



Blue

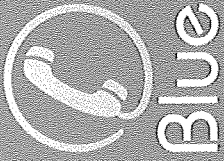
# Consolidated RIO Consultation

**June 19, 2009**



# Indirect Access

- **In its Response to Comments dated May 11, 2009:**
  - **C&W suggests that implementation of Indirect Access would prejudice a matter still under review by the Minister**
  - **C&W states “To the best of Cable & Wireless’ knowledge the review is ongoing”**
    - **Blue has no knowledge of such a review, which would now be 18 months in process**
    - **Blue asks the Commission to request full documentation substantiating the request and the Ministry’s responses to date**
- **Blue concurs with TeleBarbados that under the Telecommunications Act, 2001-36, any requested review “does not operate as stay of the decision unless the Minister so provides”**
  - **Blue asks the Commission to request evidence that the Minister provided such a stay**



# Indirect Access

Blue

- In its Response to Comments dated May 11, 2009:
  - C&W submits that it is unnecessary to include Indirect Access or 2SD services in the RIO since it is available as a wholesale service
- Blue's position is:
  - Licensed carriers are entitled to a cost-based service
  - Licensed carriers would only accept a wholesale service as a result of C&W's refusal to provide a cost-based service
  - Blue accepted a wholesale service (SPVDALS) under protest, allowing it provide outbound international calls to the public



## 2SD and Equal Access

- *Excerpt from Economic Partnership Agreement (EPA), signed October 15, 2008:*
  - Article 33, 1(e) ‘interconnection’ means linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier.
- **Blue’s position is:**
  - **The Government of Barbados is a signatory to the EPA, and is therefore bound by its terms and conditions**
  - **By the definition above, 2SD and Equal Access services constitute interconnection between suppliers, and therefore are entitled to use the Joining Service and should be included in the RIO**



# 2SD and Equal Access

- *Excerpt from FTC decision on RIO International, June 22, 2005:*
  - 22. In view of the complexity of this issue, the Commission considers that it should not be required that this service be included in the RIO - International. The Commission however reserves the right to consult on this matter at a future date.
- *Excerpt from C&W's response to Ofcom's Strategic Review of Telecommunications, Phase 2, February 3, 2005, in which C&W was seeking indirect access to British Telecom's network:*
  - "The new regulatory framework must give all parties the confidence that adequate sanctions can be imposed to ensure that the incumbent cannot manipulate its control of the access network to frustrate competition."
    - Francesco Caio  
(Former) Chief Executive  
Cable & Wireless PLC
- **Blue's position is:**
  - Two policies have been approved by Cabinet and published which clarify the complex issues of 2SD and Equal Access
  - Blue fully agrees with Mr. Caio that the incumbent not be allowed to manipulate its control of the access network
  - It is time these services be included in the RIO





# Interconnection Rates

- **Excerpt from *FTC ruling, June 30, 2003*:**
  - 17. The Commission favours limited use of the FDC Current Cost basis for establishing interconnection charges ...
  - 19. The Commission considers that after the six months using the FDC Current Cost approach, the interconnection charges should then be based on a TSLRIC approach. The Commission reserves the right to review any such interconnection charges.
- **Blue notes that interconnection rates have remained unchanged for 6 years, whereas underlying costs have been substantially reduced**
- **The presentations of Digicel, TeleBarbados and Caritel provide strong evidence that current interconnection rates are too high and need to be adjusted downwards**
- **Blue concurs with TeleBarbados that rates for interconnection should be based on forward-looking incremental costs**



# Access Deficit Charge

- **FTC has previously ruled that an ADC cannot be permitted in a RIO**
- *Excerpt from FTC ruling, October 28, 2003:*
  - 25. The Commission has no authority to consider an ADC within the framework of the RIO. The Commission notes that the ADC is intertwined with the Universal Service Obligation. The Commission is of the view that the submissions of C&W and the respondents are best considered within the rubric of prescribing the ADC and its interrelation with the Universal Service Obligation.
  - 26. The Commission further notes a prerequisite for the establishment of an ADC is that the Minister responsible for telecommunications designates in writing a Universal Service Carrier. Until such time no entity can be authorised to legitimately charge or accept an ADC.
  - 27. The Access Deficit Charge proposed in the RIO will not be permitted to go into effect. In addition the Commission will not approve an interconnection agreement that contains an ADC that has not been prescribed in accordance section 35 of the Act.
- **Blue concurs with Digicel's position that an ADC is not in the public interest and is unworkable**



## Summary

- Blue has reviewed carefully all submissions made by Digicel and TeleBarbados and is in full agreement with their stated positions
- Blue's position:
  - 2SD and Equal Access should be included in the RIO
  - Interconnection rates should be lowered and based on forward-looking incremental costs
  - No ADC should be included in the RIO

**Blue wishes to thank the Commission for its time**