

TRA ISSUES NEW LICENSES

The Telecommunications Regulatory Authority (TRA) has issued its first licenses since it was established last year. Under the Telecommunications Law, all existing licenses expired on April 4 2008. The TRA has issued new licenses to operational data service providers (DSPs) and Internet service providers (ISPs). Each license has the same terms except where some DSPs have the right to use radio frequency spectrum, where they are subject to additional terms and conditions. Data services are subject to certain revenue share obligations and frequency fees, which do not apply to a provider offering only ISP services. The new licenses allow the DSPs and ISPs

to enter each other's markets, thus increasing the potential for competition in the data and Internet markets, and allowing the market to begin to offer the potential of convergence between sectors. The expiry by law of their old licenses and issuance by the TRA today of these licenses marks a transition of these providers from the old legal regime, under which the licensees were previously under the tutelage of the Ministry of Telecommunications, to the regime under the Telecommunications Law by which the TRA is responsible for all licensing matters relating to these providers. The TRA is currently planning to introduce a new licensing regulation, and will launch a major licensing and regulatory framework for broadband later this year. The TRA anticipates that the DSPs and ISPs will participate in that process, and migrate to the new broadband regime. Their licenses are short-term, interim licenses that will be valid until the broadband licenses are introduced.

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