

Thuraya Satellite Telecommunications Company
OECD Global Conference on Telecommunications Policy

Session III: Case Studies of Telecommunication Market Liberalisation

Tuesday 22, January 2002

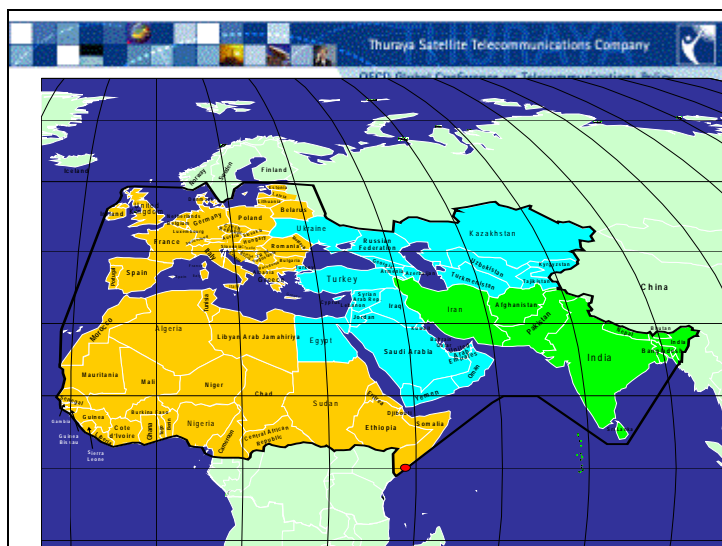
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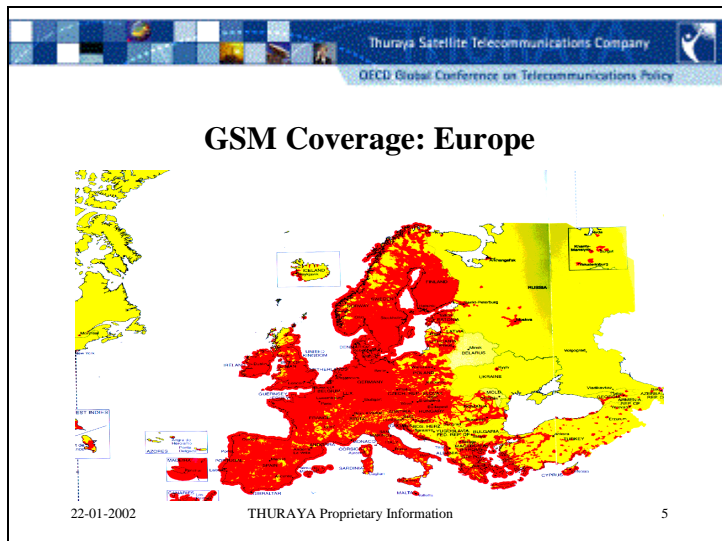
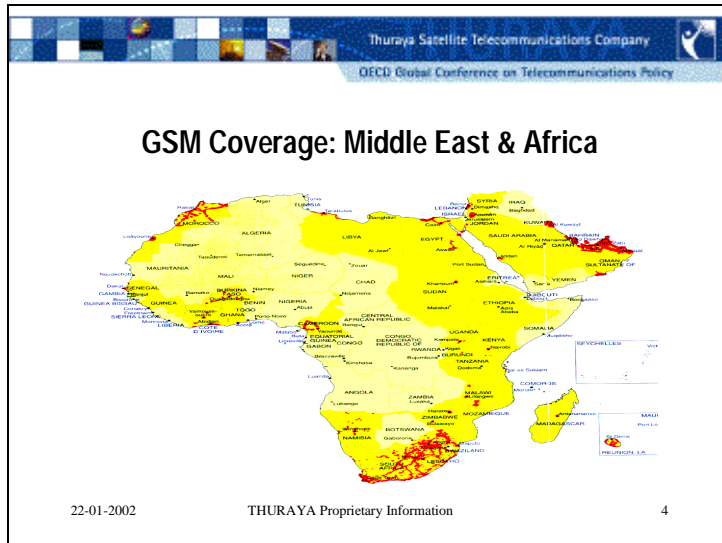
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Our vision is to be the market leader in our coverage area, providing valuable and affordable telecom solutions to our customers. Our strength comes from our experience in Telecom technology and our customer focused strategy. Our plan is to achieve this through product excellence, continuous innovation and quality customer service.

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Thuraya Integrates Terrestrial (GSM) & Satellite Services

<p>Thuraya handheld terminal features</p> <ul style="list-style-type: none"> ▪ Dual mode (Satellite / GSM) handheld terminals ▪ Similar in size, weight and features to GSM phone ▪ Location determination capability using GPS ▪ Voice quality comparable to GSM <p>Teleservices</p> <ul style="list-style-type: none"> ▪ Voice telephony ▪ Emergency services ▪ Group 3 fax ▪ SMS beam broadcast <p>Bearer Services</p> <ul style="list-style-type: none"> ▪ Asynchronous Data Services (2.4 – 9.6 kbps) 	<p>Value Added Services</p> <ul style="list-style-type: none"> ▪ Short Message Service (SMS) ▪ Voice mail ▪ Operator assisted services ▪ Interactive Voice Response (IVR) Services ▪ Prepaid Services ▪ Hot billing <p>Supplementary Services</p> <ul style="list-style-type: none"> ▪ Call forwarding, barring, waiting, hold ▪ Calling Line Identification Presentation (CLIP) ▪ Conference calling
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- ITU Filing Process-1995
- Modifying ITU Radio Regulations-1997
- Establishment of Multilateral Coordination Process-1997
- Grant of L-band Spectrum-1999
- Start Licensing Process-1999
- Handsets Type Approval-2000
- ITU GMPCS Arrangements-2000
- Common Air Interface Standardization-2000
- United Nation Registration-2001

CE 168

**Start of Service
15 July 2001**

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Classification of Regulations

- Self-regulation by the state-owned monopoly operator
- Ministry of the government which is responsible for policy, and in some cases retains overall responsibility for the dominant operator
- An independent regulatory function which either reports to a government Ministry, such as that in UK, or an independent commission, such as in Jordan and Egypt

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Example 1: Liberal Market-Europe




Thuraya obtained 3 important decisions in Europe on Free Circulation and Use of Thuraya Mobile User Terminals in CEPT member countries. Exemption from Individual Licensing of Thuraya Mobile User Terminals in CEPT Member countries. In addition to the milestone compliance. Examples for liberal markets are UK, Denmark, Netherland, Ireland, Germany, etc. In many cases no license fees in many European countries.

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Example 2: Partially Liberal Market-India Subcontinent



Stringent requirements to access the market:

- Establishment of a gateway
- High revenue sharing
- High entry fees

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Example 3: Market With Regulatory Commissions- North African Countries



Clear regulatory process with reasonable fees

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The Need For Liberal Market (Regulation)

- To protect public interest
- To license service providers
- To regulate service providers
- To control and use frequencies
- To set technical standards
- To monitor quality of service and initiate corrective action
- To set financial, administrative and technical terms for interconnection
- To control the type approval of customers premise equipment and its connection to the public network
- To consider complaints from users and take corrective action if necessary
- To allow open and fair competition

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Thuraya Service Providers Relation

- Examination of Thuraya market (Monopoly, Ministry, Commission, etc)
- Selecting competent service provider that can obtain the license, financially strong and have strong distribution channels
- We train and support the service providers in marketing Thuraya services and monitor competition

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Impact on Telecom business due to Change in Policies

- A majority of ITU Member countries have initiated telecom sector reforms that have established telecom regulatory bodies, opened up huge untapped markets, introduced simplified regulatory / licensing framework, etc
- The WTO regime has introduced new opportunities for foreign companies

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Changes in Policies that will ensure better Market Access

- Lighter access regulatory procedures (General license, blanket approval)
- Regional Regulatory Authorization (One Stop Shopping, Common Application Form, etc) as against National Regulatory Authorization
- Mutual recognition arrangements and Free circulation of terminals (GMPCS MoU, ERC Decisions, WTO, CITELE and APT MRA's, etc)
- Different treatment for satellite operators that have regional or global coverage as against terrestrial networks that have limited national coverage
- Mutual recognition of Licenses
- License fee to recover only Administrative costs associated with grant of License
- Public availability of licensing criteria and procedures
- Effective implementation of fair and transparent regulatory framework

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Thuraya's perspective on competition as a satellite operator

- Focus on regional market that lacks basic telecom infra-structure as against global market
- Closer relationship with local service providers for marketing, billing and customer care
- More user friendly terminals (smaller and compact in size, multi mode options, multi functional (GPS, Higher data rates, etc))
- Reduction in end-user tariff as compared to earlier operators in view of economic situation and affordability of the target market
- Customized solutions for different market segments (payphones, fleet management, maritime applications, etc)
- Increased cooperation with national PTT's for implementation of Universal Access and Rural Development

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Conclusion

- We help in developing telecommunication polices in ITU
- We encourage the regulators to translate these polices into legislation/decrees
- We encourage the construction of regulatory organisations to establish regulatory procedures to protect both the public and governments and to allow competition

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Thank You...

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22-01-2002 THURAYA Proprietary Information 18