

# Commission Issues Decision on the Price Cap Plan 2021

## FAIR TRADING COMMISSION ISSUES DECISION ON PRICE CAP PLAN 2021 (PCP 2021)

The Fair Trading Commission has issued its Decision on the Price Cap Plan 2021 (PCP 2021), which will govern the adjustment of rates of the regulated telecommunications services of Cable & Wireless (Barbados) Limited (C&W).

The PCP 2021, which will be in effect from April 1, 2021 to December 31, 2024, is the most recent version of a framework which was first implemented in 2005 and is based on two service baskets for 'competitive' and 'non-competitive' services. The former category includes regulated services for which the level of competition is deemed to be sufficient to prevent excessive pricing by C&W. While these services will not be subject to an overall price cap, C&W must provide advance notification of any raise in prices.

Similarly, no overall price cap will be applied to 'non-competitive' services, which include all remaining regulated services. However, a price cap will be applied to standalone fixed telephony (landline) services including value-added services, as listed below:

### Residential:

- a) Unlimited Local Calling
- b) Call Waiting
- c) Voicemail
- d) Caller ID
- e) Call Forwarding

Business:

- a) Unlimited Local Calling
- b) Call Forwarding
- c) Automated Assistance for Customers

For these services, C&W's ability to raise prices annually will be restricted. Any increases must be below or equal to the level of inflation, or 3 percent a year if inflation exceeds 3 percent during that year. If there is a negative inflation rate, no price increase will be allowed.

The Commission determined that the application of a price cap was critical for these services, which are typically purchased by vulnerable customers and for which C&W faces no effective competition from Digicel anywhere in the country. The Commission also acknowledges that such customers are on the decline, as many others opt for bundled services from both C&W and Digicel. As such, the focus of the PCP now applies to a narrower set of services, in tandem with regulatory objectives and technological change, whilst maintaining a framework that remains adequate and responsive.

The Commission will, therefore, continue to monitor market conditions, including price and demand, for uncapped 'non-competitive' services and may introduce price regulation for these services if deemed necessary.

The PCP 2021 Decision may be accessed [here](#).

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