for wholesale fixed voice call origination. While the market may structurally be susceptible to ex ante regulation, due primarily to Orange's very high share of call origination minutes, the TRC does not consider that there will be any demand for wholesale call origination services in the lifetime of this review. There is unlikely to be demand for wholesale call origination services, and so extremely unlikely that there would be competitive supply of wholesale call origination services. It would be thus disproportionate to designate any operator as dominant in the provision of a service for which there is no market demand.

5. Wholesale Fixed Transit

The TRC has found that Orange Fixed meets several of the conditions associated with a dominant position in the wholesale fixed transit market. In particular:

1. Orange Fixed has a market share above 50%, the threshold for the presumption of dominance established required by Article 8(b) of the *Competition Safeguards*, and this has been relatively stable over the last three years.
2. Barriers to entry and expansion in this market are high (*Competition Safeguards*, Article 8(c), Numbers 13 and 14).
3. Wholesale transit is an essential facility, essentially controlled by Orange Fixed as the only operator with implemented interconnection agreements with almost all domestic operators in Jordan (*Competition Safeguards*, Article 8(c), Number 2).
4. Orange Fixed has the benefit of economies of scale, scope and density; network effects and technological advantages (*Competition Safeguards*, Article 8(c), Numbers 3, 9 and 5) and its network cannot be easily replicated.
5. No operator would be in a position to provide wholesale transit services of such variety and with the same geographical scope as Orange Fixed due to its nation-wide

- fixed telephony network (ubiquitous network effects - see Competition Safeguards, Article 8(c), Number 3).
6. Orange Fixed is vertically integrated, and is active on all relevant markets across the value chain. It provides retail access and call origination, as well as other services (such as retail broadband) using its access network. Its ubiquitous access network also contributes to its significant retail customer base. (Competition Safeguards, Article 8(c), Number 10 and 8).
 7. Orange Fixed is the sole wholesale provider with the ability to offer a ubiquitous transit service connecting all network operators in Jordan. Alternative operators could not credibly threaten to respond to a price increase from Orange Fixed via self-build or switching to alternative providers for the provision of a significant portion of their transit needs. There is, therefore, no countervailing buying power (see Competition Safeguards, Article 8(c), Number 6).

Based on the above, the TRC hereby determines to designate Orange Fixed as a Dominant Licensee in the market for Wholesale Fixed Transit.

6. Retail Fixed Access and Call Origination (FACO)

The TRC has found that Orange Fixed meets several of the conditions associated with a dominant position in the FACO market. In particular:

1. Orange Fixed has a market share above 50%, the threshold for the presumption of dominance established required by Article 8(b) of the *Competition Safeguards*.
2. Barriers to entry and expansion in this market are high (Competition Safeguards, Article 8(c), Numbers 13 and 14).
3. In the absence of effective wholesale obligations on wholesale local access and wholesale voice call origination, the retail market for fixed telephony access is still characterised by the presence of strong economies of scale, scope and density in access networks (Competition Safeguards, Article 8(c), Numbers 3 and 9), which favour Orange Fixed.
4. Orange Fixed is by far the largest Jordanian fixed network telephony operator in terms of national coverage, network capacity and access to capital markets/financial resources (Competition Safeguards, Article 8(c), Numbers 1 and 7). This would not be easily replicated by potential entrants.
5. Orange Fixed is a fully vertically integrated entity (Competition Safeguards, Article 8(c), Number 10) that controls the full value chain for narrowband services, and is active on all relevant markets across the value chain, which allows it to bundle products or services (Competition Safeguards, Article 8(c), Number 8).
6. Given the lack of available options for retail purchasers, these cannot readily switch to an alternative supplier, and all options are geographically limited. Therefore, individual end-users are unlikely to be able to exert countervailing buyer power

sufficiently strongly so as to constrain Orange Fixed in a manner that would generate competitive market outcomes (see Article 8(c), Criterion Number 6 of the Competition Safeguards).

Based on the above, the TRC hereby determines to designate Orange Fixed as a Dominant Licensee in the market for Retail Fixed Access and Call Origination (FACO).

VI. EX ANTE REGULATION TO REMEDY THE IDENTIFIED COMPETITION PROBLEMS

Ex ante remedies in the markets concerned must address actual or potential competition problems related to the dominance of each operator with SMP and, in particular, the risk of excessive retail pricing, withdrawal of service or discrimination between customers. Remedies can be primary or secondary, which support the implementation of primary remedies.

1. Wholesale Local Access (WLA)

The TRC hereby determines that Orange Fixed shall be subject to the following *ex-ante* regulatory obligations:

1.1 Access upon reasonable request

1. Orange Fixed must provide access, upon reasonable request, to all products and associated facilities and services that fall within the market for wholesale local access (WLA), including (but not limited to):
 - a. LLU
 - b. VULA (Virtual Unbundled Local Access, i.e., an active product that provides Bitstream-type access in a similar way to local physical access. VULA enables interconnection at local level and supports a range of services; and
 - c. Civil Engineering Infrastructure (CEI), such as poles and ducts, as well as (when access to CEI is unavailable for economic, technical or capacity reasons) dark fibre, if it is reasonably available.
2. A request for such access shall be presumed to be reasonable unless Orange Fixed can justify its refusal to provide such access. Orange Fixed must inform TRC about any such refusal, and provide a written justification.
3. Orange Fixed must not withdraw access to any wholesale local access service or associated facility without the TRC's prior approval.
4. Orange Fixed must negotiate in good faith with access seekers.

5. Orange Fixed must consider and conclude access agreements in a fair, reasonable and timely manner.
6. Orange Fixed shall not be required to meet any of the above obligations of access upon reasonable request with regard to any Orange Fixed affiliate deemed to constitute a single economic entity with Orange Fixed.

1.2 Non-discrimination

1. Orange Fixed must provide all products, services and associated facilities in the market for wholesale local access without discrimination on any price or material non-price elements, and offer equivalent conditions, prices and quality in equivalent circumstances for all licensees seeking access from Orange Fixed.
2. Orange Fixed must provide information to the TRC on a set of Key Performance Indicators (KPIs) to be specified by the TRC following a consultation. Their purpose will be to demonstrate that Orange Fixed is compliant with its access and non-discrimination obligations.
3. Orange Fixed must provide an annual Statement of Compliance with its above non-discrimination obligations, to be signed by an appropriate signatory within their organisation. The minimum content of a Statement of Compliance shall be further specified by the TRC.

1.3 Transparency

1. Orange Fixed shall publish and keep up to date a Reference Offer for any WLA product or service it provides to any other operator following the latter's reasonable request, as defined under 1.1 above or for any other reason. Such Reference Offer and its future updates (including the addition or removal of services) shall be subject to the TRC's approval. Orange affiliates forming a single economic entity with Orange Fixed shall not be deemed to be "any other operator" triggering this obligation of transparency.
2. Orange Fixed's specific obligation to maintain a Reference Offer for LLU shall be removed.
3. Orange Fixed shall publish and keep up to date an SLA for any WLA product or service it provides to any other operator following the latter's reasonable request or for any other reason. Such SLA shall be subject to the TRC's approval.
4. Orange Fixed must notify other operators at least 4 months prior to the launch of a new WLA product. The notification should include technical specifications and proposed prices.
5. Orange Fixed must provide an additional 1 month's notice to the TRC (i.e. the TRC should be notified 5 months prior to the launch of a new WLA product).

6. For changes to existing products, including changes solely related to price, Orange Fixed must inform other operators 1 month prior to changes coming into effect, with an additional 1 month's notice to the TRC (i.e., the TRC would be notified 2 months before changes come into effect).
7. The TRC may vary any of the above time periods.
8. Orange Fixed must provide information to the TRC on a set of Key Performance Indicators (KPIs), to be specified by the TRC following a consultation. Their purpose will be to demonstrate that Orange Fixed is compliant with its access and non-discrimination obligations.

1.4 Accounting Separation

Orange Fixed must provide relevant accounting information for any products and associated facilities in the WLA market, as further specified by the TRC.

1.5 Price control and cost accounting

1. Orange Fixed shall charge appropriate cost-based prices for all WLA products and services.
2. Orange Fixed shall charge cost-based prices in accordance with a top down TSLRIC, cost accounting system, as specified by the TRC which should apply to all products and associated facilities in the WLA market. The appropriate cost standard should be forward-looking long-run incremental costs (FW-LRIC), subject to any TRC Decision that may adjust or amend it in the future.
3. FTTx services of Orange Fixed shall be excluded from the above cost orientation obligation, but the TRC retains the right to monitor prices, and to take action in the event of excessive wholesale pricing without having to conduct another market review
4. Orange Fixed must not cause a margin squeeze between:
 - a. Wholesale products in the WLA market and wholesale products in a downstream wholesale market. (This could apply, for example, to the pricing of a WLA product and the pricing of Bitstream); and
 - b. Wholesale products in the WLA market and downstream retail products.

2. Wholesale Broadband Access (WBA)

The TRC hereby determines that Orange Fixed shall be subject to the following ex ante regulatory obligations:

2.1 Access upon reasonable request

1. Orange Fixed must provide access, upon reasonable request by any other Licensee, to all products and associated facilities that fall within the market for wholesale broadband access (WBA), including (but not limited to):
 - a. Bitstream access to Orange Fixed's copper network, at all feasible access points, including handover at DSLAM and (national plus optional regional) BRAS level;
 - b. Bitstream access (FTTC/FTTH-based) to Orange Fixed's fibre network;
 - c. Co-location and backhaul services and interconnection services that enable the handover of traffic (in-building and in span handover) in connection with Bitstream access;
 - d. Offering capability for migration between products in the wholesale broadband access services market (e.g. Bitstream) and products in the upstream wholesale local access (WLA) market (e.g. VULA);
 - e. Offering a choice with/without DSL-only.
2. A request for such access shall be presumed to be reasonable unless Orange Fixed can justify its refusal to provide such access. Orange Fixed must inform TRC about any such refusal, and provide a written justification.
3. Orange Fixed must not withdraw access to any wholesale broadband access service or associated facility without the TRC's prior approval.
4. Orange Fixed must negotiate in good faith with access seekers.
5. Orange Fixed must consider and conclude access agreements in a fair, reasonable and timely manner.
6. Orange Fixed shall not be required to meet any of the above obligations of access upon reasonable request with regard to any Orange Fixed affiliate deemed to constitute a single economic entity with Orange Fixed.

2.2 Non-discrimination

1. Orange Fixed must provide all products, services and associated facilities in the market for wholesale broadband access without discrimination on any price or material non-price elements, and offer equivalent conditions, prices and quality in equivalent circumstances for all licensees seeking access from Orange Fixed.

2. Orange Fixed must provide information to the TRC on a set of Key Performance Indicators (KPIs) to be specified by the TRC following a consultation. Their purpose will be to demonstrate that Orange Fixed is compliant with its access and non-discrimination obligations.
3. Orange Fixed must provide an annual Statement of Compliance with its above non-discrimination obligations, to be signed by an appropriate signatory within their organisation. The minimum content of a Statement of Compliance shall be further specified by the TRC.

2.3 Transparency

1. Orange Fixed shall publish and keep up-to-date a Reference Offer for any WBA product or service it provides to any other operator following the latter's reasonable request (as defined under 2.1, above) or for any other reason. Such Reference Offer and its future updates (including the addition or removal of services) shall be subject to the TRC's approval. Orange affiliates forming a single economic entity with Orange Fixed shall not be deemed to be "any other operator" triggering this obligation of transparency.
2. Orange Fixed shall publish and keep up to date an SLA for any WBA product or service it provides to any other operator following the latter's reasonable request or for any other reason. Such SLA shall be subject to the TRC's approval.
3. Orange Fixed must notify other operators at least 4 months prior to the launch of a new WBA product. The notification should include technical specifications and proposed prices.
4. Orange Fixed must provide an additional 1 month's notice to the TRC (i.e. the TRC should be notified 5 months prior to the launch of a new wholesale product).
5. For changes to existing products, including changes solely related to price, Orange Fixed must inform other operators 1 month prior to changes coming into effect, with an additional 1 month's notice to the TRC (i.e., the TRC would be notified 2 months before changes come into effect).
6. The TRC may vary any of the above time periods.
7. Orange Fixed must provide information to the TRC on a set of Key Performance Indicators (KPIs), to be specified by the TRC following a consultation. Their purpose will be to demonstrate that Orange Fixed is compliant with its access and non-discrimination obligations

2.4 Accounting Separation

Orange Fixed must provide relevant accounting information for any products and associated facilities in the WBA market, as further specified by the TRC.

2.5 Price control and cost accounting

1. Orange Fixed shall charge appropriate cost-based prices for all WBA products and services.
2. Orange Fixed shall charge shall charge cost-based prices in accordance with a top down TSLRIC as specified by the TRC which should apply to all products and associated facilities in the WBA market. The appropriate cost standard should be forward-looking long-run incremental costs (FW-LRIC), subject to any TRC Decision that may adjust or amend it in the future.
3. FTTx services of Orange Fixed shall be excluded from the above cost orientation obligation, but the TRC shall retain the right to monitor prices, and to take action in the event of excessive wholesale pricing, based on appropriate tests, benchmarks or other evidence, without having to conduct another market review.
4. Orange Fixed must not cause a margin squeeze between wholesale products in the WBA market and downstream retail products, as specified further by the TRC.

3. Wholesale Fixed Voice Call Termination

The TRC hereby determines that Dominant Licensees in the market for wholesale fixed voice call termination shall be subject to the following ex ante regulatory obligations:

3.1 Access upon reasonable request

1. All Dominant Licensees must provide access, upon reasonable request, to wholesale fixed voice call termination and associated facilities, also including local and single call termination services.
2. A request for such access shall be presumed to be reasonable unless the Dominant Licensee can justify its refusal to provide such access. The Dominant Licensee must inform TRC about any such refusal, and provide a written justification.
3. A Dominant Licensee must not withdraw access to any wholesale fixed voice call termination service or associated facility without the TRC's prior approval.
4. All Dominant Licensees must negotiate in good faith with access seekers.
5. All Dominant Licensees must consider and conclude access agreements in a fair, reasonable and timely manner.

3.2 Non-discrimination

1. All Dominant Licensees must provide all wholesale voice call termination services and associated facilities without discrimination on any price or material non-price elements, and offer equivalent conditions, prices and quality in equivalent circumstances.

2. All Dominant Licensees must provide an annual Statement of Compliance with its above non-discrimination obligations, to be signed by an appropriate signatory within their organisation. The minimum content of a Statement of Compliance shall be further specified by the TRC.

3.3 *Transparency*

3. Each Dominant Licensee shall publish (unless it has already done so) and keep up to date a Reference Offer for any wholesale voice call termination service it provides to any other operator following the letter's reasonable request or for any other reason. Such Reference Offer shall be subject to the TRC's approval.
4. For changes to existing wholesale voice call termination products, including changes solely related to price, each Dominant Licensee must inform other operators 1 month prior to changes coming into effect, with an additional 1 month's notice to the TRC (i.e., the TRC would be notified 2 months before changes come into effect).
5. The TRC may vary any of the above time periods.
6. All Dominant Licensee must provide information to the TRC on a set of Key Performance Indicators (KPIs), to be specified by the TRC following a consultation. Their purpose will be to demonstrate that the Dominant Licensee is compliant with its access and non-discrimination obligations.

3.4 *Accounting Separation*

All Dominant Licensees must provide relevant accounting information for any products and associated facilities in the wholesale voice call termination market, as further specified by the TRC.

3.5 *Price control and cost accounting*

1. All Dominant Licensees shall charge appropriate cost-based prices for all wholesale fixed voice call termination products and services.
2. All Dominant Licensees shall comply with the regulated rates for fixed national voice call termination defined in TRC Regulatory Decision on Charges for Fixed Interconnection, and any measure that adjusts or replaces it in the future.
3. Orange Fixed shall charge cost-based prices in accordance with TSLRIC as specified by the TRC which should apply to all products and associated facilities in the wholesale voice call termination market. The appropriate cost standard should be forward-looking long-run incremental costs (FW-LRIC).
4. Orange Fixed must follow the existing TSLRIC hybrid model developed by the TRC, and apply the regulated rates for fixed call termination subject to any other TRC Decision that amends or supersedes it in the future.

5. Dominant Licensees other than Orange Fixed must comply with the outcome of the cost accounting system approved for Orange Fixed unless the TRC accepts a justification for an exception, upon a Dominant Licensee's justified request.

4. Wholesale Fixed Transit

The TRC hereby determines that Orange Fixed shall be subject to the following ex ante regulatory obligations:

4.1 Access upon reasonable request

1. Orange Fixed must provide access, upon reasonable request, to wholesale fixed transit and associated facilities.
2. A request for such access shall be presumed to be reasonable unless Orange Fixed can justify its refusal to provide such access. Orange Fixed must inform TRC about any such refusal, and provide a written justification.
3. Orange Fixed must not withdraw access to any wholesale fixed transit service or associated facility without the TRC's prior approval.
4. Orange Fixed must negotiate in good faith with access seekers.
5. Orange Fixed must consider and conclude access agreements in a fair, reasonable and timely manner.

4.2 Non-discrimination

1. Orange Fixed must provide wholesale fixed transit services and associated facilities without discrimination on any price or material non-price elements, and offer equivalent conditions, prices and quality in equivalent circumstances for all licensees seeking access from Orange Fixed.
2. Orange Fixed must provide an annual Statement of Compliance with its above non-discrimination obligations, to be signed by an appropriate signatory within their organisation. The minimum content of a Statement of Compliance shall be further specified by the TRC.

4.3 Transparency

1. Orange Fixed shall publish and keep up to date a Reference Offer for any wholesale fixed transit service and associated facilities it provides to any other operator following the latter's reasonable request or for any other reason. Such Reference Offer and its future updates shall be subject to the TRC's approval.

2. For changes to existing wholesale fixed transit products, including changes solely related to price, Orange Fixed must inform other operators 1 month prior to changes coming into effect, with an additional 1 month's notice to the TRC (i.e., the TRC would be notified 2 months before changes come into effect).
3. The TRC may vary any of the above time periods.
4. Orange Fixed must provide information to the TRC on a set of Key Performance Indicators (KPIs), to be specified by the TRC. Their purpose will be to demonstrate that Orange Fixed is compliant with its access and non-discrimination obligations.

4.4 Accounting Separation

Orange Fixed must provide relevant accounting information for any products and associated facilities in the wholesale fixed transit market, as further specified by the TRC.

4.5 Price control and cost accounting

1. Orange Fixed shall charge appropriate cost-based prices for all wholesale fixed transit services and associated facilities.
2. Orange Fixed shall charge cost-based prices in accordance with TSLRIC as specified by the TRC which should apply to all products and associated facilities in the wholesale fixed transit market. The appropriate cost standard should be forward-looking long-run incremental costs (FW-LRIC).
3. Orange Fixed must follow the existing TSLRIC hybrid model developed by the TRC, and apply the regulated rates for transit services specified in the TRC's Regulatory Decision on Charges for Fixed Interconnection, subject to any other TRC Decision that amends or supersedes the above hybrid model or the Regulatory Decision in the future.

5. Retail Fixed Access and Call Origination (FACO)

The TRC hereby determines that Orange Fixed in the market for retail fixed access and call origination (FACO) shall be subject to the following ex ante regulatory obligations:

5.1 Non-discrimination

Orange Fixed must not discriminate unduly between its retail customers, on any price or material non-price elements (also including any provisioning times and service management), and offer equivalent conditions, prices and quality in equivalent circumstances.

5.2 Transparency

1. Orange Fixed must publish and keep up to date its terms and conditions, including prices, for retail fixed access and retail fixed calls services on its website.

2. Orange Fixed's existing obligation to use per second billing is hereby withdrawn.
3. Orange Fixed may not unreasonably bundle its offers for retail FACO in combination with other services, in a way that leads to a margin squeeze situation or to predatory pricing for the service bundle. For the purposes of any obligation under this heading 5.1, a "bundle" is hereby defined as:
 - a. a combination of retail services and/or products, one or more of which are also marketed separately;
 - b. which is offered as a single package and a single tariff to end-users; and
 - c. which includes products or services that fall both within markets that are subject to ex ante regulation and markets that are not subject to such regulation.
4. Orange Fixed may not offer below cost those elements of a bundle that are not subject to an ex ante cost orientation obligation.
5. Orange Fixed must notify the TRC at least four weeks before a bundle is launched.
6. Orange Fixed must submit to the TRC for approval a detailed description of the new bundle offer, accompanied by data predictions. The TRC may vary this four-week notice period.
7. The above ex ante measures shall apply without prejudice to any of the other ex-ante obligations imposed by this Decision (including those on pricing in particular) or the TRC's ability to assess the compatibility of any bundled tariff offering under its competition law powers after it has been released onto the market.

5.3 Accounting Separation

Orange Fixed must provide relevant accounting information for any products and services in the retail fixed access and call origination (FACO) market, as further specified by the TRC.

5.4 Cost accounting

Orange Fixed shall maintain appropriate cost accounting systems in respect of products and associated facilities in the FACO market.

6. Transitional provisions and implementation

1. Within a month from the date of publication of this Regulatory Decision, the TRC will issue a time plan for the implementation of the above remedies.
2. The existing ex ante obligations imposed under (i) the Regulatory Decision on the Fixed Broadband Markets Review, No.(15-13/2010) dated 21 December 2010 and (ii) the Regulatory Decision on the Fixed Narrowband Markets Review, No. (9-

15/2011) dated 1 November 2011 shall remain in force pending the TRC's adoption of the above time plan, and will be maintained, amended or replaced in line with the time plan's provisions.

3. Any Reference Offer, and any decision or other measure of the TRC adopted in implementation of (i) the Regulatory Decision on the Fixed Broadband Markets Review, No. (15-13/2010) dated 21 December 2010 and (ii) the Regulatory Decision on the Fixed Narrowband Markets Review, No. (9-15/2011) dated 1 November 2011 shall remain in force as long as it is not expressly replaced or amended through a measure adopted in implementation of the present Decision.
4. In the event of any conflict between any obligations defined in this Decision and those applying under the current version of the Interconnections Instructions of, those set out in this Decision shall prevail. During the implementation phase, the TRC will follow the due process for amending the current Interconnection Instruction.

ANNEX I - Glossary of Technical Terms

Bitstream access	A wholesale access service by a Licensee, which consists of the conveyance of traffic from an end-customer's broadband line (including xDSL and fiber-based infrastructure), across that Licensee's network, to a point of interconnection with the network of another Licensee.
Local Loop Unbundling (LLU)	A wholesale service whereby the service provider (a Licensee) leases copper pairs to another Licensee (OLO), who takes full control of these from the service provider's main distribution frame (MDF) to the subscriber, and can thus provide both voice and data services over all frequencies supported by the copper pairs.
Main distribution frame (MDF)	Apparatus, typically inside the local exchange, which connects the copper cables coming from the customers' premises to the internal lines connected to other equipment such as a concentrator or switch.
Virtual Unbundled Local Access (VULA)	A service by which a Licensee requesting that service uses a virtual connection provided by another the VULA provider to provide services to subscribers connected to the VULA provider's next generation access network. VULA is a form of wholesale access service in which the interconnection occurs locally at the Optical Line Termination (OLT) (i.e., the device that serves as the endpoint of a passive optical network). Thus, virtual unbundling should allow for a similar level of flexibility in the retail product design as physical unbundling.
Wholesale local access (WLA)	Wholesale service allowing a Licensee (OLO) to access and take control of the physical connection between another Licensee's customer's premises and a local exchange.
Wholesale broadband access (WBA)	Wholesale service allowing a Licensee (OLO) to provide retail broadband services without investing in a local access network, by relying on a limited number of interconnection points to the broadband network of another Licensee.