

stc Bahrain submission to TRA's Consultation on the draft Reference Offer of BNET

(Non-Confidential)

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1 INTRODUCTION

stc Bahrain wishes to thank the TRA for the opportunity to comment on the consultation paper relating to the draft reference offer from BNET, which includes a description of the services to be offered by BNET, the price and non-price terms and conditions under which these services are to be offered and the process by which services are delivered.

1.1 Structure of response

This document includes stc's response to each of the questions posed by the Authority in their consultation paper of 28th April 2022. These are given in Section 2 of this document. Prior to this, we outline, at a high level, the key issues that we feel should be addressed before a final Reference Offer (RO) is issued from BNET.

The detail associated with these issues is reinforced with comments on the various schedules that constitute the BNET RO. A marked-up version of each of the RO schedules forms part of stc's response to the consultation.

Given the significant level of mark-up on many of the RO schedules that the Authority issued as part of the consultation material, stc would suggest that a separate and further consultation round should be carried out on a final and clean set of documentation before the BNET RO is finalised.

1.2 Key issues

In context of the consultation matter we note the special place that BNET has in the Bahraini telecommunications market. As the sole fixed telecommunications infrastructure provider, stc believes that it is reasonable to suggest that the manner in which its services are delivered, and their pricing, will underpin the performance of all operators and through them the development of the digital economy, particularly the introduction of 5th generation mobile services and the growth of Internet of Things (IoT) based applications. BNET recognizes this importance in its submission of its draft RO that is subject to consultation in its added statement under Schedule 1 (Main Body Terms), where it says, *"BNET's national broadband network is also considered an essential input for mobile operators, with fibre backhaul and fronthaul being an increasingly important input to mobile data services, including 5G services."* It is evident that BNET considers serving the

mobile data service market of paramount importance, which stc welcomes, and requests that BNET considers in the design and planning of its current and future product offerings.

stc would like to highlight several areas where it would suggest an alternative approach to the one proposed by BNET and the Authority:

WBS Residential

The possibility of an automatic upgrade to the 100Mbps WBS residential service will reinforce the already super-dominant position of Batelco in the retail fibre broadband market, since Batelco has the economic ability (Batelco's retail price for 50 Mbps speed is 17.6 BD) to automatically upgrade its relevant customers to 100Mbps with little to no increase in retail prices. This will clearly harm the ability of other operators to compete or even to retain their existing customer base as they will not be able to execute the automatic upgrade free of charge. In the case of stc and Zain, both price their 50 Mbps WBS service offerings at an average monthly price of ~ BD 11, and therefore, in the event of a speed upgrade to 100Mbps, will only be able to offer the service through a substantial price increase.

Additionally, this will increase the likelihood of instigating margin squeeze tactics by Batelco, which will further damage competition in the retail broadband market. stc believes that the combined effect of margin squeeze practices and the reinforcement of existing market shares as mentioned above would consequently result in the reduction of investment in the whole broadband sector, and hence, stc's view is that the 50Mbps speed should be retained in the BNET RO and no automatic upgrade should be permitted.

A delay is therefore needed for the removal of the 50Mbps service and stc suggests that this should ideally be for a period of 2 years to allow other operators to capture more of a fair market share in the separate fibre home broadband market and place them in a better position to effectively compete.

- stc requests that the 50Mbps residential speed is retained in the WBS RO for at least two years and requests BNET to introduce a glide path for price reductions for 100Mbps and above. Retaining 50Mbps will:
 - ensure there is no increase in prices for existing customers subscribing to these services; (based on an underlying current wholesale price of BD 7 for the WBS 50Mbps speed, customers will

be forced to pay higher retail charges of BD 10.86 as a wholesale charge for 100 Mbps as a result of the new proposed rationalization of WBS speeds in the draft RO).. If the 50Mbps is not retained, stc, as a new entrant in the fibre broadband market, trying to exert competition pressure on Batelco (the SMP provider), is currently operating at no, or low margins, and would have to make an increase to the retail price applicable to existing 50Mbps customers. stc also considers that the same may apply to other licensed operators who may also have to increase their retail prices. In this respect, such an increase in price would be contrary to the Authority's requirements as delineated by the Authority under p. 7 of the consultation document);

- ensure that the diverse needs of WBS customers are taken into account, and *“that they are not compelled to pay higher prices if their needs are met by lower speeds at lower prices”*;
- avoid inefficiency which would be a result of forcing customers to obtain higher speeds that they may not require;
- stc notes that operators in other leading jurisdictions are still offering a range of residential fibre broadband speeds below 100Mbps, including in the United Kingdom and Germany, to meet the diverse needs of their customers, and to avoid compelling them to pay higher prices for speeds that they do not require (please see Table 1 below).

Country	Type of Service	Speeds/Retail price
UK	Residential	18Mbps
	Internet	35Mbps
		67Mbps
Germany	Residential	16Mbps
	Internet	50Mbps/
Qatar	Residential	20Mbps/
	Internet	100Mbps

Table 1

With regards to the WBS 100Mbps price reduction, we would like to express our great support in meeting the key government goals and strategy objectives of the Fifth National Telecommunications Plan (“NTP5”), subject to requesting a glide path to be implemented on the pricing of the 100 Mbps speed for the reasons given below:

- The rapid and sudden price reduction will reinforce the dominant position of Batelco as it will enable Batelco to automatically upgrade the majority of its customers (acquired particularly following aggressive margin squeeze practices since 2019, which is still under investigation by the Authority) and hence make it more difficult for alternative operators to compete due to Batelco’s likely lock-in strategies;
- Such a significant and immediate reduction in price, as currently proposed, could have spill-over effects into the separate but neighbouring wireless broadband market, making it more difficult, for example, for providers of 5G broadband to effectively establish their services, and thus to provide an alternative source of broadband services. This will lead to a detrimental impact on future 5G investments in the Kingdom;

- BNET's costing model has still not been produced, and thus there has been no assessment of the appropriateness of the price changes proposed by BNET; and
- A glide path of two years will enable sustainable competition in the market and increase broadband penetration.

WDC

- stc does not believe that the lower speed services should be removed from the RO for the Wholesale Data Connection Service (WDC). The reason for this is as stated by the Authority in that, under the current proposal, the price for the entry level package (i.e. 10 Mbps) will increase significantly (by up to 299% depending on the existing speed of services acquired under 10Mbps). In addition, the current sub-10Mbps subscribers form a significant segment of the WDC market, where their needs are satisfactorily met by the current lower WDC speeds.

The imposition of a service that is not required, in particular with regard to customers that do still require lower speed services, on customers that may not be able to afford higher charges, will only be to the detriment of the market and social wellbeing in Bahrain.

Dark Fibre

- stc believes that dark fibre should be included in the service offering from BNET, in keeping with international best practice. There is significant precedence for the inclusion of a dark fibre product from an infrastructure provider and the prevailing view among leading regulators is that the availability of such a product both reduces costs and promotes competition. The key requirement for including dark fibre in the RO, for MNO's only, is that it will enable operators to realise the full potential of 5th generation mobile technology.

The absence of a dark fibre service seems to undermine one of the key reasons for establishing BNET: to promote innovation and accelerate the growth and economic diversification of the telecommunication sector. In fact, and to re-iterate the significance of this statement, BNET has clearly stated its role and importance in providing the appropriate product and service offerings to the market to enable Licensed Operators, and in particular, MNOs, to provide mobile data/5G services (please see 1.2 above). Introducing a suitable dark fibre product is vital to recognizing and achieving this key strategic objective.

stc understands that a crucial goal of the government of the Kingdom of Bahrain is to position the Kingdom as a regional data hub serving the member states of the Arab League and transforming the way we conduct our day-to-day digital business, as evidenced by the substantial investments made into building hyperscale data centers.

In order to better serve this market, stc is of the belief that these entities (such as AWS) require versatile, flexible, and secure products with particular connectivity requirements that go beyond what is currently being offered by BNET. stc strongly believes that this could be achieved through a fitting dark fibre product, which will enable the Kingdom to recognize its goal by attracting and retaining data center operators and realise the full range of services that can be delivered by 5G. This will be severely compromised without dark fibre capability. To that effect, stc does not believe that the current product set provided by BNET meets these needs. For example, the very strict tolerances on synchronization and limits on signal jitter are essential to effective 5G network rollout, for which a wholesale dark fibre product is required in order to provide maximum control of these factors, unaffected by the manipulation of other parties.

The transfer/decommissioning of LOs fixed assets should be conducted in a manner to provide MNOs with an alternative wholesale passive connectivity (dark fibre) which will generate similar or more favourable economic efficiency and network resiliency and performance, and concerned MNOs should be granted the right to access alternative passive products such as dark fibre in a manner that provides them with the same economic efficiency and technical flexibility they are currently enjoying with their own network assets. This is in line with the Authority's objective outlined in the Consultation document where it confirmed that it will *"ensure that arrangements agreed between BNET and the Licensed Operators ("LOs") ensure that all operators continue to operate their networks effectively."*

Hence, mandating the Dark Fibre Access product for mobile network operators in the BNET RO should be a pre-requisite to any transfer/decommissioning of operator's fixed assets.

Service Levels

- stc believes that a more stringent and complete set of service level agreements should be included in the BNET reference offer, and stc's inputs are contained within the relevant schedules. The crucial

dependence of licenced operators on BNET services means that a clear level of service availability that meets the accepted standard in the most developed countries should be offered. The draft RO does not currently meet this standard. It does not include targets for mean time between failure (MTBF), making it impossible for an operator to assess the service availability from BNET and hence the level of service they can offer to their customers.

Furthermore, while it offers a full range of operational targets (response times etc.) the RO is short on performance targets such as Round-Trip Delay (Frame Transfer Delay) and Jitter (Frame Delay Variations) for datacom services outlined in the RO. The absence of performance targets in these areas will potentially compromise the ability of operators to offer seamless and resilient services to its end-customers.

The absence of performance targets related to latency are particularly important for the backhaul services offered by BNET. While 4G networks can readily operate with 10 milliseconds of backhaul latency, 5G networks now require sub 1ms latency values.

It is, therefore, vital to the development of effective 5G networks in Bahrain that predictable and adequately low levels of both latency and jitter are offered within the BNET RO, which means that a dark fibre product should be included in the offer.

Final points related to this subject are for clarification. The entry in the Service Level Agreement for WBS seems to ignore the fact that there are two different segments of WBS, namely Residential and Non-Residential and these should be differentiated with, for instance, more stringent quality of service targets for the latter. stc has highlighted in the schedules that constitute the RO where revisions to the SLAs are required. This includes a proposed removal of caps¹ on service credits in line with international benchmarks.

A similar clarification question pertains to the gold and silver protection levels (referenced, for example in Section 3.20 of the MDS SD), where there is no apparent differentiation of benefits between the two

¹ See https://www.ofcom.org.uk/data/assets/pdf_file/0020/33617/statement.pdf, in which Ofcom state that everything set out in the SLA is within the provider's control and so they can limit the level of service credits that are due and hence their financial vulnerability

options. For example, there is no information on the improvement in service availability, a pre-requisite for assessing the cost/benefit choice between the two different levels of protection on offer.

Overall, stc acknowledges and welcomes the revision to the BNET RO proposed by the Authority and the reference to benchmarks from other countries. Both of these factors provide confidence in the thoroughness and consideration that the Authority has put into preparing this consultation paper. In response, stc has found itself to be in agreement with the Authority's approach in most areas, the bullet points above highlighting the major areas of contention.

In the next section, stc's responses to the consultation questions take account of the interest that it, and other operators, have in ensuring that BNET with its privileged position as the sole national fibre infrastructure provider, is capable of delivering a reliable, predictable, and effective platform. Hence, our answers, supported by comments in the schedules to the RO, are driven by a need to ensure that the final RO allows the telecommunications market in Bahrain to develop to its fullest extent.

2 RESPONSE TO CONSULTATION

2.1 Background

stc notes that BNET is the sole licensed entity with responsibility for deploying, maintaining and operating Bahrain's National Broadband Network in accordance with the Fifth National Telecommunications Plan (NTP5). As the only provider of fixed wholesale broadband and domestic infrastructure operating in Bahrain, it will have particular responsibility for the success of the telecommunications sector and hence of the development of the digital economy. It is therefore reasonable for stc to suggest that the range of BNET services, as well as the terms and pricing of these services, will underpin the performance of all operators and the development of a leading-edge telecommunications sector in Bahrain.

stc recognises that the mandate given to BNET has removed functions from operators related to the provision of infrastructure and wholesale broadband services. Infrastructure and service provision planning, implementation and operations would ordinarily be elements of an operator's business plan and would be closely allied to other elements including the establishment of a marketing mix. The business plan itself would be an attempt to optimise all these elements so that sales forecasts are aligned with investment in infrastructure, services, and pricing. With decisions about infrastructure and basic broadband services now being undertaken within BNET, with strong regulatory oversight from the Authority, LOs will now be faced with working with what they are given in terms of these business elements and with related wholesale pricing.

stc agrees with the Authority's position that the BNET regulatory costing framework (under finalization by the Authority) should be the basis to set BNET's pricing of its wholesale products. The Authority confirmed this position when it stated that the *"two Bottom Up Long Run Incremental Cost ("BU-LRIC") cost models (one for the Access Network and one for the Core Network), should constitute the Authority's main tools for the next BNET Reference Offer ("RO") assessment and price setting decision"*².

stc also welcomes the Authority's initiative to review retail broadband and domestic connectivity markets by Q2 2022 in its yearly work plan and requests the Authority to expedite the review of these markets in order to

² TRA Consultation on the Development, implementation and use of the costing methodology of the National Broadband Network of the Kingdom of Bahrain - Draft Model Definition Paper, 5 Dec. 2021, Ref: MCD/12/21/016, Para 14.

avoid further impacting competition without a relevant market study, as the last review of these market was conducted in 2014.

stc entreats the Authority to, prior to the introduction of the BNET Reference offer, finalize the review of the broadband and domestic connectivity markets, as well as the a thorough review of BNET's costing framework, This is in light of the notion that the current retail fibre broadband market is dominated by the incumbent (i.e. Batelco) that enjoys SMP. Any changes to the RO pricing or product structure has the potential to significantly alter the competition landscape in the market. For example, a change to the WBS pricing structure, without the appropriate costing and market review, could trigger a stronger hold by Batelco of its large WBS customer base as mentioned above, which would render the market impenetrable by other licensed operators. It is therefore imperative that the market review is conducted and concluded with appropriate ex-ante remedies in place prior to the introduction of a new RO, or otherwise any movement/price reduction in the BNET service offerings could further distort the market.

In order to mitigate this risk in the interim, LOs will need transparency, timeliness and predictability in decision making. Transparency will be of particular importance in determining what areas of Bahrain are to be covered, and what services and network capacity are to be provided. Without such transparency, it will be difficult for LOs to plan their businesses over the medium term. stc therefore suggests that these areas should be subject to ongoing dialogue, and that joint decisions should be made as to the implementation of these matters. Timeliness and predictability in all decisions regarding BNET are key, so stc requests predictable, timely and, where appropriate, gradual changes to the BNET RO.

stc is concerned that BNET is not yet in a position to guarantee that it acts independently of Batelco as mandated in its licence. This has been evidenced by BNET's refusal in 2021 to comply with the Authority's decision regarding the WBS Transfer Process and in the unjustified lengthy delays to provide stc with the appropriate response to a FAS application. Such lack of independence is particularly due to the governance structure of BNET and its shareholding ownership structure. This seems to be a prevailing state of affairs and we thus strongly request the Authority to carefully assess the impact of all pricing and non-pricing changes in this draft RO on competition prior to furthering any other policy objective in the NTP which might seem legitimate in the short term but would be at threat in the longer term.

The subsequent parts of this section contain stc's more detailed responses to all of the questions contained in the consultation. In each case, the response is prefaced with the text of the consultation question.

2.2 Response to consultation questions

COMPREHENSIVENESS AND SUITABILITY OF THE PROPOSED PRODUCT AND SERVICES SET

1. Do you support the inclusion in the BNET RO of all the product schedules included in the draft? If not, please set out which product schedules you consider should be excluded, and why.

stc supports the product schedules that have been included in the BNET RO and is pleased to see that additional and/or enhanced bandwidth options have been added. With respect to the cogency of the BNET RO, it is stc's opinion that the TMS product is not explicitly required as it is an active product based on the MDS technology that provides a less useful alternative to dark fibre.

2. Do you have any comments in relation to the inclusion / exclusion of the current products in the draft RO (such as TMS, MBS, etc.)?

There are no specific objections to the majority of the product set in the draft RO. However, stc reiterates the comment that the dark fibre product is the only alternative replacement product for MNOs, when considering the transfer of OLO assets to BNET, which would present the only option than the TMS, which we deem superfluous. Indeed, stc considers that the TMS product is an active product based on the MDS technology, which stc cannot depend on to deploy required passive (optical) connectivity between any end-to-end points and mainly towards Data Centre and International cables.

3. Please indicate if you consider any products are missing from the draft RO. Please provide a high-level product specification and explain why you believe such products should be included in the RO, considering for example, how such products will enable Licensed Operators to continue to provide their current retail product set, and to compete effectively.

As stated in the previous section, stc believes that a dark fibre product should be included in the BNET portfolio, restricted to MNO's only, in order to promote competition in the provision of broadband and data connectivity, reduce the cost of network infrastructure and, ultimately enable operators to realise the full potential of 5th generation mobile technology.

Regulators in other leading countries such as Singapore, New Zealand and Japan, QNBN in Qatar as well as most of the leading EU administrations, have addressed the concerns related to competition and efficiency by mandating the availability of wholesale dark fibre product from a monopoly infrastructure provider.

The extent of dark fibre offerings from a national infrastructure provider is typified by the products available in the UK. Openreach offers a full fibre infrastructure build product which terminates at specified locations and ensures that the same infrastructure is able to carry all available fibre-based services as it is a passive fibre network solution³. In addition, Openreach offers a product called “Dark Fibre X” service which delivers an uncontended, unlit optical path over an end-to-end maximum route distance of 86km between two qualifying exchange sites. Again, this is a passive service and no equipment is provided to light the fibre. Both products are supplied to a standard set of terms and conditions, and the Dark Fibre X product is supported by an SLA⁴ which sets best endeavour times for order delivery (a minimum of 14 days) and fault fixing, though times quoted are subject to caveats.

Similar products are available in New Zealand, where Chorus offer a dark fibre access product⁵ which is supported by a Service Level Agreement (SLA)⁶ that sets key operational targets such as a same day restoration time in the event of failure. Regionally, the network infrastructure provider in Qatar (QNBN) offers fibre connection to the NBN core⁷.

Given the significant precedence for the inclusion of a dark fibre product and the prevailing view among leading regulators that this reduces costs and promotes competition, stc requests that TRA should recognise MNO’s rights to have access to a dark fibre product that allows them to keep the same existing network topology and traffic management flexibility and resilience with the same economic efficiency.

4. Please provide comments on any other areas of concern you have regarding any of the product descriptions included in the draft.

There are a number of detailed issues with the current set of product descriptions. These are:

³ www.openreach.co.uk/orpg/home/products/ultrafastfibreaccess/fullfibreinfrastructurebuild/ffib/downloads/StandardTermsandConditionsFFIB.pdf

⁴ www.openreach.co.uk/orpg/home/products/darkfibrex/downloads/DFX_Schedule4_ServiceLevelAgreement.pdf

⁵ <https://sp.chorus.co.nz/product/direct-fibre-dfas/overview>

⁶ https://sp.chorus.co.nz/system/files/resources_files/Direct%20Fibre%20Service%20Level%20Terms%2028%20June%202018_0.pdf

⁷ http://www.qnbn.com/wp-content/uploads/2018/10/P2P-1F-Retail-Tariff-R-03_v1.pdf

WBS

As indicated in the previous section, stc requests that the 50Mbps speed is retained in the WBS RO for at least two years and there is glide path for price reductions for 100Mbps and above.

stc believes that broadband affordability is an important factor for social inclusion as an increasing range of public and commercial services are available online using a digital-first approach. To reduce affordability by increasing cost of broadband services would be retrogressive.

In addition to this major comment on the proposed WBS, stc agrees with the Authority that the minimum service period included in the RO be abandoned (as per our response to question 11), and that the BD5 per event rescheduling fee and volume discount both be dropped.

stc would suggest that the SLA for service installation and delivery is amended to differentiate basic and premium service delivery, with a five working day target for the former, and 24 hours for the latter. Any service classified as premium should have a premium service assurance, not just premium delivery. Further to this, stc suggests that a one-day target for transfer is included in the SLA – meaning that the time taken to swap to a new operator as well as the time taken for an internal transfer within the same operator and same premises should be one day (unless a visit is required). This last comment is made in light of the request in the previous section for a clear availability target for all BNET services.

Following on from the above, stc would suggest that the rate at which service credits accrue is increased and that no cap is applied (in line with Openreach SLA policy⁸, which does not cap some services).

stc would request, for operational flexibility, an increase in internal cabling length from the 20m in the current SD to 50m and would also request that BNET service includes all of the internal works and civil works to accommodate such fibre connectivity with the best customer experience and a minimum number of visits from subcontractors. There is precedence for such a one stop service in comparable administrations such as the UK

⁸See: https://www.openreach.co.uk/cpportal/content/dam/cpportal/public/images-and-documents/home/products/fibrebroadband/fibre-contracts/Ancillary-documents/SLG-document/Proactive-SLGs/Documentation/slaslg_policy_business_rules_overview_version2_4_Sept_18.pdf

and New Zealand, where the product catalogues of Openreach⁹ and Chorus¹⁰ (respectively) include the ancillary works items required to complete a fibre installation.

WDC

In keeping with comments given earlier in this response, stc would favour maintaining the current set of WDC speeds to cater for customer's specific needs and price sensitivity. Furthermore, stc feels the proposed drastic decrease in pricing will harm the market and LO revenues, noting that Bahrain's pricing is the lowest in the region. Additionally, the pricing structure should be reconsidered to bring it more in line with standard practice (e.g. price anomaly between 10G and 50G).

A final comment on this service is that service credits should be increased, and the cap should be removed, since all of the measures and targets set out in the SLA are within BNET control and so they can limit the level of service credits that are due and hence their financial vulnerability.

MDS

stc does not take issue with MDS as defined in the RO schedules but does require the aggregation links to remain as part of the MRC as is the case in the current RO, in view of the Authority's statement in the draft reference offer consultation which says that *"the Authority had reviewed the Separated Entity's business plan and proposed investments, in order to ensure that its regulatory asset base reflects that of a reasonably efficient provider and that it is able to earn a reasonable return"*¹¹. as this was previously included as part of MRC. In a similar vein, stc requires further clarity on the pricing for additional underground infrastructure and highlights that a fair and reasonable price that clearly reflects the amount of product provided should be determined.

TMS

There are no significant comments on TMS as it stands, though stc does not see this product as an essential element of the BNET product set and would prefer to see a dark fibre product added.

⁹See: <https://www.bt.com/content/dam/bt-plc/assets/documents/about-bt/policy-and-regulation/our-governance-and-strategy/regulatory-financial-statements/2020/bt-wholesale-catalogue-2020.pdf>

¹⁰ <https://sp.chorus.co.nz/products>

¹¹ TRA Consultation on the draft reference offer of the separated entity, 20 Dec. 2018 - LAD/1218/347, Para 6.9

There are no specific detailed comments on the remaining products in the BNET RO.

NON-PRICE TERMS

5. Do you consider that the non-price terms, as set out in the schedules to the draft RO, including the supply terms and the definitions, are fit for purpose and meet the reasonable requirements of LOs?

stc feels that the supply terms in the RO are generally fit for purpose, subject to the following key caveats:

- Detailed implementation of the main body terms contained in schedule 1. There are numerous areas where stc feels that this document requires clarification or change.
- Adequacy of the SLA's associated with each BNET product. stc feels that the scope and level of measures and targets fall short of an adequate standard for effective operation.

stc comments against the relevant schedules and provides detail on each of these issues

PRICE TERMS

6. What are your views on the area of potential concern identified by TRA? Have you identified any other issues and if so what are these issues and why?

With respect to the Authorities concerns as listed in the consultation document:

1. *Price variation for MRC and NRC.* stc agrees with the Authority that BNET must be able to point to an increase in the underlying cost of supplying a particular service before it is allowed to increase the price of that service.
2. *Removal of speeds.* As stated earlier stc requests that the 50Mbps speed is retained in the WBS RO for at least two years and a glide path is introduced for price reductions for 100Mbps and above.
3. *Inclusion of speeds.* stc is in general agreement with the Authority on this matter.
4. *Inclusion of discount schemes.* stc is in general agreement with the Authority on this matter but would question why the discount schemes are limited in their application to specific product speeds. stc requests the long-term contract discount for the WDC product to be applied to all speeds.
5. *Inclusion of service protection levels.* stc would request greater clarity on the proposed charges for the gold and silver protection levels. Specifically, what additional availability over standard service is provided by these levels, what is the differentiation in availability level between them and what

guarantees are provided for each of them? stc suggests that the silver protection level to be fibre optic cross-point as it is port level only and gold protection level to be charged at - a premium with full diversity and redundancy.

SPECIFIC ISSUES IDENTIFIED BY THE AUTHORITY ON THE NON-PRICE TERMS

7. Do you agree with the areas of concern identified by TRA in relation to the WBS service description? Please sequence your responses in accordance with the list of concerns set out in this consultation document.

Please refer to the comments already raised (and reiterated subsequently) on WBS.

8. Do you agree with the areas of concern identified by TRA in relation to the TMS service description? Please sequence your responses in accordance with the list of concerns set out in this consultation document.

stc's concerns over the TMS product have been articulated earlier in this document in response to Question 4 above. As described, the absence of service availability and performance targets from the RO will compromise the ability of operators to develop 5G services using this product.

9. Do you agree with the concern identified by TRA in relation to the availability of digital coverage maps and the monitoring tool? Please sequence your responses in accordance with the list of concerns set out in this consultation document.

stc agrees with the Authority that BNET should offer online tools or capabilities to enable the monitoring, on a real-time basis, of the connectivity products that are offered by BNET.. This is a standard feature for comparable infrastructure providers (such as Openreach in the UK) and should be provided by BNET.

SPECIFIC ISSUES IDENTIFIED BY THE AUTHORITY ON THE PRICE TERMS

10. Do you agree with the areas of concern identified by TRA in relation to:

- **Price Variation**
- **Removal of Speeds/Bandwidth**
- **Inclusion of Speeds/Bandwidth**
- **Inclusion of discount schemes**

- **Inclusion of service Protection Levels with associated charges**

Notwithstanding stc's positions articulated in response to the abovementioned questions raised by the Authority, stc has no further comments to make.

OTHER COMMENTS

11. Do you have any other comments not considered specifically above that you wish to raise?

With reference to the areas of concern listed by the Authority in the consultation document, stc has the following comments in addition to the issues that have already been raised in the response above.

Non-price terms (section 4 of consultation)

(4.1) stc is generally supportive of the updates to the BNET RO proposed by the Authority. This is particularly the case in the Main Body Terms contained in Schedule 1 of the Offer where equivalence of inputs is reinforced as a basic tenet of BNET operations and cooperative development of a Joint Working Manual is defined.

(4.2) stc agrees with the Authority that digital maps should be made available to LOs, for all BNET products. As previously indicated, this is standard practice for comparable infrastructure providers.

(4.3) stc agrees with the Authority that a minimum service period of 12 months for WBS is overly restrictive and unnecessary. This restriction would prevent stc, and other operators, from providing the service to fulfil special project requirements (such as exhibitions and conferences). stc supports the removal of the Minimum Service Period from the WBS service description, as retaining it could allow BNET to apply charges for cancelled lines with an operator whilst receiving circuit charges from another operator (double charging).

(4.4) With respect to the suggested supply of optical wavelength as an alternative to passive products, stc would reiterate its request for a dark fibre product to be made available to MNO's from BNET. If an optical wavelength, which is a high capacity, point to point link, can be offered, then it could be offered on a point-to-point dark fibre link specially to accommodate the MNOs' needs for proper backhauling connectivity (carrying all types of traffic), reach Data Centers and Cable Landing Stations.

(4.5) stc agrees with the Authority on the importance of LOs having access to high-capacity products that provide flexibility when used in Data Center-to-Data Center connectivity and Data Center-to-International Landing Station connectivity. As already stated, stc sees dark fibre as the ideal solution.

(4.6) With reference to the Supply Terms contained in Schedule 9, the Authority suggests that operators should consider whether the process of resolving disputes, as set out in Clause 22 of Schedule 9 is acceptable, particularly where the operator is threatened with a suspension or termination of service. stc believes that the process of resolving disputes set out in Clause 22 of Schedule 9 is not acceptable and in particular the requirement to go through an escalation process before a dispute is referred to the Authority particularly where a LO may be threatened with a suspension or termination of service (beyond the instances referred to in Clause 12.3).

Price terms (section 5 of consultation)

stc is in broad agreement with the Authority on the concerns raised in section 5 of the consultation. Specific entries earlier in this response deal with particular issues in some depth. A summary of the stc position is as follows:

(5.1.1) stc is adamant that any rise in the price of a service should be approved only if there is an increase in the underlying cost of supplying that particular service. This position was central to our response to an earlier consultation on the application of LRIC to the BNET service portfolio¹².

(5.1.2) stc agrees with the Authority, except for the removal of WBS 50Mbps speed as this will impose significant price increases to existing subscribers (from BD/month 7.02 for 50 Mbps to BD/month 10.86 for 100 Mbps), and undue discrimination would occur. Our view on this issue is explained in the previous section.

(5.1.3) stc agrees with the Authority's position

(5.1.4) stc agrees with the Authority's position

(5.1.5) stc agrees with the Authority position and would add that the benefit of the new protection levels needs to be clearly articulated in the SLA associated with the RO so that customers can assess the benefit of additional expenditure.

¹² stc submission to TRA (Ref. 0122-Corp-Reg-Gen-006) dated 27 January 2022

12. If so, please sequence your comments according to sections in the Consultation document or specific aspects of the draft RO.

Please refer to stc's earlier comments throughout this cover submission.