



# Fair Trading Commission

## DECISION

Reference Interconnection Offer – Domestic Fixed Wireless

No. 3 of 2004

Date: July 1, 2004

## FAIR TRADING COMMISSION

1. The Fair Trading Commission “Commission” is the independent regulator of international and domestic telecommunications services. In carrying out its duties as regulator the Commission must operate in a transparent, accountable and non-discriminatory manner.

2. The Telecommunications Act Cap 282B “Act” provides for the liberalisation of the telecommunications sector in Barbados. It was determined by the Minister responsible for telecommunications that a phased approach would be used to introduce competition into the various sectors of the telecommunications market. To this end a transition timetable was established which prescribed the introduction of competition in three (3) phases. Phase 1 facilitated competition in network based mobile services. Phase 2 provided for the introduction of competition in the domestic fixed wireless services. Phase 2 commenced on 10 November 2003. Competition in network based international services will be introduced in Phase 3.

3. Section 26(1) of the Act requires the dominant carrier to submit to the Commission for its approval a Reference Interconnection Offer “RIO”, with the Commission, which sets out terms and conditions for interconnection to its public telecommunications network. Cable & Wireless (Barbados) Limited “Cable & Wireless” was declared dominant carrier on April, 24, 2003. On January 22, 2004, Cable & Wireless filed a reference interconnection offer for Phase 2 of the liberalisation process, hereinafter referred to as **RIO Domestic Fixed Wireless**.

4. Section 4(4) of the Fair Trading Commission Act 326B requires the Commission to consult with interested persons when it is discharging certain functions.

4.(4)

*"The Commission shall, in performing its functions under subsection (3)(a), (b), (d) and (f) consult with the service providers, representatives of consumer interest groups and other parties that have an interest in the matter before it."*

5. By Public Notice dated February 26, 2004 the Commission invited interested parties to provide written comment on the RIO Domestic Fixed Wireless. The Commission received one written submission. This submission was from TeleBarbados Inc. "TeleBarbados" and was received by the Commission on March 15, 2004.

6. In order to obtain clarification of the charges and the tariff schedule, the Commission requested from Cable & Wireless the following information:

- a) an explanation of the derivation of the Call Setup, Call Duration and Interconnect - specific charge elements of the tariff schedules in RIO Phase 2 including the cost information that supports the development of the tariffs. This information was sent to Commission under confidential cover; and
- b) the service and tariff schedule that would apply to interconnection between the new domestic fixed wireless service provider and the Cable & Wireless Mobile Service.

This information was received on February 10, 2004 and March 18, 2004 respectively.

7. The Commission also invited Cable & Wireless to comment on the TeleBarbados' submission. Cable & Wireless filed its comments with the Commission on April 26, 2004.

8. Section 27(3) of the Act requires the Commission to consult with the dominant carrier providing the RIO and any other carriers likely to seek interconnection to that carriers network and to have regard to :

- the interconnection principles set out in section 25;
- the interconnection policy specified by the Minister;
- the need to promote competition;
- the long term interests of end-users; and
- the submissions, whether oral or written, of the carriers providing and seeking interconnection.

9. The Act requires Cable & Wireless as the dominant to ensure, inter alia, that:

- (a) Interconnection charges are cost-oriented;
- (b) Interconnection services allow the requesting carrier to select the services required and not require the carrier to stand the cost of network components, facilities or services that are not required or have not been requested by that carrier; and
- (c) Interconnection terms are non-discriminatory and non-preferential.

10. In arriving at its decision, the Commission took into consideration:

- a) the provisions of the legislation;
- b) the Fair Trading Commission's decisions on Interconnection Guidelines - Accounting, Costing and Pricing Principles, the Dispute Resolution Procedures, and Reference Interconnection Offer Phase 1 "RIO Mobile"

11. Cable & Wireless in its response to TeleBarbados' submission stated that in developing the RIO Domestic Fixed Wireless it took account of the Commission's Decision Reference Interconnection Offer Phase 1 RIO v1.0 (herein after referred to as RIO Mobile) and its interconnection agreements with the licensed mobile carriers. Cable & Wireless also stated that the RIO Domestic Fixed Wireless which it submitted provided the framework for both the interconnection of mobile providers and domestic fixed wireless providers.

12. The Commission is of the view that the documents and processes of approval for the RIO Mobile which was prepared for the Phase I and RIO Domestic Fixed Wireless should be separate and distinct and should each separately cater to the specific services required for mobile and domestic carriers.

**13. Having considered the submissions of the parties the Commission hereby approves all of the sections of the RIO Domestic Fixed Wireless save and except those listed below:**

- a. Legal Framework Section - paragraph 7.5 and paragraph 8.4**
- b. Service Description Section - Optical In span Joining services paragraphs 1.1.1 and 1.1.5;**
- c. Service Description Section - Termination Services paragraph 1.1.4;**
- d. Service Description Section - Part 2 PLMN to PLMN Terminating Access Service**
- e. Parameter Schedule Section - PLMN to PLMN Terminating Access Service**
- f. Service Schedule Section- PLMN to PLMN Terminating Access Service**

**g. Joint Working Manual - Paragraph 1.2.1.1, 1.2.2.1, 1.2.2.4  
and 1.2.3.1**

14. The following sections are not approved:-

Legal Framework

Paragraph 7.5 - The Commission is concerned that this section could impose excessive costs on the interconnection-seeking operator as the capacity requirements may be larger than that required by that operator. Cable & Wireless is therefore required to submit to the Commission proposed modifications to this paragraph to allow more flexibility and choice for the interconnection-seeking operator.

Service Description

Optical In-span Joining Services

Paragraph 1.1.1 - This paragraph specifies joining services as optical fibre connections. This is unduly restrictive with respect to the technology that is offered. Cable & Wireless is therefore required to submit to the Commission proposed modifications to the language to allow more flexibility for parties to negotiate.

Paragraph 1.1.5 - Cable & Wireless is required to submit to the Commission proposed modifications so that the interconnection seeking operator has the option of purchasing capacity in greater or lesser than T1 increments if this is more efficient and economical.

Termination Services

Paragraph 1.1.4 - Cable & Wireless is required to submit to the Commission proposed modifications so that in addition to traditional

circuit switched voice traffic provision for calls using packet switching and broadband technology may be considered.

#### Joint Working Manual

Paragraphs 1.2.1.1, 1.2.2.1, 1.2.2.4 and 1.2.3.1 - Cable & Wireless is required to submit to the Commission proposed modifications to these paragraphs so that alternative modes of interconnection, apart from those listed in the document, may be utilised if such are technically feasible. The principles as set out in this paragraph are restrictive and may result in the outlay of unnecessary capital by new operator.

- 15. The Commission has further decided that the RIO Domestic Fixed Wireless is applicable only to the terms and conditions of interconnection between domestic fixed wireless carriers and Cable and Wireless. Cable & Wireless is therefore required to extricate from the RIO Domestic Fixed Wireless the terms and conditions which pertain exclusively to services for mobile carriers as set out below:**

#### Legal Framework

Paragraph 8.4 - This service is not applicable to a domestic fixed wireless operator and the service should be removed from this RIO Domestic Fixed Wireless.

#### Service Description

Part 2 - PLMN to PLMN Terminating Access Service

PLMN to PLMN Terminating Access Service - This service is not applicable to a domestic fixed wireless operator and the service should be removed from this RIO Domestic Fixed Wireless.


Parameter Schedule

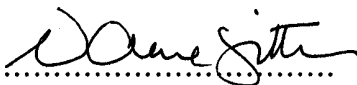
Reference to the PLMN to PLMN Terminating Access Service is not applicable to a domestic fixed wireless operator and the service should be removed from this RIO Domestic Fixed Wireless.

Service Schedule

Reference to the PLMN to PLMN Terminating Access Service is not applicable to a domestic fixed wireless operator and the service should be removed from this RIO Domestic Fixed Wireless.

Dated this 1st day of July 2004.

  
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Neville Nicholls - Chairman

  
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Vivian-Anne Gittens  
Deputy Chairman

  
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Floyd Phillips - Commissioner