

Umniah Mobile Company
Reply-comments on responses to the TRC's
Public Consultation
Review of Mobile Markets in Jordan

February 2020

The Telecommunications Regulatory Commission (TRC) published a Public Consultation Document on Mobile Markets in July 2019 and invited comments from interested parties with a request that comments were related to specific questions listed in the consultation document. In addition to Umniah's response, responses were received from Zain, Orange Mobile and JorMall.

Umniah welcomes the opportunity to respond to the comments from interested parties and summarized its response as follows:

- As a general matter, Umniah is concerned about the TRC's ability to carry out its proposed remedies in a thorough and timely manner. Umniah reserves its position until all of the details of the proposed remedies will be published, but we share Zain's view that the TRC proposed requirements does not become disproportionately burdensome. Umniah agrees with Orange mobile argument that the obligation to provide a statement of compliance will put a high administrative burden on operators.
- Umniah notes in Zain's response that Zain agrees with the continued glide path for wholesale voice termination. Umniah previously expressed concern that the implementation of glide path resulted in a high MTR exceeding the cost of MTR calculated by TSLRIC model. High MTR allow Zain to generate higher termination revenues used in offering more attractive retail prices than its competitors and resulted in high market share of Zain in the post paid segment that considered to be the high profitable segment for mobile operators. The TRC is urged to rectify this as a matter of priority and to directly implement the MTR at the cost calculated by the TSLRIC model.
- Umniah disagrees with the TRC's conclusion that the market of wholesale mobile access and call origination is not susceptible to ex-ante regulation. We agree with Orange Mobile that Zain is the SMP operator, and the market is characterized by various competition problem which harm smaller operators and in the long run will harm consumers.
- Umniah agrees with Orange Mobile views that the TRC has not conducted a formal impact assessment of its proposed regulatory interventions to compare the regulatory costs to benefits. Umniah restates its concerns regarding an important fact considering the proposed remedies on mobile operators as a result of designating them as dominant. The TRC did not study nor determine throughout the Consultation Document the effect on the market from Zain being dominant for voice call termination on its own network compared with each mobile operator on its own network. Surely, a mobile operator having more than ~3.3 million subscribers will

have significantly more impact on competition as a result of its dominance for calls terminated on its network than a mobile operator having much less subscribers.

- Umniah disagree with Orange Mobile request of not implementing cost-based regulation of SMS termination tariffs and that the current bill and keep regime has an advantage of keeping the administrative and regulatory costs to the minimum. Umniah urges the TRC to carefully study the proposed cost to be charged for SMS considering that SMS termination cost shall be lower than the voice minute termination cost.
- Umniah agrees with Zain views that TRC need to consider the regulation of OTTs to ensure that mobile network operators are not at a competitive disadvantage and are able to compete on a level playing field.
- Umniah restates its position in our formal response that Zain continues to enjoy a strong presence on the retail market not only as a result of having the largest subscribers share and its position on the post-paid segment of the retail market but also due to the fact that other facilitators of competition are not fully in place in Jordan. For instance, number portability is a very important facilitator of competition, particularly in the post-paid segment of the market, but unfortunately the mechanisms to ensure that competitive operators can allow subscribers to effectively retain their numbers when switching networks are not in place in Jordan today.