



**Telecommunications Regulatory
Commission**

Class License Amendments

**TRC's decisions and reasoning
concerning the objections
submitted by some licensees to
amendments to the class licenses**

22/6/2005

هيئة تنظيم قطاع الاتصالات

تعديلات الرخص الفنية

**قرارات الهيئة وأسبابها بخصوص الاعتراضات
المقدمة من بعض المرخص لهم حول تعديلات
الرخص الفنية**

2005/6/22

1 INTRODUCTION

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TRC has been proceeding towards the liberalization of the telecommunications market, in strict accordance with the Government's Policy Statement on the Information and Communications Technology Sectors and Postal Sector, which was published in September, 2003.

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In December 2004 the TRC issued an *Information Memorandum Related to the Program of Licensing within the Fixed Telecommunications Sub-sector and the evolution to an Integrated Licensing and Regulatory Regime* ("Information Memorandum") to provide the public and industry with the necessary details regarding the new licensing regime. That regime will replace and modernize the existing arrangement of licensing that is the result of ad hoc arrangements over several years. Licenses which have been issued over recent years take a number of different forms and contain differing terms which cause distortions in the market, and they also now fail to reflect advances in technology that make

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previous distinctions between services and sub-sectors redundant. The Program of Licence Modification now being undertaken by the TRC seeks to address these issues, and was approved by the Council of Ministers in November, 2004.

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The TRC issued a document entitled "Transition Instructions for Current Class Licensees" (Transition Instructions), on the 11th January 2005. The TRC has further issued a notification under the terms of Article 2.2 of the Transition Instructions on 9th February 2005. Existing licensees were invited to comment or object to the Schedule of Amendments to their licenses, and 11 licensees exercised this option. Subsequently, in accordance with Article 39 of the Telecommunications Law, nine of these objectors also exercised their right to a hearing of their objections before the Board of the TRC. The hearings took place at the offices of the TRC on 16th to 19th May 2005.

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Following receipt of these objections and the holding of the hearings, the TRC has carefully considered which objections to accept or reject, which amendments to postpone and what, if any, consequential changes should be made to the proposed Schedule of Amendments in the light of the objections.

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The TRC has now concluded its analysis, according to the procedure required by the Telecommunications Law. The Schedule of Amendments set out in Appendix A of this document will therefore take effect from July 3, 2005 in the Class Licences of each of the following parties:

Accessme Jordan Co. Ltd.	/
Al Bahrainia al Urdunia Liltaknia wa Alitusalat PLC (Batelco – Jordan)	()
International Data Exchange (Cyberia)	()
Networks Exchange Technology Co. Ltd. (NEXT)	()
Intergrated Information and Telecommunication Services (SITA / Jordan)	
Egyptian-Jordanian Corporation for Data Transfer / TE Data Jordan	
Intercontinental Media & Communication Services Ltd.	/
Arab International CO. for Education & Investment / Applied Science University	
Alia Royal Jordanian Airlines Co.	
Al Deka for Telecommunication Services LLC. CO	
New Generation Telecommunication Company (Xpress)	()
Jordan Mobile Telephone Services Company (Fast Link)	()
Middle East Communication Corporation (MEC)	(MEC)
Jordan Telecommunications Company	
Swiftel Internatinal Jordan Co.	()
Jordan Data Communication Services	/
Emirates for Information Technology (Info2cell.com)	()
Petra Jordanian Mobile Telecommunications Co. (MobileCom)	
Reuters limited	
Al-Ahliya Telecommunications Services	



Computer Networking Services (CNS)

(CNS)

Jordan Modern Telecommunications Networks
Services Company (Jomotel)

(جوموتل)

Jordan Data Communications Ltd. (Wanadoo)

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This document contains a summary of the objections, categorized by type of objection. It sets out where and why the TRC rejects objections to the Schedule of Amendments and where it consequently considers that no change should be made to the Schedule of Amendments; it also sets forth which objections are accepted and where certain changes will be incorporated. Finally one objection has resulted in the postponement of the modification of the license in question.

Appendix B to this document contains the New Form of Class License with the final amendments incorporated.

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1.1 Acknowledgement

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The TRC acknowledges and thanks the stakeholders in the telecommunication sector of Jordan who have participated constructively and co-operatively in the consultation procedure and the Article 39 process relating to the present amendments. The TRC was most impressed with and grateful for the quality of the preparation and presentation of objections, both in the

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written procedure and at the hearings which have taken place. The TRC found this most helpful. The TRC considers that the passage through this procedure has been beneficial for all stakeholders.

The TRC has held hearings and taken careful note of the objections made; it has heard from a wide variety of licensees, and those licensees have had the opportunity to express and explain in full their concerns and analysis of a range of issues, including that of the public interest. The TRC considers this procedure represents a significant milestone in the liberalisation and modernisation of the telecommunications sector in Jordan, and that this will contribute significantly to the interests of the Kingdom.

1.2 Public Interest

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The TRC is empowered and obliged by the Telecommunications Law to identify and to act in a manner that benefits the public. A primary source document for the identification of the public interest is the general policy of the Government for the sector as set out in the “Statement of Government Policy on the Information and Communications Technology Sectors and Postal Sector” that was published in September, 2003, a copy of which may be obtained at www.moict.gov.jo. TRC has also conducted an extensive consultation process to allow it to identify key issues related to the amendment of the Class Licence, as required by the Telecommunications Law.

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www.moict.gov.jo



Following the Article 39 procedure, the hearings, and the consultation procedures, the TRC has identified a number of considerations that affect the public interest which it is required to take into account in its decision whether to reject or accept the various objections to modifications, or to postpone the implementation of the amendments, which have been the subject of the present procedure. Those considerations include, not in order of precedence:

- Transparency
- Legal clarity
- Flexibility in a dynamic and fast moving sector
- The ability to regulate effectively
- The interests of other stakeholders
- The interests of licensees
- The consumer interest
- Jordan's commitments to the World Trade Organization

Article 39 of the Telecommunications Law entitles licensees to special consideration and procedural rights when their licence is potentially to be modified in order to meet the public interest, and that procedure has been followed in the greatest detail in the present process.



The TRC has taken careful note of the above public interest issues and balanced them in coming to the decisions set out herein.

1.3 Legal Basis

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These decisions are issued pursuant to the provisions of Article 39 of the Telecommunications Law regarding the licensees' objections. They are taken under the powers of the TRC conferred on its Board under Articles 12/a/4 and 39 of the Telecommunications Law, and are made in accordance with the duties and responsibilities of the TRC under Article 6 of the Telecommunications Law and having due regard to the provisions of Article 29 of the Telecommunications Law.

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2 PROCEDURE RELATING TO LICENSEE OBJECTIONS UNDER ARTICLE 39 OF THE TELECOMMUNICATIONS LAW

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For convenience and ease of reference, the TRC has wherever possible grouped the objections by broad categorization, and given its reasoning behind:

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1. TRC acceptance of objections, leading to removal of amendments or changes to the current form of amendments. .1
2. TRC rejection of objections, and confirmation of amendment as currently drafted or in one instance TRC's withdrawal of an amendment notwithstanding rejection of objection. .2
3. TRC postponement of the implementation of modification .3

3 TRC ACCEPTANCE OF OBJECTIONS 3 LEADING TO FURTHER AMENDMENTS

3.1 Status of the Schedules attached to the License Agreements 1/3

Several Licensees objected to the requirement of Schedules automatically being removed upon the adoption of relevant Regulations. In this respect, TRC confirms that in accordance with its recently issued Consultation on Rulemaking Procedures 10th May 2005 2005 10 wherever a Regulation put forward by the TRC may conflict with or be inconsistent with a condition of a license, (including applicable schedules) in a manner which requires amendment of the license to ensure consistency with the conditions of such Regulation, then the TRC will initiate an Article 39 of the Telecommunications Law procedure in respect of such amendment. (39)



In the event that the TRC does not initiate the procedure outlined above, and a licensee has reasonable grounds for believing that a conflict or inconsistency with its license terms may result from adoption of a Regulation, the licensee may serve a notice on the TRC requesting initiation of the process outlined above and stating its grounds therefore, which shall consist of an identification of the inconsistency between the Regulation and its license terms and its observations thereof. The TRC will respond to the licensee within 30 days by informing it of the initiation of the Article 39 procedure or state clearly its reasoning for rejecting the request to initiate such procedures.

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Objections related to this issue have been accepted, and the Articles affected are listed in Table 1 below.

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Table 1: Articles to which ‘Status of License Schedules’ issue relates

<i>Document</i>	<i>Article</i>	<i>Original Article</i>	<i>TRC Decision on Objection</i>	<i>Amendment</i>
<i>License Agreement</i>	1.1.2	Attached to this License Agreement are the Operating License (Appendix 1), and the Schedules contained in Appendix 2. The Schedules form an integral part of this License Agreement and set forth the detailed obligations, terms and conditions applicable to the Licensee. Such Schedules may be amended and/or	Accepted	Attached to this License Agreement are the Operating License (Appendix 1), and the Schedules contained in Appendix 2. The Schedules form an integral part of this License Agreement and set forth the detailed obligations, terms and conditions applicable to the Licensee. It is



		removed as applicable upon the adoption of Regulations by the TRC. The Licensee acknowledges that the aforementioned Schedules will be removed upon adoption of relevant Regulations by the TRC.		intended that such Schedules will be amended and/or removed as applicable upon the adoption of Regulations by the TRC subject always to the applicable process as outlined in TRC Regulations and as set out in Article 39 of the Telecommunications Law.
<i>Schedule A - Definitions</i>	1.3	This Schedule may be amended, replaced or removed by the TRC upon the adoption of Regulations that provide general definitions related to the telecommunications sector.	Accepted	Article removed
<i>Schedule B - General Conditions</i>	1.3	This Schedule may be amended or removed by the TRC upon the adoption of Regulations that address the general conditions of class licenses.	Accepted	Article removed
<i>Schedule C - Relations with customers</i>	1.3	This Schedule may be amended or removed by the TRC upon the adoption of Regulations applicable to relations with customers	Accepted	Article removed
<i>Schedule D - Anti-Competitive Activities</i>	1.3	This Schedule may be amended or removed by the TRC upon the adoption of Regulations on competition safeguards	Accepted	Article removed
<i>Schedule E - QoS</i>	1.3	This Schedule may be amended or removed by the TRC upon the adoption of Regulations relating to quality of service	Accepted	Article removed
<i>Schedule F - Interconnection Obligations</i>	1.3	This Schedule may be amended or removed by the TRC upon the adoption of Regulations on interconnection	Accepted	Article removed
<i>Schedule I - Data Communication services</i>	1.4	This Schedule may be amended, replaced or removed by the TRC upon the adoption of TRC Licensing Regulations related to Data Communications.	Accepted	Article removed
<i>Schedule J - GMPCS services</i>	1.4	This Schedule may be amended or removed by the TRC upon the adoption of Regulations on GMPCS	Accepted	Article removed
<i>Schedule K - Pre-paid Telecom card services</i>	1.4	This Schedule may be amended or removed by the TRC upon the adoption of Regulations related to Pre-Paid Telecom Card Services	Accepted	Article removed



3.2 Existing Holders of Licenses

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The TRC received objections to (G) Schedule G which were raised by licensees who considered it inappropriate for them to be obliged to undertake the transition of Affiliates to the integrated licensing and regulatory regime.

The TRC has noted these objections and removed the modifications which inserted Schedule G into the new form of Class Licence. The Schedules have been renumbered accordingly so that the previous Schedule H is now Schedule G. The Article affected is listed in Table 2 below.

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Table2: Articles to which 'Existing Holders of Licenses' issue relates

<i>Document</i>	<i>Article</i>	<i>Original Article</i>	<i>TRC Decision on Objection</i>	<i>Amendment</i>
Schedule G - Existing holders of licenses	whole schedule	<p>SCHEDULE G</p> <p>HASHEMITE KINGDOM OF JORDAN</p> <p>TELECOMMUNICATIONS REGULATORY COMMISSION</p> <p>EXISTING HOLDERS OF LICENSES</p> <p>1. General</p> <p>1.1 This Schedule G forms a part of the Amended and Restated License Agreement dated (date of amendment)_____ between the TRC and _____ (the "Licensee") and is subject to the terms and conditions thereof.</p> <p>1.2 The Licensee acknowledges that the TRC is in the process of establishing a general regime for</p>	Accepted	Schedule removed



		<p>the regulation of the telecommunications sector in accordance with the Telecommunications Law and that the TRC will continue to review and refine such regime to ensure its relevance, taking into consideration market trends and developments. The Licensee will be subject to that regime as it applies to its Licensed Activities.</p> <p>1.3. The Licensee further acknowledges that if it is or becomes an Affiliate of an existing holder of a License to provide public telecommunications services and/or to operate public telecommunications networks, issued by the TRC prior to January 1, 2005, it will be required, according to the procedures outlined in Article 39 of the Telecommunications Law, relevant licenses and the Regulations, to transition all of its Licensed Activities and procure the transition of those of its Affiliates to the integrated licensing and regulatory regime described in the “Program of Licensing,” issued by the TRC, pursuant to the Statement of Government Policy on the Information and Communications Technology Sectors and Postal Sector by or before the introduction of the final integrated licensing regime.</p>		
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3.3 General Objections

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3.3.1 Calculation of operating revenue

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Certain licensees objected that the calculating of the operational revenue for the determination of the annual licence fee should be net of service tax in order



to prevent double taxation. The TRC considers that such double payment would not be in the public interest.

Therefore, objections related to this issue have been accepted, and the Articles affected are listed in Table 3 below. (3)

3.3.2 Maximum Fine 2/3/3

Certain licensees objected at the increase in the maximum level of fine from JD 50,000.00 to JD 200,000.00 as in the current Pre-Paid Telecom Services licence. 50
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Objections related to this issue have been accepted, and the Articles affected are listed in Table 3 below. (3)

3.3.3 Definition of the term 'Regulations' " Regulations " 3/3/3

A number of licensees raised objections concerning the definition of the term "Regulations". ." Regulations "

Objections related to this issue have been accepted, and the TRC has redefined the term "Regulations" in the manner included in Table 3 below. (3)



3.3.4 Further General Objections

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Certain licensees raised issues related to Directory services; License renewal requirements; QoS parameters; provision of Public Mobile Wireless Service; Information requirement in the provision of Pre-Paid Telecom Services.

Objections related to these issues have been accepted, and the Articles affected are listed in Table 3 below.

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Table 3: Articles to which ‘General Objections’ issue relates

<i>Document</i>	<i>Article</i>	<i>Original Article</i>	<i>TRC Decision on Objection</i>	<i>Amendment</i>
<i>License Agreement</i>	3.2.2.2	In accordance with Article 29(j) of the Telecommunications Law, the Licensee must, cooperate with the Directory Services in accordance with Regulations relating to Directory Services.	Accepted	In accordance with Article 29(j) of the Telecommunications Law, the Licensee must cooperate with the Directory Services in accordance with Regulations relating to Directory Services to the extent applicable to the Licensed Activities.
<i>License Agreement</i>	4.2	The License Agreement and the Operating License will be eligible for renewal in accordance with instructions adopted pursuant to Article 38 of the Telecommunications Law. The License renewal instructions will include objective requirements and a transparent process whereby the TRC will verify, amongst other criteria that the Licensee has operated successfully and complied with its obligations under the License Agreement and is in compliance with all Regulations.	Accepted	The License Agreement and the Operating License will be eligible for renewal in accordance with instructions adopted pursuant to Article 38 of the Telecommunications Law. The License renewal instructions will include objective requirements and a transparent process whereby the TRC will verify, amongst other criteria that the Licensee has complied with its obligations under the License Agreement and is in compliance with all Regulations.



License Agreement	4.4	Without limiting any other right or remedy available to the TRC at law, if the Licensee fails to comply with any of its material obligations under the Telecommunications Law, by-laws, the License Agreement or Regulations, the Licensee shall be subject to sanction according to this License Agreement and Regulations. The amount of any sanction imposed pursuant to this Article 4.4 shall be determined with reference to the severity of the Licensee's non-compliance.	Accepted	Without limiting any other right or remedy available to the TRC under law, if the Licensee fails to comply with any of its material obligations under the Telecommunications Law, any of its material obligations under any Regulations or any of its material obligations under the License Agreement, it shall be subject to a maximum fine payable to the TRC in an amount not to exceed fifty thousand Jordanian Dinars (JD 50,000) in respect of each such compliance failure. The amount of any sanction imposed pursuant to this Section 4.4 shall be determined with reference to the severity of Licensee's non-compliance.
Schedule A - Definitions	2.15	"Regulations" means any instructions, rules, decisions, guidelines or other determinations issued by the TRC.	Accepted	"Regulations" means any instructions and regulatory decisions issued by the TRC in accordance with the Telecommunications Law.
Schedule B - General Conditions	13	<p>Operating Revenue</p> <p>The fee to be paid to the TRC under Article 2.2 of the License Agreement shall be calculated based on the operating revenues of the Licensee. The operating revenues are calculated after the deduction of the balance of amounts due to other interconnected licensees and international carriers, in respect of interconnecting capacity and/or traffic between the Licensee and these operators and in accordance with the following formula:</p> $\text{Operating Revenue} = A + (B - C),$ <p>where</p> <p>A: Total annual sales of the Licensed Activities to the Licensee's Customers.</p> <p>B: The annual aggregate receivables from international carriers and interconnected licensees for the interconnection capacity or traffic originating from their customers and destined to Customers on the Licensee's network.</p> <p>C: The annual aggregate payables by the Licensee to international carriers and interconnected licensees for interconnection capacity or the traffic originating from the Licensee's network and destined to the customers of the international carriers or licensees.</p>	Accepted	<p>Operating Revenue</p> <p>The fee to be paid to the TRC under Article 2.2 of the License Agreement shall be calculated based on the operating revenues of the Licensee net of service tax. The operating revenues are calculated after the deduction of the balance of amounts due to other interconnected licensees and international carriers, in respect of interconnecting capacity and/or traffic between the Licensee and these operators and in accordance with the following formula:</p> $\text{Operating Revenue} = A + (B - C),$ <p>where</p> <p>A: Total annual sales of the Licensed Activities to the Licensee's Customers net of service tax.</p> <p>B: The annual aggregate receivables from international carriers and interconnected licensees for the interconnection capacity or traffic originating from their customers and destined to Customers on the Licensee's network.</p> <p>C: The annual aggregate payables by the Licensee to international carriers and interconnected licensees for interconnection capacity or the traffic originating from the Licensee's network and destined to the customers of the international carriers or licensees.</p>



Schedule B - General Conditions	14.3	Without limiting any other right or remedy available to the TRC under law, if the Licensee fails to comply with any of its material obligations under the Telecommunications Law, any of its material obligations under any Regulations or any of its material obligations under the License Agreement, it shall be subject to a maximum fine payable to the TRC in an amount not to exceed two hundred thousand Jordanian Dinars (JD 200,000) in respect of each such compliance failure. The amount of any sanction imposed pursuant to this Section 14.3 shall be determined with reference to the severity of Licensee's non-compliance.	Accepted	Article removed and renumbered Article 14.4 to be Article 14.3
Schedule B - General Conditions	17.4	The Licensee shall comply at all times with all applicable construction and other permit requirements and standards applicable to its business under TRC Regulations and Jordanian laws.	Accepted	Article removed
Schedule E - QoS	2.3	To ensure the Licensee's compliance, TRC reserves its position to introduce sanctions and penalties on the Licensee in case the Licensee fails to meet generally recognized international industry standards.	Accepted	Article removed
Schedule E - QoS	2.4	The TRC reserves the right to amend this schedule to provide specific quality-of-service requirements for specific services and any penalties that may be applicable.	Accepted	Article removed
Schedule H - Restriction on the provision of PMWS	1.3	The Licensee further acknowledges that it shall not provide, and is not authorized to provide, any Public Mobile Wireless Services unless otherwise stated in the License Agreement.	Accepted	Renamed Schedule G following removal of previous schedule G. The Licensee further acknowledges that it shall not provide, and is not authorized to provide, any Public Mobile Wireless Services unless otherwise stated in this or another Applicable License Agreement.
Schedule K - Pre-paid Telecom card services	3.9 a)	a) The value of the Pre-paid Telecom Card, including charges for all services, surcharges, fees, and taxes, if applicable, expressed in minutes. If a charge cannot be expressed in minutes, such as a per call charge, it must be printed on the same line or next line as the value of the Pre-Paid Telecom Card in minutes.	Accepted	Renamed Schedule J following removal of previous schedule G. The value of the Pre-paid Telecom Card, including charges for all services, surcharges, fees, and taxes, if applicable.



Schedule K - Pre-paid Telecom card services	3.10 a)	a) The value of the Pre-paid Telecom Card, including charges for all services, surcharges, fees, and taxes, expressed in minutes. If a charge cannot be expressed in minutes, such as a per-call charge, it must be printed on the same line or next line as the value of the Pre-paid Telecom Card in minutes.	Accepted	Renamed Schedule J following removal of previous schedule G. The value of the Pre-paid Telecom Card, including charges for all services, surcharges, fees, and taxes, expressed in minutes.
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4 TRC REJECTION OF OBJECTIONS,

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4.1 Order of Precedence

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The TRC has received the objections raised by certain Licensees regarding Clause 3.1.4 of the amendments relating to the Order of Precedence. The Board carefully heard further clarification of such objections in the hearings held pursuant to Article 39 of the Telecommunications Law. Based on the TRC's review of the objections and its study of their details, the Board has come to the following conclusions:

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1. The inclusion of this clause in the license agreements was primarily for the purpose of clarifying the subject of the order of precedence rather than to create a legal base establishing the already legally established order of precedence.
2. The objections in substance are made not against the TRC amendment but against an established principle in the Jordanian Legal system and

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recognized by the Jordanian Courts and jurisprudence. The TRC found that after questioning during the hearings, none of the licensees maintained their objection to this concept in principle.

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3. The Telecommunications Law confers on the TRC the duties and responsibilities of regulating the telecommunications sector and establishing the basis for regulation of the sector and assessment of the need for adjustment of the level of regulation of any telecommunication service in accordance with the provisions of the law. The TRC is empowered to issue instructions to regulate the sector in accordance with the law.

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4. The TRC's regulatory powers, including the mandatory effect of its instructions and regulatory decisions regardless of the terms of the license, are guaranteed and maintained by the law and prevailing legal principles.

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5. The order of precedence and the prevalence of TRC instructions and regulatory decisions over the license terms (subject to supervision by the courts) is a principle that applies to licensees whether or not included in the licenses. Such principle is a rule of law and is not dependent on inclusion in the license.



Based on the above and the licensees' acknowledgements made at the hearings, the Board has rejected the objection; and further decided that Clause 3.1.4 of the amendments need not be included in the license agreements and has decided to withdrawn this clause from the amendments.

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4.2 Acquired rights of licensees

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Licensees objected to the principle of any modifications being made to their licence without their consent. The argument was put forward on the basis that the a licence agreement under Article 29 of the Telecommunications Law is required to be in the form of a contract and include all of a licensee's rights and obligations, and that by amending the license agreement without consent or by issuing regulations in a manner that affects these rights and obligations, TRC will be violating the said article 29. Some licensees thus maintain that the licenses may not be modified in any respect even under Article 39 of the Telecommunications Law. Other licensees argued that certain portions of their existing licenses represented acquired rights and those portions alone could not be modified, even under the said Article 39, without their consent. However, at these hearings most objectors conceded that the TRC does have the right to modify any part of the relevant licenses under the said Article 39 provided the modifications are

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duly and properly made in the public interest. One licensee indeed withdrew its objections on this point during the hearing process since it recognised that it was in its own interest that the TRC be able to regulate the other licensees with which it competed.

The TRC rejects the objection that it has no power, even in the public interest, to modify any part of existing licences without consent. The TRC does not accept that the terms of the licenses, taken together with Article 29 of the Telecommunications Law, are such as to prohibit any modification without the consent of the licensee.

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The Telecommunications Law has provided expressly for the TRC's power to amend the license, in accordance with Article 39, by a decision taken by the TRC in order to satisfy regulatory requirements. Further, the license agreement provides that it may be modified in accordance with the Telecommunications Law, and as the TRC has followed the procedures stated in Article 39, the TRC's procedures shall be considered in conformity with the law and class-license agreements.

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Objections related to this issue have therefore been rejected, and the Articles affected are listed in Table 4 below.

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Table 4 : Articles to which ‘Acquired rights of licensees’ issue relates

<i>Document</i>	<i>Article</i>	<i>Original Article</i>	<i>TRC Decision on Objection</i>	<i>Amendment</i>
<i>License Agreement</i>	1.1.1	In accordance with the Telecommunications Law, the TRC hereby sets out the terms and conditions under which the Licensee is allowed to build, operate and manage public telecommunications networks and/or provide public telecommunications services in Jordan that do not involve the use of Scarce Resources as defined by this License Agreement and Regulations.	Rejected	No change to article
<i>License Agreement</i>	1.4.1	In this License Agreement, unless the subject matter or context otherwise requires, capitalized words or expressions shall have the meaning assigned to them in the Telecommunications Law, any applicable Regulations and this License Agreement. The use of headings herein and the division hereof into Articles, sections and Schedules is for the convenience of reference only and shall not affect the construction or interpretation hereof.	Rejected	No change to article
<i>License Agreement</i>	3.1.3	The Licensee acknowledges that the TRC is in the process of establishing a general regime for the regulation of the telecommunications sector, including fair and transparent practices and procedures in the exercise of its regulatory operations, in accordance with the Telecommunications Law and that the TRC will continue to review and refine this regime to ensure its sufficiency and completeness, taking into consideration market trends and developments. The Licensee is subject to that regime as applicable to its Licensed Activities. Without limiting any rights or powers of the TRC hereunder or under applicable law, the TRC undertakes to establish and comply with open, fair and transparent practices and procedures in the exercise of its regulatory operations and, in particular, except in emergency situations and subject to its obligations of confidentiality, to issue all its Regulations, relevant to such above-mentioned general regime publicly and in writing following appropriate consultation with interested parties.	Rejected	No change to article
License Agreement	3.1.4	<i>In the case of any conflict, contradiction or ambiguity between this License Agreement, the Telecommunications Law, by-laws and/or instructions and decisions, the order of precedence will be in the following sequence:</i> 1) <i>the Telecommunications Law;</i> 2) <i>any by-laws issued pursuant to the Telecommunications Law;</i> 3) <i>instructions;</i> 4) <i>rules;</i> 5) <i>decisions;</i> 6) <i>guidelines;</i> 7) <i>this License Agreement.</i>	<u>Rejected</u>	<u>Article Withdrawn.</u>



License Agreement	3.3.1	In accordance with the Telecommunications Law, the Licensee shall provide services under its Licensed Activities to any Person wishing to obtain such services and willing to pay the Licensee's published prices and abide by the other generally applicable terms and conditions established by the Licensee in accordance with this License Agreement, subject to applicable Regulations.	Rejected	No change to article
License Agreement	3.3.4	The Licensee shall meet quality of service obligations set out in this License Agreement as well as in any relevant Regulations.	Rejected	No change to article
License Agreement	3.3.5	In accordance with Article 29(m) of the Telecommunications Law, the Licensee shall comply with any roll-out obligations stipulated in this License Agreement and any applicable Regulations relating to roll-out and coverage obligations.	Rejected	No change to article
License Agreement	4.3.1	Before the expiry of its term, the License Agreement may be terminated and the Operating License may be revoked in the event of a material breach of this License Agreement by the Licensee as per the procedures specified in the Law, by-laws, Regulations and this License Agreement.	Rejected	No change to article
Appendix 1 - Operating License	2	2. Subject to renewal or revocation in accordance with applicable law, Regulations and the above-referenced License Agreement, the term of this Operating License is for a period of ten (10) years, beginning on the Effective Date and terminating on -(Date as stated in the previous License)-----	Rejected	No change to article
Schedule B - General Conditions	1.2	The Licensee acknowledges that the TRC is in the process of establishing a general regime for the regulation of the telecommunications sector in accordance with the Telecommunications Law and that the TRC will continue to review and refine such regime to ensure its relevance, taking into consideration market trends and developments. The Licensee will be subject to that regime as it applies to its Licensed Activities.	Rejected	No change to article
Schedule C - Relations with customers	1.2	The Licensee acknowledges that the TRC is in the process of establishing a general regime for the regulation of the telecommunications sector in accordance with the Telecommunications Law and that the TRC will continue to review and refine such regime to ensure its relevance, taking into consideration market trends and developments. The Licensee will be subject to that regime as it applies to its Licensed Activities.	Rejected	No change to article
Schedule D - Anti-Competitive Activities	1.2	The Licensee acknowledges that the TRC is in the process of establishing a general regime for the regulation of the telecommunications sector in accordance with the Telecommunications Law and that the TRC will continue to review and refine such regime to ensure its relevance, taking into consideration market trends and developments. The Licensee will be subject to that regime as it applies to its Licensed Activities.	Rejected	No change to article



<i>Schedule E – QoS</i>	1.2	The Licensee acknowledges that the TRC is in the process of establishing a general regime for the regulation of the telecommunications sector in accordance with the Telecommunications Law and that the TRC will continue to review and refine such regime to ensure its relevance, taking into consideration market trends and developments. The Licensee will be subject to that regime as it applies to its Licensed Activities.	Rejected	No change to article
<i>Schedule F - Interconnection Obligations</i>	1.2	The Licensee acknowledges that the TRC is in the process of establishing a general regime for the regulation of the telecommunications sector in accordance with the Telecommunications Law and that the TRC will continue to review and refine such regime to ensure its relevance, taking into consideration market trends and developments. The Licensee will be subject to that regime as it applies to its Licensed Activities.	Rejected	No change to article
<i>Schedule H - Restriction on the provision of PMWS</i>	1.2	The Licensee acknowledges that the TRC is in the process of establishing a general regime for the regulation of the telecommunications sector in accordance with the Telecommunications Law and that the TRC will continue to review and refine such regime to ensure its relevance, taking into consideration market trends and developments. The Licensee will be subject to that regime as it applies to its Licensed Activities.	Rejected	No change to article Renamed Schedule G following removal of previous schedule G.
<i>Schedule I - Data Communication services</i>	1.2	The Licensee acknowledges that the TRC is in the process of establishing a general regime for the regulation of the telecommunications sector in accordance with the Telecommunications Law and that the TRC will continue to review and refine such regime to ensure its relevance, taking into consideration market trends and developments. The Licensee will be subject to that regime as it applies to its Licensed Activities.	Rejected	No change to article Renamed Schedule H following removal of previous schedule G.
<i>Schedule I - Data Communication services</i>	1.3	Providers of data communication services shall comply with the terms and conditions contained in the Telecommunications Law, applicable Regulations and the License Agreement.	Rejected	No change to article Renamed Schedule H following removal of previous schedule G.
<i>Schedule J - GMPCS services</i>	1.2	The Licensee acknowledges that the TRC is in the process of establishing a general regime for the regulation of the telecommunications sector in accordance with the Telecommunications Law and that the TRC will continue to review and refine such regime to ensure its relevance, taking into consideration market trends and developments. The Licensee will be subject to that regime as it applies to its Licensed Activities.	Rejected	No change to article Renamed Schedule I following removal of previous schedule G



<i>Schedule J - GMPCS services</i>	1.3	This Schedule contains rules applicable to the Licensee to the extent it is providing GMPCS Services. In such a case, the Licensee will be subject to the general set of rights and obligations under the Telecommunications Law, the applicable Regulations, the License Agreement, and to these GMPCS Service specific rules.	Rejected	No change to article Renamed Schedule I following removal of previous schedule G.
<i>Schedule K - Pre-paid card services</i>	1.2	The Licensee acknowledges that the TRC is in the process of establishing a general regime for the regulation of the telecommunications sector in accordance with the Telecommunications Law and that the TRC will continue to review and refine such regime to ensure its relevance, taking into consideration market trends and developments. The Licensee will be subject to that regime as it applies to its Licensed Activities.	Rejected	No change to article Renamed Schedule J following removal of previous schedule G.
<i>Schedule K - Pre-paid Telecom card services</i>	1.3	This Schedule contains rules applicable to the Licensee that is providing Pre-Paid Telecom Card Services. In such a case, the Licensee will be subject to the general set of rights and obligations under the Telecommunications Law, the applicable Regulations, the License Agreement, and to these Pre-Paid Telecom Card Service specific rules.	Rejected	No change to article Renamed Schedule J following removal of previous schedule G.

4.3 Objections addressed by forthcoming TRC consultations/determinations

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4.3.1 USO

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The TRC will shortly be issuing an information memorandum that includes the following;

:

- Criteria for defining an affordable tariff
- A process for determining that an affordable tariff is available in the market
- A specification of the actions that the TRC will take to ensure that disabled

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users of telephone services are supported

- The decision on private payphones " " •
- A specification of functional internet access •
- Instructions on the Regime for Sharing USO Costs •
- Instruction to define the roles and responsibilities of a Private Payphone Service Provider and a Private Payphone Operator " " " •
- The Bylaw for the Management of the Universal Service Fund •
- A review of the responses to the USO consultation •

Objections related to this issue have been rejected, and the Articles affected are listed in Table 5 below. (5)

4.3.2 License Fees 2/3/4

The TRC will shortly be issuing a public consultation on the subject of annual license fees. That consultation process will allow the TRC to find the balance of the public interest and to ensure that the ensuing Licensing Fee Regulation will represent the best means of achieving the public interest. Licensees may have recourse to Article 39 procedure in respect to any amendment effected to their licence by the final form of the Regulation of licensing fees. (39)



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4.3.3 Financial Guarantees

The TRC will shortly be issuing a public consultation on the subject of financial guarantees. That consultation process will allow the TRC to find the balance of the public interest and to ensure that the ensuing Financial Guarantee Regulation will represent the best means of achieving the public interest. Licensees may have recourse to the Article 39 procedure in respect to any amendment affected to their licence by the final form of the Regulation on financial guarantees.

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Objections related to this issue have been rejected and the Articles affected are listed in Table 5 below.

(5)

Table 5 : Articles to which forthcoming TRC consultations/determinations relate

<i>Document</i>	<i>Article</i>	<i>Original Article</i>	<i>TRC Decision on Objection</i>	<i>Amendment</i>
<i>License Agreement</i>	2.2	The Licensee shall pay to the TRC an annual License fee based on a percentage of the operating revenues arising from its Licensed Activities. The percentage shall be determined by the TRC, but shall not exceed 1% of such revenues. This annual License fee shall be recovered from all Licensees in order to recover the costs of the TRC regulating the Jordanian telecommunications and information technology sector, as detailed in this License Agreement and/or Regulations.	Rejected	No Change to Article.



<i>License Agreement</i>	2.3	The Licensee shall abide by any Regulations related to universal service, including obligations, as determined by the TRC, regarding the sharing of costs of universal service through contribution to a universal service fund to increase the provision of universal telecommunications and information technology services in the Hashemite Kingdom of Jordan in accordance with Article 86 of the Telecommunications Law.	Rejected	No Change to Article.
<i>Schedule K - Pre-paid Telecom services</i>	3.1	The Licensee shall provide, to the TRC, the necessary financial guarantees to refund the Customers for any unused balances, in case the Operating License is revoked, the License Agreement is terminated or the Licensee stops providing the Pre-paid Telecom Card Service wholly or in part. The Licensee will comply with Regulations that stipulate the rules for calculating the value of the said financial guarantees as they may be replaced or amended from time to time.	Rejected	No Change to Article Renamed Schedule J following removal of previous schedule G.

4.4 General Objections

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4.4.1 Interconnection

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The TRC received certain objections relating to the obligation to interconnect telecommunication systems on reasonable request. Giving due regard to the arguments made by licensees, the TRC considers the public interest is best served if these amendments remain unchanged.

Objections related to this issue have been rejected, and the Articles affected are listed in Table 6 below.

(6)



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4.4.2 Confidentiality

The provisions of the proposed amendments to the class licence are in keeping with general provisions of the law and with international best practice. These objections have therefore been rejected. The TRC has studied a number of international precedents and without exception these all permit regulators, subject to appropriate safeguards such as advance notice, to disclose allegedly confidential information either when it is not in fact properly confidential or when the performance of the regulator's duties and the public interest require such disclosure. International best practice is closely reflected in the wording of the confidentiality provision set out in Chapter 6 of the draft rulemaking procedures. (6)

Objections related to this issue have been rejected, and the Articles affected are listed in Table 6 below. (6)

4.4.3 Provision of Information

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It is essential in the public interest that the TRC should have easy and prompt access to the information necessary for it to carry out its functions effectively with regard to the control of anti-competitive behaviour

Objections related to this issue have been rejected, and the Articles affected are listed in Table 6 below. (6)



4.4.4 Further General Objections

4/4/4

Certain licensees raised issues related to Additional Definitions; Ownership and Control; Separate Accounting; Annual Reports and submission of reports; Accrued Interest; Price Notification; Emergency Services; Specifications. Giving due regard to the arguments made by licensees, the TRC considers the public interest is best served if these amendments remain unchanged.

Objections related to this issue have been rejected, and the Articles affected are listed in Table 6 below. (6)

4.4.5 Insufficient reasoning

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A licensee objected that the TRC had given an insufficient statement of its reasons for the amendments and the TRC had therefore failed to comply with the requirements of Article 39 of the Telecommunications Law . However, no details were given, either in the written objections themselves or at the hearing of those objections, as to what precisely were the alleged insufficiencies; specifically no information was given as to which amendments were supported by adequate reasoning and which ones were not, nor as to the respect in which the reasoning was alleged insufficient. The TRC therefore considers that this objection is unsubstantiated and must be rejected. (39)



Table 6: Articles to which ‘General Objections’ issues relate

<i>Document</i>	<i>Article</i>	<i>Original Article</i>	<i>TRC Decision on Objection</i>	<i>Amendment</i>
<i>License Agreement</i>	3.2.1.2	In accordance with Article 29(b) of the Telecommunications Law, the Licensee shall furnish to the TRC such information as it may reasonably require, periodically and from time to time, for the purpose of exercising the functions assigned to TRC under the Telecommunications Law. Such information shall be furnished at the time and in the format defined in this License Agreement and any Regulations relating to the provision of information by Licensees	Rejected	No change to article
<i>License Agreement</i>	3.2.2.4	The Licensee shall implement free calling for police, ambulance and other emergency purposes in accordance with Regulations established by the TRC from time to time to the extent applicable to the Licensed Activities. The Licensee shall cooperate with emergency organizations in the efficient and prompt handling of emergency calls.	Rejected	No change to article
<i>License Agreement</i>	3.3.1	In accordance with the Telecommunications Law, the Licensee shall provide services under its Licensed Activities to any Person wishing to obtain such services and willing to pay the Licensee's published prices and abide by the other generally applicable terms and conditions established by the Licensee in accordance with this License Agreement, subject to applicable Regulations.	Rejected	No change to article
<i>License Agreement</i>	3.6	There will be no undue limitation upon the types of networks and technologies used by the Licensee. The Licensee may use any technology that is feasible for its Licensed Activities provided that it is in accordance with this License Agreement and any Regulations and its application does not cause damage to public telecommunications networks or public telecommunications services or to public health, safety or the environment. The TRC may issue specific Regulations related to forms of services or technologies. The Licensee shall abide by such Regulation when issued.	Rejected	No Change to Article.
<i>Schedule B - General Conditions</i>	4.1	4.1 The TRC may issue Regulations directing the Licensee to operate its Licensed Activities and/or other services through affiliated companies, established under the Companies Law. The purpose of such Regulations shall be to segregate a particular service from other services that may be provided by the Licensee, and to ensure that the Licensee does not engage in anti-competitive practices of the type described in the License Agreement or applicable Regulations. The TRC shall monitor compliance with the Regulations and may issue such further Regulations as it considers necessary to achieve compliance with the License Agreement or Regulations relating to anti-competitive practices.	Rejected	No change to article



<i>Schedule B - General Conditions</i>	4.2	4.2 Any change in Control of the Licensee shall require the prior written approval of the TRC.	Rejected	No change to article
<i>Schedule B - General Conditions</i>	9.1	The Licensee shall clearly mark any information it considers to be confidential and provide clear justification for why it should be treated as such, and shall keep the amount of such information to minimum to enable the TRC to ensure transparent decision-making. All information furnished by the Licensee to TRC and marked “confidential” shall be held in confidence by the TRC, except where the TRC finds, after consultation with the Licensee, that there is insufficient justification for such confidential treatment or to the extent its release is required by any applicable law or order, provided that the TRC gives the Licensee prior notice of that release. This requirement of confidentiality shall survive any termination or expiry of the License Agreement or revocation of the Operating License. The Licensee acknowledges that confidentiality will not apply to any information supplied to the TRC regarding the Licensee’s compliance with its obligations hereunder, which information may be made public by the TRC.	Rejected	No change to article
<i>Schedule B - General Conditions</i>	10.3	10.3 To the extent required by the TRC, the Licensee shall keep separate accounting by service and/or lines of business according to Regulations issued for such a purpose by the TRC.	Rejected	No change to article
<i>Schedule B - General Conditions</i>	11	11. Annual Reports As soon as possible but in any event within four (4) months of the end of each fiscal year of the Licensee, the Licensee shall file with the TRC seven (7) copies of the annual report and audited annual financial statements. This annual report shall include detailed information in respect of the following: 11.1 all material instances in which, so far as the Licensee is aware, the Licensee's obligations under any provisions of the License Agreement have not been met, together with an explanation of the reasons for such failure; 11.2 a list of all types of terminal equipment, including handsets, used by the Licensee in providing its Licensed Activities together with TRC type approval references; 11.3 any other information deemed relevant by the Licensee or requested by TRC in writing; and 11.4 a detailed report on the Licensee’s compliance with any applicable universal service, coverage and quality of service obligations.	Rejected	No change to article
<i>Schedule B - General Conditions</i>	12	Any information or reports provided to the TRC pursuant to the License Agreement shall be in either or both the Arabic language or the English language and signed by a senior officer of the Licensee who shall certify, so far as the Licensee is aware, the completeness and accuracy of the report or information. In the event of any inconsistency between an Arabic language document and an English language document, the Arabic language text shall prevail.	Rejected	No change to article



<i>Schedule B - General Conditions</i>	14.3	Without limiting any other right or remedy available to the TRC under law, if the Licensee fails to make payment on any amount of fee, fine or penalty to the TRC pursuant hereto, interest shall accrue and be payable monthly in arrears on the outstanding amount, including accrued interest, at the rate of 9% per annum.	Rejected	No change to article
<i>Schedule F - Interconnection Obligations</i>	2.1	The Licensee acknowledges that interconnection activities between the Licensee and other licensees are governed by the provisions of articles 6j, 29e and 29bis of the Telecommunications Law, any Regulations and the provisions of the License Agreement, all as may be amended or replaced from time to time.	Rejected	No change to article
<i>Schedule F - Interconnection Obligations</i>	2.5.4	provide interconnection or access upon request, at points in addition to the network termination points offered to the majority of users, subject to the terms of a written agreement between the Licensee and the party requesting interconnection and at charges that reflect the cost of construction of necessary additional facilities;	Rejected	No change to article
<i>Schedule F - Interconnection Obligations</i>	3.2	During any dispute or difference the Licensee shall keep its Telecommunications System connected for the provision of service and conveyance of traffic between its Telecommunications System and the system of the party with which it is in dispute. The Licensee shall not disconnect the other party's Telecommunications System without the prior approval of the TRC.	Rejected	No change to article

4.5 Further Licence Modification requested by Licensees

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Objections requesting that further amendments be made to licences, including requests that TRC institute an arbitration procedure for disputes with licensees, were rejected as inapplicable since they did not relate to the specific amendments proposed by the TRC in the present consultation. The TRC will consider whether and how these requests should be included as part of its work plan.



5 TRC POSTPONEMENT OF ENFORCEMENT

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The TRC has further considered the status of the Paging Services licence issued to Jordan Radio Paging Company (JRP), operating name “Mirsal”. The TRC considers that, in the light of the objections raised by Mirsal, which raise unique issues requiring more detailed consideration, it is appropriate to postpone the modification of Mirsal’s licence pending completion of a public consultation into the various issues the company has raised.

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6 TRC WORKPLAN

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The TRC reminds licensees that it has to date issued a number of consultations related to specific regulatory issues. The TRC will be publishing on its website in the near future a work plan setting out the further consultation documents it will be publishing between the date of the present decision and the end of this calendar year. The publication of a work plan is in keeping with international best practice and is designed to increase the degree of certainty and transparency to licensees.



7 OBJECTIONS RAISED OUT OF TIME

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A licensee objected shortly prior to the hearing and after the expiry of the deadline set by the TRC to receive the objections, that the Schedule of Amendments represented an entirely new form of agreement and could not properly be described as an amendment. The TRC has been quite clear as to the timetable within which objections must be filed, as required by Article 39 of the Telecommunications Law. Reference is made to the 'Notification of Transition' and the 'Notification of Hearings' documents. The TRC therefore decided that in fairness to other licensees it would not be appropriate to consider the objection since it had only been raised very shortly before the hearing and after the expiry of the deadline set by the TRC to receive the objections. In making this decision, the TRC considered carefully the public interest in allowing all objections to be heard, even those made out of time. It counterbalanced this against the requirements of the Telecommunications Law that a time limit should be fixed and observed in relation to the making of objections. It further considered that no other licensee had taken the view that the amended class license was a new agreement. The TRC therefore considered the public interest in observing the prescribed timetable and procedural fairness to other licensees, outweighed any disadvantage to the licensee.

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8 REFORM OF THE TELECOMMUNICATIONS LAW

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Objections requesting amendments to the Telecommunications Law were not related to the licence amendments, or indeed to licence amendments or to licences in general, and have therefore been rejected. The TRC's work plan for 2006 will contain provision for a study and assessment of the desirability proposing amendments to the Telecommunications Law in accordance with the provisions of Article 6e and 3k of the Telecommunications Law. The TRC considers that at the present stage it is too early in the lifetime of the New Integrated Licensing Regime to take a firm view of what amendments to the Telecommunications Law may be desirable.

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