

Telecommunications Regulatory Authority of Lebanon

TRA Statement on Innovative Infrastructure Sharing and Open Access Strategies

Telecommunications service providers and regulators around the world are paying increasing attention to infrastructure sharing. This evolution in regulatory policy is particularly timely for Lebanon. Today, the country lacks substantial infrastructure, particularly an IP backbone, fixed network coverage, wireless access and developed mobile networks. With the establishment of the Telecommunications Regulatory Authority (TRA) in 2007, the Government of Lebanon has embarked on major reform of the telecommunications sector intended to bring such investment into the country's telecommunications sector.

The reform initiatives will include the privatization and licensing of the country's one fixed and two mobile networks, as well as the issuance of licenses for a wide range of data and Internet services. This large-scale liberalization of the telecommunications market over a short period provides a well timed opportunity to allow infrastructure sharing arrangements to facilitate joint deployment and operation of new network elements, such as ducts and conduits. The TRA also expects that infrastructure sharing will be instrumental in ensuring that the mobile licensing – which will be extended with a third license to the incumbent fixed service provider – introduces 3G services across Lebanon.

In designing the regulatory framework for the Republic of Lebanon, the TRA recognizes the potential benefits of infrastructure sharing in situations where competition and investment incentives are not undermined. Capital and operating expenditures are likely to be reduced by the joint deployment, management and maintenance of certain facilities. Such sharing can bring about long-term efficiencies, which may in turn enable more investment in innovative products and services that ultimately benefit consumers.

In addition, the TRA believes that Lebanese consumers will benefit from improvements to coverage brought about by cost-savings through infrastructure sharing, particularly in rural areas. Similarly, infrastructure sharing can also facilitate the acceleration of broadband deployment nationwide.

The TRA anticipates that these success factors will propel the adoption of advanced telecommunications services in Lebanon and thus infrastructure sharing will be a central plank in the TRA's policy framework.

Bearing in mind the need to safeguard competition and investment incentives, the TRA intends to promote infrastructure sharing:

- of the civil engineering and non active elements of a network (e.g., towers, masts, ducts and conduits);

- in areas where it is not economically sustainable for multiple operators to build infrastructure; and
- where environmental and social concerns are particularly important (e.g., to reduce the proliferation of mobile network masts, and limit disruptive civil works).

The TRA intends to take a holistic approach when approaching infrastructure sharing. Such an approach will involve the promulgation of regulations detailing the responsibilities of service providers with respect to the sharing of their infrastructure. The TRA also intends to facilitate infrastructure sharing and encourage service providers to find ways to share infrastructure, relying as much as possible on market incentives for such arrangements.

In order to facilitate such an economical and accelerated approach to infrastructure deployment, the TRA will take into account the relationship between infrastructure sharing and other areas such as licensing conditions, competition policy and market power, relations with other owners of infrastructure, and universal access.

1. License conditions

The TRA is committed to encourage infrastructure sharing through the licensing process. In designing its broadband licensing framework under Articles 19 and 20 of the Telecommunications Law, the TRA is considering allowing infrastructure sharing to facilitate fulfillment of roll-out obligations, for example for future broadband access. Similarly, the draft mobile licenses which are currently being offered in the tender process for the privatization and licensing of the two existing mobile networks would permit the licensees to construct, maintain and operate mobile networks “whether alone or with other providers”.

2. Competition and market power

The TRA recognizes that the existing passive infrastructure of the incumbent service provider allows it to deploy its network and services faster and much cheaper than its competitors who, in most instances, have to dig to lay their own networks. The Telecommunications Law (Article 36) requires service providers to make their infrastructure available to other providers. The TRA intends to promote competition by ensuring that the law’s infrastructure sharing obligations achieve the opening of the existing ducts and local loop to other service providers to allow them similar opportunities.

3. Other infrastructure owners

The TRA is conscious that infrastructure which is not currently used for public telecommunications services, such as power and transport networks, may offer rights of way and horizontal corridors that may be used by telecommunications service providers. The TRA intends to coordinate with Government utilities to identify such opportunities. The TRA will seek to ensure that the country’s infrastructure is leveraged to facilitate telecommunications network deployment – as contemplated by the Telecommunications Law in respect of such public infrastructure (Article 35), as well as for private infrastructure (Article 36).

4. Universal access

To encourage infrastructure sharing in support of its universal access goals, the TRA is considering the introduction of incentives for service providers that share infrastructure as part of their efforts to deploy to rural areas, pursuant to Article 26 of the Telecommunications Law. Such incentives may take the form of regulatory exemptions or financial subsidies.

The TRA is equally aware of the necessity to facilitate infrastructure sharing not only through the introduction of regulatory obligations but also through the establishment of procedures and processes which facilitate the process of infrastructure sharing. Some of the mechanisms under consideration include:

I. Licensing and civil works windows

The TRA is considering using licensing and network deployment “windows” to provide service providers the opportunity to undertake joint infrastructure build-outs. Providing timed, organized opportunities for access to ducts and conduits for joint laying of fiber can be expected to distribute the cost of civil works among service providers and reduce the inconvenience for traffic in towns and cities.

II. Establishing an infrastructure sharing desk

Such a bureau would facilitate the coordination of trenching and ducting works between telecommunications service providers as well as between telecommunications service providers and those of other utilities. In addition, it would also monitor duct upgrading works to ensure service providers remove obsolete cabling to allow the introduction of third-party fiber.

III. Improving transparency

The TRA is dedicated to the development of information resources for service providers. The easy availability of information such as that regarding the availability of space in existing ducts and that of planned deployment or upgrading works would allow service providers to identify infrastructure sharing arrangements more easily.

IV. Establishing a dispute resolution mechanism

As an infrastructure sharing relationship between service providers involves elements of both cooperation and competition, the TRA is developing a dispute resolution mechanism, as contemplated in Article 36(2) of the Telecommunications Law, which will encourage negotiated outcomes while maintaining the certainty of an adjudicated decision in the event agreement is not achieved or breaks down.

Consultations on the various regulations that deal with infrastructure sharing are ongoing in Lebanon. This process reflects the commitment the TRA has to encouraging infrastructure sharing where appropriate among service providers in the country.