

THE COMMUNIQUÉ ON PROCEDURES AND PRINCIPLES REGARDING UNBUNDLED ACCESS TO THE LOCAL LOOP

SECTION I

General Provisions

Purpose

Article 1 - The purpose of this Communiqué is to ensure maximum benefiting of users from telecommunications services and infrastructures, mainly from broadband and high-speed internet services; establishment of an advanced and competitive telecommunications market enabling effective and efficient use of telecommunications infrastructures and resources.

Scope

Article 2 - This Communiqué covers rights and obligations with regard to unbundled access to the local loop and the procedures and principles to be applied in the fulfillment of these obligations.

Legal Basis

Article 3 - This Communiqué is prepared in accordance with the Ordinance on Access and Interconnection published in the Official Gazette dated 23/5/2003 and numbered 25116.

Definitions

Article 4 - The terms used in this Communiqué shall have the following meanings:

The Authority: Telecommunications Authority,

Türk Telekom: Türk Telekomünikasyon Anonim Şirketi,

Operator: A capital-stock company providing telecommunications services and/or operating telecommunications infrastructure under an authorization agreement or a concession agreement entered into with, and/or a telecommunication license or a general authorization obtained from the Authority,

Sub-local Loop: Partial local loop connecting the network termination point at the end user's premises to the concentration point or a specified intermediate access point in the fixed telecommunications network,

Unbundling: Provision of services separately from each other by an operator given on his network in a way permitting access to only demanded network components and demanded type of access including transmission, switching and interfaces.

Internal Tie Circuit: Physical circuit that connects the local loop component, placed in the building where Türk Telekom's main distribution frame or equivalent facility is located, to an Operator's telecommunications systems or equipment located at the same or adjacent building or premises that are subject to Physical or Virtual Co-location,

Access Network: Part of the network consisting of traffic-insensitive components of the network dedicated to a particular customer such as copper pair providing connection to the conveyance network, line cards and ports located in concentrators and/or switches,

Interference: Any broadcast or electromagnetic effect impeding, interrupting or distorting any kind of communications services provided according to relevant laws and ordinances,

External Tie Circuit: Physical circuit that connects the local loop component, placed in the building where Türk Telekom's main distribution frame or equivalent facility is located, to an Operator's telecommunications systems or equipment that are not subject to Physical or Virtual Co-location,

Co-location: Provision of the building, adjacent building or premises where Türk Telekom's main distribution frame or equivalent facility is located, with the aim of connecting an Operator's system and/or equipment to the Türk Telekom's system and/or equipment within the form of physical, virtual or remote co-location conferred in the Communiqué on Procedures and Principles regarding Co-location and Facility Sharing published in the Official Gazette dated 31.12.2003 and numbered 25333,

Bit-stream Access: Access to all sorts of equipment and physical circuit connecting the network termination point at the end user's premises to the main distribution frame to which the user is connected or to the equipment placed into the equivalent facility, in a way permitting data transmission,

Local Loop: The physical circuit connecting the network termination point at the end user's premises to the main distribution frame or an equivalent facility in the fixed telecommunications network,

Unbundled Access to the Local Loop: Full unbundled access and shared access to the local loop without a change in the ownership of the local loop,

Full Unbundled Access to the Local Loop: Access to the local loop or sub-local loop, in a way permitting the use of full frequency spectrum of the copper pair,

Shared Access to the Local Loop: Access to the local loop or sub-local loop, in a way permitting the use of non-voice band frequency spectrum of the copper pair,

Ordinance: The Ordinance on Access and Interconnection which entered into force with the publication in the Official Gazette dated 23/5/2003 and numbered 25116.

In addition, for the terms used in this Communiqué and not included in the definitions given above, the definitions taking place in the Wireless Law No. 2813, the Telegram and Telephone Law No.406, the Ordinance and the other relevant legislations are valid.

SECTION II

Obligation to Provide Unbundled Access

Unbundling Obligation

Article 5 – Türk Telekom shall meet any reasonable and applicable request for unbundled access to the local loop done within the scope of the reference offer to be published under the Article 8 of this Communiqué, under non-discriminant, fair and transparent conditions as it provides for itself, without prejudice to the situations specified in the Article 10 of this Communiqué.

The obligations regarding unbundled access to the local loop shall not require Türk Telekom to establish a completely new access network in order to meet the Operators' requests.

Basic Services

Article 6 - Türk Telekom shall provide the following services to the Operators with regard to the obligation of providing unbundled access to the local loop, by ensuring necessary improvements and network security:

- a) Local Loop components,
- b) Internal Tie Circuits that an Operator may need in order to access to the local loop components,
- c) Ancillary services such as power supply, air conditioning and security which are necessary for using the Local Loop or Internal Tie Circuits.

Secondary Services

Article 7 - Türk Telekom shall provide one of the following services and ancillary services such as power supply, air conditioning and security that are necessary for the provision of the following services to the Operators, with regard to the obligation of providing unbundled access to local loop:

- a) Physical or Virtual Co-location,
- b) External Tie Circuits that an Operator may need in order to access to the Local Loop.

Reference Offer for Access to the Local Loop

Article 8 – Türk Telekom shall prepare the reference offer for access to the local loop that covers the minimum list of items specified in the Annex of this Communiqué and submit it to the Authority within three (3) months following the date of this Communiqué's enforcement date. The reference offer shall be published after the Authority's approval. Türk Telekom may carry out a market research for the purpose of observing pre-request during the phase of preparing the reference offer. The results of this research shall be submitted to the Authority beside the reference offer.

Unless it is specified by the Authority, the reference offer in question shall be renewed annually and submitted to the Authority till the end of March. Existing reference offer shall maintain its validity until the new offer's approval. The Authority may decide amendments to be made in the reference offer, considering the principles specified in the Article 5 of the Ordinance.

Non-Discrimination

Article 9 - While granting access to the Operators who provide equivalent services under the same circumstances and conditions within the scope of the Article 5 of this Communiqué; Türk Telekom is obliged to provide services and information under the same conditions and of the same quality as it provides to its own shareholders, partnerships, affiliates and itself. The obligation of non-discrimination includes – at least but not limited to – the investments carried out by Türk Telekom with regard to the local loop, requests for unbundled access to the local loop, provision of space for co-location, provision of leased

transmission capacity necessary for access to co-location spaces, quality of service, maintenance and repair.

Limitations of Unbundling Obligation

Article 10 -The obligation of Türk Telekom to provide unbundled access to the local loop specified under the Article 5 of this Communiqué may be limited by the Authority in the events that;

- a) Türk Telekom proves with objective criteria that security of network operation, network integrity or data protection cannot be assured or interoperability of networks is not possible or
- b) The Authority decides that there are technically and commercially more viable alternatives or
- c) The Authority decides that the conditions of competition in the relevant telecommunications services market have reached to such a level that the provision of the service in question by Türk Telekom is not essential.

Existence of the conditions specified in this Article does not constitute a valid reason for Türk Telekom to refuse negotiating the terms of access.

SECTION III

Pricing Principles

Tariffs of Basic Services

Article 11 – Türk Telekom shall provide the basic services regarding unbundled access to the local loop specified under the Article 6 of this Communiqué, with cost-oriented tariffs. Until the cost-oriented tariffs are determined, the Authority may set an upper limit for the tariffs by taking into account other countries' implementations as far as they are appropriate. While determining the tariffs on the basis of cost-orientation, the Article 17 of the Ordinance shall be taken into account.

Co-location Prices

Article 12 – The Co-location prices shall be determined in accordance with the Communiqué on Procedures and Principles regarding Co-location and Facility Sharing dated 31.12.2003 and numbered 25333.

Other Prices

Article 13 – The Parties shall determine the prices of the services which are not specified under the Articles 11 and 12 of this Communiqué through negotiations between each other. In the event that the negotiations are resulted in conflict, parties may apply to the Authority pursuant to the Article 19 of this Communiqué.

SECTION IV

The Rights and Obligations of Operators

Information Request

Article 14 – Subsequent to the publication of the Reference Offer for Access to the Local Loop, an Operator requesting unbundled access to the Local Loop may request the following information from Türk Telekom in a written form. Türk Telekom shall provide the following information at most within thirty (30) days in an updated form. .

- a) The places of main distribution frames or equivalent facilities,
- b) The area that is served by the local loop components connected to the main distribution frame or equivalent facilities,
- c) Availability of Co-location,
- d) Particular issues susceptible to influence the availability of Access Network services,
- e) Other relevant information which is deemed necessary by the Authority with regard to the provision and quality of Access Network services.

Obligations of Operators

Article 15 – An Operator requesting access to the local loop shall fulfill the following requirements:

- a) Submission of written information to Türk Telekom regarding the scope of the service and the place at which unbundled access to the local loop is requested,
- b) Within the scope of the unbundled access to the local loop, using equipment compatible with the applicable standards and the technical specifications included in the reference offer to be prepared pursuant to the Article 8 of this Communiqué,
- c) Informing its own subscribers about the technical specifications of the necessary equipment to be used and the service offered,
- d) Provision of other relevant information and documents deemed necessary by the Authority with regard to the services to be offered under this Communiqué.

Interruption of the Services

Article 16 – Türk Telekom shall inform the relevant Operator at least seven (7) days before any operation which is technically or economically affecting the services he provides under this Communiqué to that Operator adversely.

Subsequent to the approval of the Authority, Türk Telekom may interrupt the services provided under this Communiqué to the Operator, without prejudice to the situations specified in the Article 10 of this Communiqué, in the events that;

- a) The equipment, used by the Operator and its subscribers, are not compatible with the applicable standards,

- b) Granted service causes interference on other services provided by Türk Telekom under its Authorization Agreement and the services provided by other Operators, which distorts the quality of service,

Operator has the right to request the access service to be provided and maintained once it has overcome the situations stated above.

Except for the situations cited above, , in case of instances which require an urgent cease of the services, including interferences that interrupts the communications where it is impossible to inform the Operators before, Türk Telekom shall notify the Authority and the relevant Operator about the date and the extent to which he will not be able to fulfill obligations under this Communiqué, in a written form within one (1) working day following the date of the interruption of the service. Once the situation in question has come to an end, the service shall be commenced without a requirement for a request.

SECTION V

Contracts and Dispute Resolution

Contracts

Article 17 – Under this Communiqué, a contract is agreed on between the requesting Operator and Türk Telekom, upon negotiating the conditions of unbundled access to the local loop, taking the particular points covered under the reference offer that is published by Türk Telekom pursuant to the Article 8 of this Communiqué into account, not being contrary to relevant authorization and concession agreements, telecommunication license, general authorization and the Authority regulations.

It is essential that this contract is compatible with the provisions of the Article 9 of this Communiqué in a fair and transparent form, and does not distort the conditions of the competition.

Submission of Contracts to the Authority

Article 18 – Certified copies of contracts, their Annexes and amendments agreed between the Operators requesting service under this Communiqué and Türk Telekom shall be submitted to the Authority within utmost fifteen (15) days following the signing date. Parties are obliged to meet the Authority's amendment requests in the contracts concerning the matters that have been regarded as contrary to the legislation within thirty (30) days.

Parties to the contract, shall submit the articles to the Authority that they consider as trade secrets. Information that may be deemed trade secrets are limited to commercial and operational information that could provide an unfair competitive advantage to the third parties and thus distort competition, if known by third parties. Provisions that must be also applied to other operators requesting unbundled access to the local loop shall not be deemed trade secret.

Resolution of Disputes

Article 19 - In order to resolve a dispute arising between Türk Telekom and an Operator requesting service under this Communiqué, each one of the parties may apply to the

Authority. The applicant party shall submit the documents specified in the Article 21 of the Ordinance to the Authority.

While carrying out dispute resolution, the Authority shall act in accordance with the provisions of the Article 21 of the Ordinance and may take all sorts of measures that public benefit requires, including determination of interim price before the final resolution.

The Authority makes its decision in the shortest possible time frame upon - at least but not limited to - taking into account the information and documents submitted by the parties, precedent decisions in similar cases and international implementations; and notifies the parties of the dispute and if necessary, other relevant parties of the decision with its justifications.

In the event that the parties reach an adverse decision in accordance with this Communiqué and other relevant legislation, the terms, conditions and prices determined by the Authority under dispute resolution shall be abrogated.

SECTION VI Other Provisions

Administrative Fines

Article 20 – In the event that the obligations under this Communiqué are not fulfilled by the relevant parties, the Authority shall establish necessary procedures pursuant to the Article 25 of the Ordinance.

Other Methods

Article 21 – The Authority reserves the right to make regulations with regard to the Bit-stream Access and similar methods on access to the local loop, which are not included in this Communiqué.

Unspecified Matters under the Communiqué

Article 22 – Concerning the matters with regard to the access to the local loop that are unspecified in the Communiqué, regulations shall be made with the Telecommunications Board decisions.

Effective Date

Article 23 - This Communiqué shall become effective on July 1st, 2005.

Execution

Article 24 - The provisions of this Communiqué shall be executed by the Chairman of Telecommunications Board.

ANNEX

MINIMUM LIST OF ITEMS TO BE INCLUDED IN THE REFERENCE OFFER FOR UNBUNDLED ACCESS TO THE LOCAL LOOP TO BE PUBLISHED BY TÜRK TELEKOM

1. General Provisions

- 1.1. Rights and obligations of parties,
- 1.2. Property rights,
- 1.3. Protection of privacy,
- 1.4. Processes for the request and meeting that request and restrictions on usage,
- 1.5. Duration of the contract and conditions for renegotiation of the contract,
- 1.6. Procedures in the event of proposals for amendment on the network or services provided by anyone of the parties.

2. Basic Provisions Regarding Services Provided

- 2.1. Access Services to the Local Loop
 - 2.1.1. Lists of exchanges and PCPs connected to that exchanges and settlement sites served by these exchanges and PCPs,
 - 2.1.2. Number of lines and subscribers connected to exchanges and PCPs,
 - 2.1.3. Local Loop components and their configurations,
 - 2.1.4. Technical specifications and standards of Local Loop components and characteristics of the metallic path,
 - 2.1.5. Test procedures for Local Loop components.
- 2.2. Co-location Services
 - 2.2.1. Information and options regarding all exchange facilities and premises in the centers of cities and districts with regard to co-location points:
 - a. Total space (m²),
 - b. Space used by Operators for Co-location (m²),
 - c. Space reserved by Türk Telekom for its own use (m²),
 - d. Space that can be allocated for the Operators' use (m²),
 - e. Types of Co-location that the building/facility is appropriate for,
 - f. Power supply, air conditioning, climatization, generator facilities,

