
NOL Response to NTRA consultation paper

AUGUST 2006



Introduction

In the process of regulating the Wireless broadband Access (BWA) services and since Nile online is providing connectivity and data services to the Egyptian market based on its class-A license; Nile Online has shown interest in contributing in the consultation process for the regulation framework for the BWA and eventually completing on the three available licenses that the NTRA shall offer through a tender process.

From this prospective Nile Online has contributed positively in the hearing sessions held at the NTRA premises in the smart village and a document has been submitted by Nile Online in response to the different points that have been raised during the hearing sessions.

NTRA has published a consultation document as result of the hearing sessions and the workshops. NOL has received the consultation document and we have studied it with our broadband partner. we have come up with some comments on the consultation paper that we would like to illustrate in this document.

NOL shall give its view point about the questions raised in the consultation paper. Answers to list of questions are included as well.

1. Response to Questions in table 5-1

The below table 5-1 found in page 8-24, contains the answers that Nile Online would like to show for the given questions

1	هل توافق على منح الرخص على مستوى الجمهورية؟	موافق *
2	هل توافق أن يكون منح الرخص لعدد ثلاثة مشغلين؟	موافق *
3	هل توافق على عدم منع أى من مقدمى خدمات الإتصالات المرخص لهم من التقدم للحصول على هذه الرخصة؟	موافق *
4	هل توافق على أسلوب المنح المذكور؟	موافق *
5	هل الرسوم السنوية المقررة مناسبة؟	غير موافق
6	هل التسهيلات المقترحة من قبل الجهاز بخصوص منحة الإمتياز ستساعد على سرعة تقديم الخدمات بأسعار مناسبة؟	غير موافق
7	هل مدة الترخيص تسمح بتحقيق عائد إقتصادى مناسب؟	موافق *
8	هل التخصيص الترددى اللمنوح مناسب لتقديم الخدمات على مستوى الجمهورية؟	غير موافق
9	هل تنوع الخدمات المصرح بها يسمح بتحقيق عائد إقتصادى؟	غير موافق

* Refer to the comments given in paragraph 2 from more information about NOL opinion for the questions.

2. Comments on the answers to questions in table 5-1

Q-1: granting license that allows the licensee to provide the BWA service for all Egypt is good idea as far as three licenses are considered.

Q-2: Three licenses are considered reasonable and effective number to maximize the economical benefits and to maximize the utilization of the frequency band.

Q-3: Mobile operators should be excluded from participating in the license bid. ISPs (class A & B) are ideal candidates for the license bid. New service providers can participate to provide last mile connectivity only.

Q4: The way the NTRA is using for the license is considerably good and accepted.

Q5: As per the document the NTRA is willing to grant 2X14 MHz for each licensee. The NTRA wants to charge 50,000 EGP for each 1 MHz annually.

That makes the annual charge for the BWA charges 1,400,000 EGP. In addition to one time fee for the license shall be estimated after the submitted proposals.

We think this is very high value for the license and doesn't help the bidders to conduct a successful business plan.

It is very important to note that BWA market will be created in the zones where terrestrial infrastructure is not available. So giving license all over the nation should NOT mislead the market size for the BWA. We think that annual fee should be around 25,000 per MHz. i.e. 70,000 EGP per year for the 2X14 MHz.

The TRA should get only 1% of the annual revenue (rather than 3%).

Q6: The high cost of the frequency allocation shall not help the licensee to be able to offer its services to the market at competitive and accepted prices.

Q7: We agree with NTRA that 7 years should be a reasonable time window for the license

Q7: allowing 3X10 MHz for each licensee could be better option than 2X14. We think that having three frequencies can allow deployment of three base stations on the same cell so that each two – opposite base stations on two adjacent cell would have different frequency. The deployment of the 3X10 will allow much better utilization of all the available bandwidth for data

Q9: Referring to page 7-24. The TRA intend to allow the Licensee to be able to provide Internet services directly to the market provided that the BWA licensee will get the international capacity from one of the existing ISPs. Selling Internet service directly to consumer market (over the BWA) will create a disturbance in the ISP market and conflict is legitimate. The NTRA must treat carrying the data over the BWA the same as carrying the voice from the fixed phone operators to consumers. So the BWA operator must provide only last mile connectivity between the ISP and the end user for a certain charges rather than providing the Internet directly. The model we suggest will create a complementary and positive relation between the ISPs and the BWA licensee and that is probably good for everybody including NTRA.

3. Comments on the regulation framework

We need to make the following comments on the document

Page 7/24, point (c)

The clause disallows the BWA licensee to provide a connectivity service for any existing ISP between a location and its POP it is not clear why the new operator cannot provide such service.

Page 23/24, clause 1-2-3:

The NTRA wants to charge the licensee for the highest financial offer made by the bidders. And this fee shall apply on the 2nd and the 3rd offers. we would like to suggest that the cost should be made as an average of the 1st offer and the 3rd offer that is going to be more fair on the 2nd and the third bidders.

Page 23/24, clause 1-2-3

How the NTRA shall evaluate the technical offers. Since the document didn't include any evaluation criteria. The TRA has to draft an RFP with specific technical requirements that the bidders must consider in their technical design. And based on it a core can be given for each offer.

Page 24/24 clause 1-4

The proposed services offer in this clause doesn't match the one stated in page 18/24 clause 4-5. the item "Inter-networking service " is not included . Also the service definition is not clear and NTRA needs to elaborate and defines what is "internetworking services "