



FAIR TRADING COMMISSION

CONSULTATION PAPER

REVIEW OF CABLE & WIRELESS (BARBADOS) LTD.

STANDARDS OF SERVICE

2014 - 2017

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Purpose of Document

This consultation paper outlines the Fair Trading Commission's (Commission) review process of the Standards of Service Decision for Cable & Wireless (Barbados) Limited (C&W) 2014 - 2017. The Standards of Service for C&W landline services were originally established on June 1, 2006 and have undergone two subsequent reviews which resulted in amendments.

The views and opinions of stakeholders will be sought through public consultation. The Commission, in making its determination, will take these contributions into consideration.

This paper is intended to solicit comments on:-

- a. The Standards of Service performance of C&W;
- b. Whether any additional Guaranteed or Overall Standards of Service should be implemented;
- c. Whether the current reporting requirements ought to be adjusted; and
- d. Whether any of the current Guaranteed or Overall Standards of Service need to be modified or removed.

The Commission encourages the widest possible participation in this consultation process. In addition to making this document available at its offices, it will be posted on the Commission's website, www.ftc.gov.bb.

The Consultation period will begin on Friday, March 3, 2017 and end on, Friday, March, 17 2017 at 4:00 p.m.

Structure of Paper

This paper is divided into six sections:

- Section 1 provides an update on current developments in Barbados' telecommunications market.
- Section 2 outlines the legislative framework of the Standards of Service and the statutory provisions that give the Commission authority to undertake this process.
- Section 3 reviews the Company's Standards of Service performance from July 2014 to December 31, 2016, and new proposals for Guaranteed and Overall Standards of Service.
- Section 4 lists the grounds for Force Majeure and other exemptions.
- Section 5 outlines the Commission's invitation to interested parties to share their views on the Standards of Service administration rules, which facilitate the Commission's monitoring of the Standards of Service regime.
- Section 6 lists the consultation questions.
- Section 7 provides information on the consultation process.

SECTION 1 TELECOMMUNICATIONS SECTOR UPDATE

This section offers some insight into recent developments within the telecommunications industry, which continues to benefit from increased diversification and new investment in the domestic telecommunications sector.

The liberalisation of the sector in 2005 brought about several positive economic effects, including the advent of competition and the subsequent reduction in prices for telecommunications services. This benefitted local businesses and created a more attractive environment for foreign investors.

The Consolidated Reference Interconnection Offer (RIO) of February 2009 brought the supervision of interconnection under one document and simplified its administration. Due to the importance of interconnection costs in determining retail prices for consumers, the Commission required C&W to follow specific interconnection guidelines in terms of costing and pricing. Additionally, the Commission required C&W to develop a Long Run Incremental Cost (LRIC) model as a basis for new interconnection charges; the Decision on the implementation of the LRIC model was issued in April 2015. That process involved the development of fixed and mobile LRIC models for deriving the costs that an efficient operator would incur in providing interconnection services in a competitive market. The resulting costs for fixed and mobile, termination and transit services were used to inform the rates that would be applied for interconnection purposes.

In 2015, the Commission approved a merger between C&W, then trading as LIME, and Columbus Communications Inc. (CCI), then trading as FLOW, essentially amalgamating their business operations in Barbados and creating, once again, a virtual monopoly in the market for fixed line services. The merged entity currently operates under the FLOW brand and offers landline, broadband, mobile and television services. Digicel (Barbados) Limited (Digicel), on August 22, 2013, was granted a full domestic service license, enabling it to offer domestic fixed line services

to the local market in addition to the existing mobile services. At present, Digicel also offers landline, broadband, mobile and television services. There is also a third licensed mobile services provider in the market by the name of Ozone Communications Inc. (Ozone). Ozone was granted a Cellular Mobile license in July 2014 and is in the process of setting up its network and interconnection agreements with a view to launching a 4G Long Term Evolution (LTE) service in Barbados. It does not have a license to provide domestic fixed line services.

SECTION 2 LEGISLATIVE FRAMEWORK

C&W Standards of Service first came into effect on June 1, 2006, in accordance with Section 3 (1) and 4 of the Utilities Regulation Act, CAP. 282 (URA)¹ of the Laws of Barbados. Sections 3 (1) and 4 of the URA set out the Commission's authority to determine the Standards of Service and the relevant considerations that must be taken into account. Standards of Service are important and applicable, as C&W is at present subject to price cap regulation. Price cap regulation involves the imposition of a price cap index (PCI), which is a constraint that specifies the maximum level of aggregate price change for a basket of regulated services.

The imposition of these Standards of Service for C&W's residential and business landline services are to ensure that a minimum, mandatory level of service is extended to customers routinely. Standards of Service regimes are increasingly important in an environment where service providers are subject to price cap regulation as these companies may, in order to minimise costs and therefore maximise profits, seek to offer a lower quality of service or product. Rather, service providers are encouraged to improve the efficiency of their operations.

The Commission is also charged with the responsibility of monitoring and periodically reviewing the Standards of Service in accordance with Section 3 (1) of the URA. The Commission continues to hold the view that these Standards are necessary to ensure that C&W, the dominant provider of domestic fixed line telecommunications services, would provide adequate service to its customers.

¹ The text of Section 3 (1) and 4 of the URA is presented in Appendix 1 for reference.

SECTION 3 PERFORMANCE REVIEW AND NEW PROPOSALS

3.1 Applicability of Guaranteed Standards

The Commission examined quality of service standards from the United States, the European Union, Lebanon, India, the Channel Islands, Hong Kong, St. Maarten, Trinidad & Tobago and the Eastern Caribbean. It was found that many regulators appear to have taken the view that competitive environments engender high standards, as consumers themselves have greater choices in the selection of telecommunications service providers. Consequently, the requirements for the extended use or enforcement of standards similar to the Guaranteed Standards of Service applied by the Commission, appear to have declined worldwide. However, many regulators still utilise measures similar to Overall Standards of Service, which appear to still be in significant use, as these measure the overall efficiency of the provider in delivering service to the public.

Barbados' domestic fixed line services market is still, to a significant extent, controlled by a single provider. As a result, the Commission should not, at this time, abandon the present standards regime. While another fixed line telecommunications provider, Digicel, has entered the market, its fixed line service, Digicel Play, reached just its 10,000th customer in late 2016, suggesting that the domestic fixed market is not robustly competitive and still carries a significant monopolistic component. Therefore, it is the Commission's view that the Standards of Service established should remain in place for the foreseeable future or at least until other providers become more competitive in the domestic fixed line segment of the market.

Q1: Should the Commission continue to set Guaranteed Standards of Service for Cable & Wireless' domestic fixed line service?

3.2 Guaranteed Standards of Service

The Guaranteed Standards of Service measure the performance of the company in providing its services to individual customers. Failure by the company to meet these standards requires compensatory payments to the individual customers in the form of credits to their accounts. Credits are normally applied in the month following the confirmation of the breach of the standard.

The Commission notes that the 2014 – 2015 reporting period comprises nine (9) months as opposed to twelve (12), as observed for the 2015 – 2016 period. This resulted from the late implementation of the May 2014 Standards of Service Decision, which involved changes to both the Guaranteed and Overall Standards of Service. Additionally, the most recent data is based on the submitted quarterly reports for April 2016 to December 2016. As such, this document makes comparisons between periods of similar duration.

C&W faced challenges in the 2015 – 2016 period with the Approval of Application Standard, GTS 1A. The performance of this Standard fell, in average compliance, to 44.48% in the residential segment and 32.66% in the business segment. This low level of reported compliance was due to an internal oversight where letters of approval were not being sent out and the resolution of this issue was not effected in a timely manner. Reports for the April 2016 to December 2016 period indicate performance of 91.11% and 71.07%, respectively. Although this represents a decline from the 2014 – 2015 period, it is indicative of an upward trend given the challenges faced in the last financial year.

The 2015 – 2016 compliance results for Installation of Service, GTS 1B, were average. However, compliance under this Standard for the first 3 quarters of 2016 – 2017 showed a marked improvement over the nine-month period from July 2014 to March 2015, with 91.11% in the residential category and 71.07% in the business category.

In terms of the Fault Repair Standard GTS 2, average compliance for the 2015 – 2016 period was satisfactory, with 76.38% for the residential segment and 84.72% for the business segment. While the nine-month period from July 2014 to March 2015 showed relatively

satisfactory compliance of 63.58% for the residential segment and 80.23% for the business segment, the April to December 2016 period shows a significant improvement of 89.94% and 88.88%, respectively.

For the 2015 – 2016 period, GTS 3, Repeated Loss of Service, the Company reported excellent performance of 96.08% in the residential segment and 97.84% in the business segment. The nine-month period from July 2014 to March 2015 indicated 96.60% compliance in the residential category and 76.43% in the business category, while the period from April to December 2016 showed compliance of 96.67% and 97.86%, respectively, which is an improvement overall. This potentially bodes well for customer satisfaction, since the incidence of recurrent faults is diminishing.

For the 2015 – 2016 period, C&W performed satisfactorily with respect to GTS 4, Response to Customer Complaints, specifically with its response to written complaints from Residential Customers; compliance for this metric was 80.71%. For the period July 2014 – March 2015, the same metric was 69.80%. For the period April to December 2016, the Company indicated zero written complaints from residential customers. The Commission questioned this data, as there has been evidence of written complaints which were copied to the Commission. C&W has been required to provide an accurate explanation of the lack of reported data. In the business category for the period April to December 2016, the reports indicated that there was only one (1) written complaint and response to this complaint was in breach of the Standard. The report, however, indicated “n/a”, as this data was not significant enough to present a meaningful mathematical average compliance for the nine-month period. In terms of complaints via phone, fax and email, the response historically has been quite unsatisfactory in both customer categories, with some improvement noted in the most recent nine-month period. As a result, the Commission will seek to adjust the Standard to provide an incentive for C&W to improve performance as it relates to this metric. The proposed process for this is explained below in the section on proposed changes to the Guaranteed Standards of Service.

During the 2015 – 2016 period, C&W achieved compliance levels of 63.87% and 92.57% in the residential and business segments, respectively, under the GTS 5, Customer

Appointments Standard. In a comparison of the July 2014 to March 2015 period and the April to December 2016 period, significant improvement was observed i.e. the business category improved from 79.56% to 93.23% and the residential category improved from 64.37% to 83.12%

As it relates to GTS 6, Reconnection after Disconnection for Non-Payment, for the 2015 - 2016 reporting period, C&W has reported excellent performance with 100% compliance for the third consecutive year. For the July 2014 to March 2015 period and the April to December 2016 period, performance continues to be excellent, ranging from 99% to 100%.

The Standard of Service for Wrongful Disconnection, GTS 7, requires that any loss of service due to system errors by the service provider be reconnected within one (1) hour of notification by the customer. There is room for improvement under this Standard as, for the 2015 - 2016 period, there were 25 reported breaches for residential customers and one (1) for business customers, with 60.2% and 66.7% compliance recorded, respectively. The July 2014 to March 2015 period reports 0 no breaches of the Standard in either category and the April to December 2016 period showed six (6) breaches in the residential category and one (1) breach in the business category. These, however, all occurred in the first quarter and thus there is no mathematically significant measure for average compliance over the period. Table below offers a comparative summary of the Company's performance from 2014 to 2017.

Table 1 - Performance under the Current Guaranteed Standards of Service July 2014 - December 31, 2016.

STANDARD	TARGET	AVERAGE % COMPLIANCE JUL 2014 - MAR 2015	AVERAGE % COMPLIANCE APR 2015 - MAR 2016	AVERAGE % COMPLIANCE APR 2016 - DEC 2016
<p>GTS 1A - Approval of Application This refers to the time it should take for approval of an application form from submission to approval.</p>	<p>Residential Customers - no more than 7 working days.</p> <p>Business Customers - no more than 5 working days</p>	<p>Residential - 100</p> <p>Business - 100</p>	<p>Residential - 44.48</p> <p>Business - 32.66</p>	<p>Residential - 91.11</p> <p>Business - 71.07</p>

STANDARD	TARGET	AVERAGE % COMPLIANCE JUL 2014 - MAR 2015	AVERAGE % COMPLIANCE APR 2015 - MAR 2016	AVERAGE % COMPLIANCE APR 2016 - DEC 2016
<p>GTS 1B - Installation of Service</p> <p>This refers to the time it takes between the advice that the application is approved and the actual provision of service where plant is available.</p>	<p>Residential Customers - no more than 7 working days</p> <p>Business Customers - no more than 5 working days</p>	<p>Residential - 55.93</p> <p>Business - 2.56</p>	<p>Residential - 77.84</p> <p>Business - 61.68</p>	<p>Residential - 91.11</p> <p>Business - 71.07</p>
<p>GTS 2 - Fault Repair</p> <p>The speed at which faults due to failure of C&W's equipment or systems are repaired.</p> <p>Faults due to inside wiring or customer-owned equipment are not included.</p>	<p>No more than 2 working days</p>	<p>Residential - 63.58</p> <p>Business - 80.23</p>	<p>Residential - 76.38</p> <p>Business- 84.72</p>	<p>Residential - 89.94</p> <p>Business- 88.88</p>
<p>GTS 3 - Repeated Loss of Service</p> <p>The reoccurrence of a fault of the same nature, within 30 days of occurrence of the original fault, on C&W's network. Loss of service is defined as no dial tone</p>	<p>Faults should not reoccur within 30 days of repair of first failure</p>	<p>Residential - 96.60</p> <p>Business - 76.43</p>	<p>Residential- 96.08</p> <p>Business - 97.84</p>	<p>Residential- 96.67</p> <p>Business - 97.86</p>
<p>GTS 4 - Response to Customer Complaints</p> <p>This refers to the timeframe in which C&W acknowledges a customer's complaint relating to billing or other standard of service issues.</p>	<p>Acknowledgement within 7 working days after receipt of letters.</p> <p>Acknowledgement within 5 working days for telephone, fax or e-mail complaints.</p>	<p>Residential- Letters - 69.80</p> <p>Business- Letters - n/a</p> <p>Residential- Tel/Fax - 35.84</p>	<p>Residential- Letters - 80.71</p> <p>Business- Letters - n/a</p> <p>Residential- Tel/Fax- 53.63</p>	<p>Residential- Letters - n/a</p> <p>Business- Letters - n/a</p> <p>Residential- Tel/Fax- 80.38</p>

STANDARD	TARGET	AVERAGE % COMPLIANCE JUL 2014 - MAR 2015	AVERAGE % COMPLIANCE APR 2015 - MAR 2016	AVERAGE % COMPLIANCE APR 2016 - DEC 2016
		Business-Tel/Fax - 61.27	Business-Tel/Fax - 69.41	Business-Tel/Fax - n/a
<p>GTS 5 - Customer Appointments</p> <p>These scheduled appointments pertain to visits by C&W's representatives to correct faults on their network up to and including the network interface device, where access to the customer's premises is necessary but restricted.</p>	<p>All customer appointments should be honoured.</p> <p>Morning (8:00 a.m. to 12:00 noon) or afternoon (1:00 p.m. to 4:00 p.m.) appointments may be scheduled.</p>	<p>Residential- 64.37</p> <p>Business - 79.56</p>	<p>Residential- 63.87</p> <p>Business- 92.57</p>	<p>Residential- 83.12</p> <p>Business- 93.23</p>
<p>GTS 6 - Reconnection after Disconnection for Non-Payment</p> <p>The timeframe in which customers are to be reconnected after settling outstanding balance and reconnection fee. Customers must notify C&W and provide proof of payment. C&W must acknowledge receipt of payment.</p>	<p>Reconnection of the service should occur within 8 working hours of acknowledgement of payment.</p>	<p>Residential - 100</p> <p>Business - 100</p>	<p>Residential- 100</p> <p>Business- 100</p>	<p>Residential- 99.68</p> <p>Business- 99.95</p>
<p>GTS 7 - Wrongful Disconnection</p> <p>This refers to situations where customers are deprived of service due to system errors by C&W.</p> <p>This standard is not applicable where disconnection arises out of circumstances pertaining to an overdue amount, specifically C&W's</p>	<p>Reconnection within 1 working hour of notification.</p>	<p>Residential - No recorded breaches</p> <p>Business - No recorded breaches</p>	<p>Residential- 60.20</p> <p>Business- 66.67</p>	<p>Residential- Insufficient data</p> <p>Business- Insufficient data</p>

STANDARD	TARGET	AVERAGE % COMPLIANCE JUL 2014 - MAR 2015	AVERAGE % COMPLIANCE APR 2015 - MAR 2016	AVERAGE % COMPLIANCE APR 2016 - DEC 2016
non-acknowledgement of payment.				

Proposed Changes to the Guaranteed Standards of Service

The Commission is of the view that there is need for adjustments to be made to some existing Guaranteed Standards, as well as the inclusion of a new standard. The standards for which adjustments are proposed are: GTS 1B, Installation of Service after Approval; GTS 3, Repeated Loss of Service; and GTS 4, Response to Customer Complaints. Based on complaints and customer interactions, it is considered that GTS 1B needs to be clarified to cover not just installations of new services but also transfers of service from one location to another. In the case of GTS 3, it has been noted that the definition of “loss of service”, which is simply “no dial tone”, is too narrow given the varying types of service disruptions experienced by customers. As it relates to GTS 4, the general poor performance observed indicates that adjustments may be required to incentivise C&W to improve performance in this area, i.e. increasing the quantum of monetary compensation to be paid to customers for breaches of this Standard. The new proposed standard relates to billing errors and seeks to provide compensation to individual customers for different types of errors. Due to the billing issues observed, it is considered that C&W should be motivated to focus on the efficiency and accuracy of its billing system.

The Proposal

The Commission has observed a number of instances where customers experience confusion and delays when transferring a telephone service from one location to another. As such, the proposal advanced here is to adjust the definition of GTS 1B, Installation of Service after Approval, to specifically include transfers of service from one location to another in addition to new installations. This would definitively address the issue of delayed transfers. Further, the Commission opines that in practice, the approval of an application for service is no longer a definitely separate process. Consequently, it is proposed that GTS 1A and GTS 1B be combined into a single Standard, GTS 1.

The Commission also proposes a broadening of the definition of “loss of service” under GTS 3, Repeated Loss of Service. At present, loss of service is defined as no dial tone. The level and nature of fault-related complaints observed for the first three (3) quarters of 2016 indicate that faults and service outages on the service provider’s network tend to be more varied than simply the absence of dial tone. In many cases the fault may take the form of inability to receive calls, frequent call failure or dropping, and generally degraded or disrupted service. As a result, it is proposed that the definition should be broadened to capture these variations and as such, allow customers with varied types of degraded service to become eligible for compensation.

GTS 4, Response to Customer Complaints, at present exhibits a trend of unsatisfactory results, indicating C&W’s failure to adequately respond to customer complaints in a timely manner. Despite the recent improvement as it relates to written complaints from residential customers, overall performance requires significant improvement, as this is an important measure of the Company’s level of customer satisfaction. As a result, the Commission is of the view that two adjustments would be sufficient to give C&W greater incentive to improve performance. The proposed measures are:

1. An increase in the level of compensation from \$15 for residential customers and \$30 for business customers to \$25 and \$40, respectively. The higher penalty could be an effective deterrent for poor performance, encouraging C&W to pay greater attention to this area.
2. Instituting automatic Compensation for this Standard. At present, customers are required to submit manual claims. A switch to automatic compensation would encourage C&W to monitor performance more closely, as there would now be a greater chance of financial penalty for excessive breaches and ensure that more customers receive compensation for breaches of the Standard.

Historically, C&W’s performance under the Reconnection after Disconnection for Non-Payment Standard, GTS 6, has been exemplary. As shown above in Table 1, compliance tends to approximate 100% each year, with similar performance observed in the previous 2010 – 2013 review period. Consequently, it is considered that there is room to tighten the target time for compliance under this Standard and therefore the Commission proposes that

reconnection of service should occur within six (6) hours as opposed to eight (8) hours as it is at present.

The Commission proposes to institute a new Guaranteed Standard which would offer compensation to customers who receive bills from C&W which contain errors. The number of billing errors has increased significantly in the past year and, in many cases, these issues carry a protracted resolution time. Errors may include, inter alia, incorrect addresses, number transposition, continued billing for disconnected services (or services not disconnected even after a disconnection was requested), billing for international calls when no such calls were made, or billing for obsolete or discontinued services. The new standard would stipulate a compensatory payment of \$25 to each affected residential customer and \$40 to each business customer, for each instance of an erroneous/incomplete bill. It is believed that this measure would be an incentive for C&W to improve efficiency in this area. The proposed standard would therefore be:

Table 3 - New Proposed Guaranteed Standard

STANDARD	SERVICE CATEGORY	TARGET	COMPENSATION
<u>GTS 8</u>	Billing Accuracy (Individual customer). This refers to the incidence of errors (typographical, tabulatory, errors of omission, etc.) on customers' individual billing statements	All bills are to be error free.	For each bill containing errors, a compensatory payment of \$25 to each affected residential customer and \$40 to each business customer, upon confirmation of errors. Additionally, customers are not to be disadvantaged while a dispute over a billing error is pending. Automatic compensation

Table 4 - Proposed Changes to Guaranteed Standards

STANDARD	TARGET	PROPOSED CHANGE
<p><u>GTS 1B - Installation of Service</u> This refers to the time it takes between the advice that the application is approved and the actual provision of service, where plant is available.</p>	<p>Residential Customers - no more than 7 working days</p> <p>Business Customers - no more than 5 working days</p>	<p><u>GTS 1 - Installation or Transfer of Service</u> This refers to the time it takes between the customer's application for service and the actual installation or transfer of service, where plant is available.</p>
<p><u>GTS 3 - Repeated Loss of Service</u> The reoccurrence of a fault of the same nature, within 30 days of occurrence of the original fault, on C&W's network. Loss of service is defined as no dial tone</p>	<p>Faults should not reoccur within 30 days of repair of first failure</p>	<p><u>GTS 3 - Repeated Loss of Service</u> The reoccurrence of a fault of the same nature, within 30 days of occurrence of the original fault, on C&W's network. Loss of service is defined as disrupted or degraded service including, inter alia, no dial tone.</p>
<p><u>GTS 4 - Response to Customer Complaints</u> This refers to the timeframe in which C&W acknowledges a customer's complaint relating to billing or other standard of service issues.</p>	<p>Acknowledgement within 7 working days after receipt of letters.</p> <p>Acknowledgement within 5 working days for telephone, fax or e-mail complaints.</p>	<p>Payment of BDS\$25 to residential customers and BDS\$40 to business customers when target time is breached</p> <p>Automatic Compensation</p>

STANDARD	TARGET	PROPOSED CHANGE
<p>GTS 6 - Reconnection after Disconnection for Non-Payment. The timeframe in which customers are to be reconnected after settling outstanding balance and reconnection fee. Customers must notify C&W and provide proof of payment. C&W must acknowledge receipt of payment.</p>	<p>Reconnection of the service should occur within 8 working hours of acknowledgement of payment.</p>	<p>Reconnection of the service should occur within 6 working hours of acknowledgement of payment.</p>

Q 2: Should GTS 1B, Installation of Service after Approval, be amended to specify new installations as well as transfers of service? Additionally, should GTS 1A and GTS 1B be amalgamated into GTS 1?

Q 3: Should GTS 3, Repeated Loss of Service, be amended to broaden the definition of loss of service from “no dial tone” to “disrupted or degraded service including, inter alia, no dial tone”?

Q 4: Should a new standard, GTS 8, related to the granting of compensation to individual customers for billing errors, be instituted and if so, is the proposed level of compensation for this standard, i.e. of \$25 to each affected residential customer and \$40 to each business customer, fair and adequate?

Q 5: Should compensation under GTS 4, Response to Customer Complaints, be increased from \$15 for residential customers and \$30 for business customers to \$25 and \$40, respectively? Additionally, should the type of compensation be changed from manual claims to automatic compensation?

Q 6: Should the target time for Reconnection after Disconnection for Non-Payment be reduced from eight (8) hours to six (6) hours?

Claims Summary

During the previous period of review (2010 – 2013), it was found that compensation was not received by up to 85% of eligible customers. It was considered that this was attributable to the fact that the majority of Standards required manual customer claims as opposed to automatic compensation. At the time, only GTS 1B and GTS 6 allowed for automatic

compensation. At present, in addition to the two (2) aforementioned Standards, automatic compensation is available for GTS 2, GTS 3 and GTS 7. The table below indicates that despite this, the ratio of persons actually receiving compensation to persons eligible for compensation has declined from 44.52% to 32.05% when compared to the the July 2014 to March 2015 period and the April to December 2016 period. This is not a desirable situation. Additionally, for the 12-month period 2015 - 2016, C&W reported that only 20.5% of the total value of eligible compensation was actually paid. For a Standard with a high number of breaches, such as GTS 5, Customer Appointments, the value of eligible compensation would therefore be quite significant. However, this Standard requires manual claims and, as has been previously established, manual claims are not often made by the public and therefore compensation that is due remains unpaid.

Table 5: Customer Claims Summary July 2014 to December, 2016

CATEGORY	July 2014 - March 2015	April 2015 - March 2016	April 2016 - December 2016
Persons eligible for compensation	19,440	26,778	6,821
Persons actually receiving compensation	8,655	8,277	2,186
Percentage of eligible customers receiving compensation	44.52%	30.91%	32.05%

The Commission is concerned that an increasing percentage of customers are not receiving due compensation. Section 5 of this document outlines C&W's public education requirement as it relates to Standards of Service and it is apparent that this requirement is not being fulfilled to the expected extent. Many members of the general public are unaware of their rights under the Standards of Service and are confused about the Company's fault reporting process. Therefore, the Commission proposes that C&W be required to:

- a) Publish the Standards of Service clearly on its website;
- b) Twice a year, publish in all forms of local news media the Standards of Service as well as its fault reporting process; and
- c) Inform customers who make complaints of the means via which compensation may be sought, via telephone, email and the post.

Q 7: Should C&W be required to publish the Standards of Service and its fault reporting process via its website, as well as all forms of news media, in addition to informing customers who make complaints of the means via which compensation may be sought?

3.2 Overall Standards of Service

Overall Standards assess the company's countrywide performance in its provision of fixed line services and are not associated with compensation to individual customers. However, where a breach persists, the Commission may, at its discretion, invoke Section 43 of the Fair Trading Commission Act, CAP. 326B (FTCA) and Sections 31 and 38 of the URA, which allow for the imposition of fines.

The performance of C&W with respect to the Overall Standards for the 2015 - 2016 period, as shown in Table 6, was commendable. Historically, the Company has generally achieved laudable results for Overall Standards. It must be noted that C&W has been unable to present data for OTS 6, Customer Service Response Time, for the past three (3) reporting periods because the outsourced company which provides the call centre services also provides the same to several other companies in other jurisdictions and as such cannot provide metrics specific to C&W Barbados. Only general call centre data is collected, which would include data from other companies. With respect to OTS 4, Trunk Blocking, C&W has advised that its Network Monitoring Centre was relocated to Jamaica and this new centre no longer provides this data. As it relates to OTS 3, Working Payphones, C&W's quarterly report for the period October to December indicated that three (3) reports were received and there were no breaches. However there were no reports received for the two (2) quarters prior, rendering any average compliance figure for the nine-month period, again, mathematically insignificant. This will be further discussed below in the section on changes to the Overall Standards.

Table 6 - Overall Standards of Service July, 2014 to December, 2016

OVERALL STANDARDS	TARGET	AVERAGE % COMPLIANCE JUL 2014 - MAR 2015	AVERAGE % COMPLIANCE APR 2015 - MAR 2016	AVERAGE % COMPLIANCE APR 2016 - DEC 2016
Fault Repair (OTS 1)	80% of faults should be repaired within a 24 hour period.	74.75	90.10	95.88
Repeated Loss of Service (OTS 2)	No more than 5% of faults should reoccur within 30 days of repair of first failure.	96.63	96.27	96.83
Working Payphones (OTS 3)	At least 95% of the public payphones should be in working order daily.	100	100	n/a
Trunk Blocking (OTS 4)	At least 95% of the calls should be completed during peak traffic.	99.94	n/a	n/a
Billing Accuracy (OTS 5)	Billing errors must be no more than 0.5% of the total bills issued.	99.82	99.92	99.97
Customer Service Response Time (OTS 6)	At least 80% of calls must be answered within 60 sec. of being handed off by the IVR system to the service representative queue	n/a	n/a	n/a

Proposed Changes to the Overall Standards of Service

OTS 3 Working Payphones

Statistics from the Barbados Telecommunications Unit indicate that use of mobile telephones has become very pervasive in our society. Table 7 below shows the extent to which mobile voice and mobile internet have outpaced landlines in terms of uptake and usage.

Table 7 - Landline and Mobile Telephone ownership in Barbados

YEAR	2015	2014	2013
Post-paid & pre-paid mobile subscribers	334,792	305,456	307,708
Mobile Internet & Broadband subscribers	239,685	329,455	259,621
Landlines including Integrated Services Digital Network (ISDN) and Payphones	149,532	135,775	148,735
Population	284,215	286,100*	284,644

Source: Barbados Telecommunications Unit (except for population data)

***Estimated figure**

This raises the question of the usefulness of the Working Payphone Overall Standard of Service OTS 3. The current Telecommunications Act 2001-36 CAP 282B, of the Laws of Barbados, requires that C&W provide payphones as part of the universal service requirement. However, it has been noted that in many other countries there has been a steady decline in the provision of such terminals for the general public, as mobile phones have become more popular and easily accessible. Most recently, C&W has indicated that there was previously a payphone management system which provided reports on the income generated by the various payphones around the island. This report would give an indication of the numbers of payphones that were faulty. C&W has advised, however, that this management system is no longer in use and therefore this report is no longer available.

Despite this, the Commission opines that working payphones are a public necessity in strategic areas, such as town centres, airports and seaports. In the event of an emergency and an individual is without the use of a mobile phone, a working payphone would prove useful. Therefore the Commission considers that this Standard should be maintained and that C&W is to be required to have a satisfactory system in place to provide the necessary information.

OTS 4 *Trunk Blocking*

The Commission recognises that complaints and reported breaches related to this Standard have been few. In addition to this, the improvements in technological efficiency (i.e. greater reliability of fibre optics over copper wire) and the potential regulatory cost that would be incurred should this Standard be continued, suggest that it is no longer prudent to maintain this Standard. The Commission therefore proposes to discontinue this Standard.

OTS 6 *Customer Service Response Time*

C&W has indicated that it is no longer able to provide data under this Standard. C&W's call centre services are outsourced to a company which provides this service, however, the metrics produced by this company include data for several other companies in various jurisdictions and there is currently no way to provide separate data for C&W Barbados. The Commission, however, is not minded to remove this Standard as it is a vital measure of the Company's customer service performance. C&W is therefore to be required to put measures in place to ensure accurate monitoring and collection of this the data, as required under the Standards of Service.

Proposed additions to the Overall Standards of Service

The Commission proposes the addition of a new Overall Standard which would measure fault incidence. The purpose of the standard would be to hold C&W accountable for the percentage of faults occurring in a given time period. At present, GTS 2 addresses the speed with which faults due to failure of C&W equipment are repaired and OTS 1 dictates that 80% of faults should be repaired within a 24 hour period. However, detailed research of the international telecommunications industry revealed that many regulatory bodies worldwide require measures of fault incidence. These aim to monitor the number of faults per segment of subscribers per month.

For example, the Telecom Regulatory Authority of India (TRAI) imposes a target level of less than three (3) faults per 100 subscribers, per month. The Eastern Caribbean Telecommunications Authority (ECTEL)-developed Quality of Service (QoS) regulations

stipulate a Fault Rate per Access Line measure, with a target of 3% or less per month. The Telecommunications Authority of Trinidad & Tobago (TATT) also utilises a fault incidence measure in its QoS regulations. These and other examples indicate that this type of measure is well accepted in the international regulatory community. Due to the inconsistent performance of GTS 2 over time, the Commission is of the view that a measure of this nature would be beneficial in providing further insight into the service quality performance of C&W. It would also provide another effective tool in ensuring a minimum level of service quality as is advisable and often necessary for service providers who are subject to price cap regulation. The new proposed Overall Standard therefore is:

Table 8 - New Proposed Overall Standard

STANDARD	SERVICE CATEGORY	TARGET
OTS 4 ²	Fault Incidence. This measures the monthly percentage of faults on the service provider's network.	No more than 3 faults per 100 subscribers per month

Q 8: Should the Overall Standard 3 for Working Payphones be continued and if so, why?

Q 9: Should there be a new Overall Standard which measures the incidence of faults, per month, on the service provider's network?

² This Standard would become the new OTS 4 as it would essentially be placing the standard related to Trunk Blocking, which is to be removed.

SECTION 4 GENERAL EXEMPTIONS

The Commission acknowledges that failure to meet the Guaranteed Standards of Service may be driven by circumstances or events beyond the control of the service provider. In these circumstances, the service provider is under no obligation to make compensatory payments, where such would give rise to a breach. The term used to define these events are referred to as Force Majeure. The Commission formally, describes this as:

"Risks beyond the reasonable control of the Company which was not incurred as a result of its negligence but which nevertheless have a materially adverse effect on the ability of the company to perform its obligations. "

The current Standards of Service regime states that the *force majeure* conditions under which the exemptions from the Standards of Service may be granted are:

- (a) An act of war (whether declared or not), hostile invasion, act of foreign enemies, terrorism or civil disorder;
- (b) A strike or strikes and/or other industrial action or blockade or embargo or any other form of civil disturbance (whether lawful or not);
- (c) Landslides, lightning, hurricanes, floods, storm, earthquake, tsunami or any other natural disaster.
- (d) Riots;
- (e) Civil commotion;
- (f) Acts or threats of terrorism;
- (g) Insurrections;
- (h) Epidemics;
- (i) Trade restrictions;
- (j) Inability to obtain any requisite Government permits; and
- (k) Breakdown of machinery or equipment or any other force or cause of similar nature not within the control of the Company and which by the exercise of diligence it is unable to avoid, prevent or mitigate.

4.1 OTHER EXEMPTIONS AND CONDITIONS

The Commission is cognisant that other circumstances may exist from time to time which might impede Cable & Wireless' ability to meet the prescribed Standards of Service. In such circumstances, where a customer is dissatisfied with Cable & Wireless' application of an exemption, that customer may seek the Commission's guidance. Thereafter, the Commission may authorise Cable & Wireless' action or require an alternative approach.

The situations which might fall into this category may include but are not limited to the following:

- (a) Where Cable & Wireless is requested by a public authority to provide emergency communication to assist in emergency action and the provision of such services restricts the connection of a customer to a specified service or the rectification of a fault or service difficulty;
- (b) Where Cable & Wireless is prevented from providing a connection to a specified service, or the rectification of a fault or service difficulty due to the service provider being unable to obtain lawful access to the land or a facility;
- (c) Where a law of Barbados prevents Cable & Wireless from complying with the service standard;
- (d) After following Cable & Wireless' credit and disconnection guidelines, the customer has not paid applicable charges and remains disconnected;
- (e) Where the customer is required to pay a charge to the service provider for the connection to the service or for the use of the service;
- (f) Where Cable & Wireless has reasonable grounds to believe that the customer would be unwilling or unable to pay the charge as it becomes due;
- (g) Where there is a negligent and willful act by the customer;
- (h) Where the breach is due to malfunction of the customer's own equipment;
- (i) Where Cable & Wireless is unable to gain access to the customer's premises at the time agreed with the customer for such access; and
- (j) Other unforeseeable circumstances beyond the control of the parties against which it would have been unreasonable for the affected party to take precautions and which the affected party cannot foresee by using its best efforts.

It is proposed that these aforementioned established exemptions be maintained.

SECTION 5 MONITORING AND ENFORCEMENT OF STANDARDS

The performance of C&W must be monitored over time to ensure that there is adherence to the set standards. Furthermore, it is proposed that these standards will be valid for a period of three (3) years, with a review at the end of this period. Ultimately, standards are important in ensuring there is public accountability.

C&W will be required to submit quarterly regulatory reports. These reports must include information on:

- The number of breaches under each Guaranteed Service category;
- The actual average time taken to respond to and/or rectify issues referred to under each Guaranteed Service category;
- The level of compliance, as a percentage, of each Overall Service category; and
- Details of any extenuating circumstances that would have prohibited the Company from achieving the targets of the Overall Standards.

C&W will be required to submit annual reports. These reports, in addition to the above, must include information on:

- The number of customers eligible for compensation during the previous financial year;
- The total value of eligible compensation;
- The number of customers actually receiving compensation; and
- The value of compensation remitted.

The Commission opines that a minor improvement to this reporting regime may be made. In addition to the above data on compensation, it would be beneficial to have the value of eligible compensation broken down by Standard. This would provide an additional level of insight into the performance of each Standard and indicate more definitively where adjustments to the regime may be required in order to improve the value of compensation actually paid out to customers for breaches.

Q 10: Should C&W be required to provide the value of eligible compensation broken down by Standard?

Q 11: What other improvements would you suggest for the level of reporting?

The Commission reserves the right to conduct independent investigations that seek to determine the extent to which the service provider is meeting the Standards of Service.

If the service provider continually fails to meet an Overall Standard, particularly to the point where service is severely hampered, and it appears that the service provider has not made a reasonable effort to rectify the breach, the service provider will provide an explanation to the Commission.

The authority to make rules, regulations and orders in respect of penalties for non-compliance of the relevant Standard comes from Section 38 of the URA which states the following:

“The Commission may make

a) rules;

b) regulations;

c) orders with respect to

i) imposing penalties for non-compliance with prescribed standards of service; and;

ii) prescribing amounts to be paid to the person referred to in section 21 for failure to provide a utility service in accordance with the standards of service set by the Commission.”

Public disclosure of information

Information pertaining to the level of compliance by the Company, with the prescribed Guaranteed and Overall Standards of Service, will be made available to the public on an annual basis.

Public Education

The service provider will be required to make available to its customers a detailed list of the approved Guaranteed and Overall Standards of Service. This list shall include information on the service categories, target times and compensatory payments, where applicable. The Company's fault reporting process is to be made known to the public and the appropriate contact numbers included. The service provider will also be required to widely publicise the means via which compensation for breaches may be sought.

SECTION 6 LIST OF QUESTIONS

Q 1: Should the Commission continue to set Guaranteed Standards of Service for Cable & Wireless' domestic fixed line service?

Q 2: Should GTS 1B, Installation of Service after Approval, be amended to specify new installations as well as transfers of service? Additionally, should GTS 1A and GTS 1B be amalgamated into GTS 1?

Q 3: Should GTS 3, Repeated Loss of Service, be amended to broaden the definition of loss of service from "no dial tone" to "disrupted or degraded service including, inter alia, no dial tone"?

Q 4: Should a new standard, GTS 8, related to the granting of compensation to individual customers for billing errors, be instituted and, if so, is the proposed level of compensation for this standard, i.e. of \$25 to each affected residential customer and \$40 to each business customer, fair and adequate?

Q 5: Should compensation under GTS 4, Response to Customer Complaints, be increased from \$15 for residential customers and \$30 for business customers to \$25 and \$40, respectively? Additionally, should the type of compensation be changed from manual claims to automatic compensation?

Q 6: Should the target time for Reconnection after Disconnection for Non-Payment be reduced from eight (8) hours to six (6) hours?

Q 7: Should C&W be required to publish the Standards of Service and its fault reporting process via its website, as well as all forms of news media, in addition to informing customers who make complaints of the means via which compensation may be sought?

Q 8: Should the Overall Standard 3 for Working Payphones be continued and if so, why?

Q 9: Should there be a new Overall Standard which measures the incidence of faults, per month, on the service provider's network?

Q 10: Should C&W be required to provide the value of eligible compensation broken down by Standard?

Q 11: What other improvements would you suggest for the level of reporting?

SECTION 7 CONSULTATION PROCESS

This consultative document includes a series of specific questions for which the Commission is seeking comments. To facilitate the analysis of submissions, respondents should reference the relevant question numbers in the document. If they consider it appropriate, respondents may wish to address other aspects of the document for which the Commission has not prepared specific questions. Failure to provide answers to all questions will in no way reduce the consideration given to the entire response. Commercially sensitive material should be clearly marked as such and included in an annex to the response.

Responding to this Consultation Paper

The Commission invites and encourages written responses in the form of views or comments on the matters discussed in the Paper from all interested parties including C&W, other licensed operators, Government ministries, non-governmental organisations (NGO'S), consumer representatives, consumers, businesses and all other interested parties.

The Consultation period will begin on Friday, March 3, 2017 and end on Friday, March 17, 2017, **at 4:00 p.m.** All written submissions should be submitted by this deadline. The Commission is under no obligation to consider comments received after 4:00 p.m. on Friday, March 17, 2017.

The Consultation Paper may be downloaded from the Commission's website at <http://www.ftc.gov.bb>

Respondents to the Consultation may submit responses in electronic format. The Commission would prefer that email responses forwarded to info@ftc.gov.bb be prepared as Word documents and attached to an email cover letter.

Responses may also be faxed to the Commission at (246) 424-0300. Mailed or hand delivered responses should be addressed to the Chief Executive Officer.

Confidentiality

The Commission is of the view that this consultation is largely of a general nature. The Commission expects to receive views from a wide cross section of stakeholders and believes that views and comments received should be shared as widely as possible with all respondents.

Respondents should therefore ensure that they indicate clearly to the Commission any response or part of a response that they consider to contain confidential or proprietary information.

Analysis of Responses

The Commission expects, in most consultations, to receive a range of conflicting views. In such circumstances, it would be impossible for the Commission to agree with all respondents. Through its decision, the Commission will seek to explain the basis for its judgments and where it deems appropriate, give the reasons why it agrees with certain opinions and disagrees with others. Instances may arise where analysis of new evidence presented to the Commission will cause it to modify its view. In the interests of transparency and accountability, the reasons for such modifications will be set out and where the Commission disagrees with major responses or points that were commonly made it will, in most circumstances, provide justification.

APPENDIX 1

LEGISLATIVE FRAMEWORK

The functions of the Commission encompass the important aspect of the setting of standards. Section 3(1) of the URA, states that the Commission shall, in relation to the service provider:

- (a) determine the standards of service applicable;*
- (b) monitor the standards of service supplied to ensure compliance; and*
- (c) carry out periodic reviews of the rates and principles for setting rates and standards of service.*

The Commission, therefore, has responsibility for determining and monitoring the Standards of Service offered and carrying out periodic reviews of the Standards of Service for utilities under its jurisdiction, which includes the regulated services of C&W.

Section 4 of the URA states that, in determining Standards of Service, the Commission shall have regard to:

- (a) the rates being charged by the service provider for supplying a utility service;*
- (b) ensuring that consumers are provided with universal access to the service supplied by the service provider;*
- (c) the national environmental policy; and*
- (d) such other matters as the Commission may consider appropriate.*

Rule 63 of the Utilities Regulation Procedural Rules 2003, S.I. 2003 No. 104, indicates that service standards may include issues such as:

- (a) Universality of service;*
- (b) The provision of new services;*
- (c) The extension of services to new customers;*
- (d) The maximum response time permitted for responding to customer complaints; and*
- (e) Standards related to service qualities which are specific to each sector.*

Under Statutory Instrument (S.I.) No. 108 Telecommunications (Regulated Services) Order 2003, the following categories of telecommunications services were determined to be subject to regulation by the Commission:

- (a) *International telecommunications services;*
- (b) *Domestic voice telecommunications services;*
- (c) *Services in respect of interconnection charges;*
- (d) *Leased circuits; and*
- (e) *International simple resale.*

Section 43 of the FTCA and Section 31 of the URA both state the following:

“Every Service provider or business enterprise that fails or refuses to obey an order of the Commission made under this Act is liable on summary conviction to a fine of \$100,000.00 and, in case of an continuing offense, to a fine \$10,000.00 for each day or part thereof during which the offense continues.”