

BEFORE THE PUBLIC UTILITIES COMMISSION

**In the matter of the Public Utilities
Commission Act 1999**

-and-

**In the matters of Rates for Mobile
Cellular Service and other services
by Cel*Star Guyana Inc.**

PRESENT WERE:

| | | |
|-------------------------|---|-----------------------------------|
| Mr. Prem Persaud C.C.H. | - | Chairman |
| Mr. Maurice Solomon | - | Member |
| Mr. Badrie Persaud | - | Member |
| Mr. John Caesar | - | Member |
| Ms. J. Ganpatsingh | - | Secretary (ag.)/Financial Analyst |

APPEARANCES

Cel*Star Guyana Inc.

| | | |
|---------------------|---|--------------------------|
| Mr. Pierre Strasser | - | Chief Operations Officer |
| Mr. Arno Vigeen | | |
| Mr. Nigel Hughes | - | Attorney-at-Law |

Guyana Consumers Association

| | | |
|-----------------|---|-----------|
| Ms. Eileen Cox | - | President |
| Mr. P. Dyal | | |
| Mr. R.K. Sharma | | |

DECISION

Cel*Star Guyana Inc. a Company registered under the Companies Act 1991, registration number 4715, ^{was granted} non exclusive licence by the Government of Guyana for a period of 15 years commencing on the 21st February 2001 for the following purposes:-

- (a) To establish, operate and maintain a GSM 900 MHZ Cellular Radio Telephone System which is a public telecommunication system in keeping with Section 9 of the Telecommunications Act No. 27 of 1990); and
- (b) To do all or any of the acts specified in Schedule 3, and to provide Cellular Radio Telephone Service throughout the licensed area, **provided that the licensee may provide international service only through interconnection with other Licensed Telecommunication Operators.**

One of the conditions set out in Schedule provides that nothing in the Licence granted can be construed to remove any need to obtain any other licence or permission that may be required under the Act or any other written law for (a) connecting the system to any other telecommunication system; (ii) any telecommunication system run by the Government; and (b) the provision by means of the Cellular Radio Telephone System of any other telecommunication service not permitted under the licence:

It is also provided that the licensee shall be required to obtain permission from the operator or owner of any Relevant Connectable System before connecting the system to any other Relevant Connectable System. But that the licensee shall not use the Cellular Radio Telephone System to provide –

- (a) Maritime Mobile Service or
- (b) Aeronautical Mobile Service.



The service area is the entire country, and the network shall achieve a coverage of approximately 87% of total population of Guyana with a Network capacity of 45,000 subscribers.

The licence is of course subject to the provision of the following statutes and any rule and regulation made hereunder, namely:-

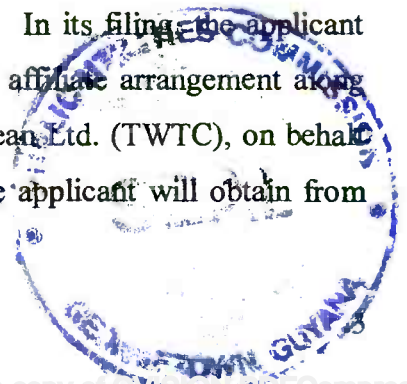
1. The Telecommunication Act No. 27 of 1990.
2. The Public Utilities Commission Act No. 10 of 1999.
3. The Post and Telegraph Act Cap. 47:01 or any other law enacted to replace it.
4. The National Frequency Management Unit Order No. 79 of 1990 made under the Public Corporations Act No. 21 of 1988.

The licence may be renewed for a further period of 15 years on a non-exclusive basis, subject to the following conditions:-

- (i) The licensee complying with all terms of the existing licence; and
- (ii) The favourable recommendation of the Director of Telecommunication of the National Frequency Management Unit.

The licensee may however exercise its option to renew the licence for a further period of 15 years no later than five years prior to the expiry of the licence.

Cel*Star Guyana Inc. the licensee (hereinafter referred to as the APPLICANT) has filed with the Public Utilities Commission a rate application, provided for under Section 41 of the PUC Act, No. 10 of 1999, for the granting and approval of rates for its GSM Cellular Service which is about to commence shortly. In its filing, the applicant has declared that it has no assets, but it has entered into an affiliate arrangement along with its corporate parent TRANS-WORLD Telecom Caribbean Ltd. (TWTC), on behalf of itself and, other commonly-owned affiliates by which the applicant will obtain from



TWTC the right to use certain telecommunications facilities and related assets, as well as certain management and other services, in connection with the provision of the cellular service.

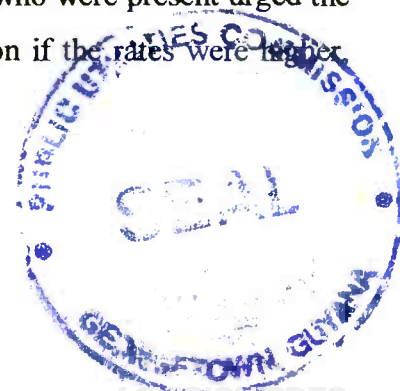
At a meeting with the Chief Operations Officer of Cel*Star Guyana Inc., Mr. P. Strasser and Counsel, Mr. Nigel Hughes, we were told that TWTC has an arrangement with Leadcom Integrated Solutions to provide all the necessary equipments and other facilities to Cel*Star Guyana for the provision of the service. Cel*Star has undertaken to supply further information, together with copies of the agreements with the companies with which it has contracted for the above services.

The Commission expressed its concern for the welfare of the local employees and consumers who will be called upon to make deposits for the service. Cel*Star has undertaken to provide for these contingencies by Insurance. It has given the undertaking that it will secure the interests of the consumers by providing insurance coverage for the customers' financial exposures. And it has also undertaken to provide insurance coverage for all severance and terminal benefits for the employees.

The Commission has reviewed the rates applied for by Cel*Star and noted that the rates proposed by Cel*Star and that presently offered by the incumbent reveal that they are very similar. The rates proposed are inclusive of the interconnection fees for off-network calls and Cel*Star proposes to charge the same rate for on-network and off-network calls. In most other jurisdictions the rate charged for on-network and off-network calls are different, with the on-network calls being cheaper.

A comparison of the rates filed for by Cel*Star are lower in most instances than those presently in place in other Caribbean territories.

At the hearing of the application the Consumer Group who were present urged the Commission to grant the rates as filed. They had no objection if the rates were higher they were just interested in having competition in the sector.



At a meeting with Cel*Star's Pierre Strasser and Counsel Mr. Nigel Hughes, we pointed out that the rates applied for were similar to the incumbent's. Mr. Strasser explained that Cel*Star will not compete in the rates, but they are hoping to offer a better quality of service – and therein the competition will lie.

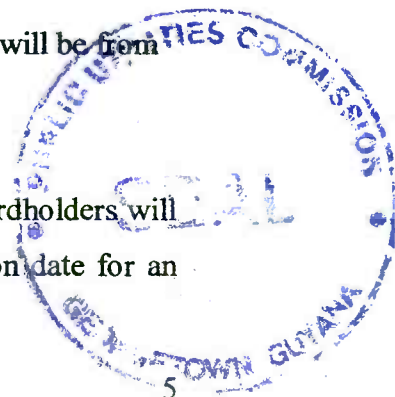
The application filed by Cel*Star on the 4th October 2004 for rates did not comply with the basic minimum requirements of the PUC Act, and at the hearing of the 17th October 2004 the Commission suspended the rates filed for and requested further information to enable the Commission to make a determination of what rates would be reasonable and just.

We did receive some information and at a meeting with Cel*Star's Strasser and counsel Mr. Nigel Hughes we received further information from which we can make a temporary order.

ORDER

The Commission has considered all the evidence and material at its disposal and it being of the opinion that the public interest so requires, it hereby makes an order fixing **temporary rates** to be charged by Cel*Star Guyana Inc. with effect from December 01, 2004, pending the final decision in these proceedings of the following –

1. The cellular service will be on the basis of Calling Party Pays (CPP).
2. The rates and packages for Post Paid and Pre-Paid services are approved as attached in Schedules 1 to 5.
3. The Peak hours will be from 8.00 a.m. to 6.00 p.m. and Off-Peak hours will be from 6.00 p.m. to 8.00 a.m. daily.
4. For pre-paid cards, in addition to the approved pre-emption dates all cardholders will be permitted to receive calls and make emergency calls after the expiration date for an



additional sixty (60) days. Thereafter, for fourteen days the cardholders will be allowed to keep his number but not use the handset.

5. International calls will be at the same rates as GT&T's fixed retail landline rates (see schedule 6), plus Cel*Star's airtime charges.

Cel*Star is hereby ordered to provide the following information to the Commission on a monthly basis, not later than forty-five (45) days from the end of each month:-

- a. Income statement, balance sheet and cash flow statement,
- b. Revenues per post-paid and pre-paid plans, detailing monthly fees, and additional minutes revenues,
- c. Number of consumers per plan,
- d. Number of minutes per plan,
- e. Off-Network and On-network minutes,
- f. Interconnection fees paid and received,
- g. Incoming and outgoing international minutes.

Dated this 1st day of December, 2004.

| | | |
|------------------------------|---|--------------|
| Prem Persaud C.C.H. | - | Chairman |
| Maurice Solomon | - | Commissioner |
| Badrie Persaud | - | Commissioner |
| John Caesar | - | Commissioner |



Cel*Star Post Paid Tariff

Schedule 1

| Package | Monthly Fees | Deposit | Included Minutes | Effective Bundle Price/mir G\$ | Rates/Mintues Beyond Included Mins | | Usage of Minutes |
|-------------------------|--------------|---------|------------------|--------------------------------|------------------------------------|--------------|--|
| | | | | | Peak G\$ | Off-Peak G\$ | |
| A | 1,800 | 4,000 | 50 | 36 | 32 | 28 | No Package Options apply to Package A. |
| B | 2,400 | 4,000 | 80 | 30 | 38 | 30 | All bundled minutes are use first regardless if <i>Peak</i> or off-peak. Bundled minutes are allocated 65% On Network and 35% Off Network. |
| C | 3,000 | 5,000 | 100 | 30 | 28 | 22 | |
| D | 4,000 | 6,000 | 160 | 25 | 33 | 27 | |
| E | 9,000 | 10,000 | 600 | 15 | 33 | 27 | |
| Activation fee G\$4,400 | | | | | | | |



x

CEL*STAR POST-PAID PACKAGE OPTIONS

Schedule 2

Each post-paid customer may select two package option

| | |
|----------|---|
| Option 1 | <p>50% off On Network calls to 3 numbers of choice during peak and off peak hours.</p> <p>First 90 days cannot change selected numbers. Following, customers may change discounted numbers for a charge of \$500 if done through the retail center and \$400 if done through the call center.</p> |
| Option 2 | <p>Choose one country of your choice and call for the same price as calling internationally from a fixed line.</p> <p>First 90 days cannot change selected numbers. Following, customers may change discounted numbers for a charge of \$500 if done through the retail center and \$400 if done through the call center.</p> |
| Option 3 | <p>Save 50% off On Network calls from your home zone (one cell) during evenings and weekends.</p> <p>Georgetown zones are excluded.</p> |



CEL*STAR PRE-PAID TARIFF

Schedule 3

| Voucher Value G\$ | Rate per Min G\$ | Expiry |
|----------------------|------------------------|--------------------------|
| 750 | 40 | 3 months after first use |
| 1,000 | 38 | 6 months after first use |
| 2,000 | 36 | 6 months after first use |

Activation Fee G\$4,400 ✓



CEL*STAR PRE-PAID PACKAGE OPTIONS

Schedule 4

Each Pre-paid customer may select only one package option

| | | |
|----------|--|---|
| Option 1 | | <p>50% off <u>On Network</u> calls to 3 numbers of choice.</p> <p>First 90 days cannot change selected numbers. Following, customers may change discounted numbers for a charge of \$500 if done through the retail center and \$400 if done through the call center.</p> |
| Option 2 | | <p>Choose one country of your choice and call for the same price as calling internationally from a fixed line.</p> <p>First 90 days cannot change selected numbers. Following, customers may change discounted numbers for a charge of \$500 if done through the retail center and \$400 if done through the call center.</p> |
| Option 3 | | <p>Save 50% off On Network calls from your home zone (one cell). Georgetown zones are excluded.</p> |



CEL*STAR FEATURES
Post-Paid and Pre-Paid

Schedule 5

| Feature | Tariff G\$ |
|-------------------------|-----------------------|
| SMS Facility | Free |
| Per SMS Message | 6 |
| Call Waiting | Free |
| Voicemail Facility | Free |
| Voicemail Retrieval | 12 |
| Call Forwarding | Free |
| Calling ILine Indentity | Free |



INTERNATIONAL RATES

Schedule 6a

| COUNTRY | PEAK RATES | OFF PEAK RATES | COUNTRY | PEAK RATES | OFF PEAK |
|--------------------|------------|----------------|----------------------|------------|----------|
| 1. AFGHANISTAN | 500.9 | 350.63 | 36.CAYMAN ISLANDS | 102.34 | 71.64 |
| 2. ALASKA | 267.7 | 187.39 | 37.CENT. AFR.REP. | 416.54 | 291.58 |
| 3. ALBANIA | 189.14 | 132.4 | 38.CHAD | 416.54 | 291.58 |
| 4. ALGERIA | 441.33 | 308.93 | 39.CHILE | 304.02 | 212.81 |
| 5. AMERICAN SAMOA | 189.14 | 132.4 | 40.CHINA | 473.75 | 331.63 |
| 6. ANDORRA | 349.52 | 244.66 | 41.COLUMBIA | 306.24 | 214.37 |
| 7. ANGOLA | 363.15 | 254.21 | 42.COMOROS | 416.54 | 291.58 |
| 8. ANGUILLA | 91.68 | 64.18 | 43.CONGO REPUBLIC | 439.5 | 307.65 |
| 9. ANTIGUA | 72.24 | 50.57 | 44.COOK ISLANDS | 189.14 | 132.4 |
| 10.ARGENTINA | 344.59 | 241.21 | 45.COSTA RICA | 266.98 | 186.88 |
| 11.ARUBA | 147.76 | 103.43 | 46.CUBA | 366.46 | 256.52 |
| 12.ASCENSION ISLS. | 439.42 | 307.6 | 47.CYPRUS | 266.15 | 186.3 |
| 13.AUSTRALIA | 281.73 | 197.21 | 48.CZECHOSLOVAKIS | 386.02 | 270.21 |
| 14.AUSTRIA | 351.15 | 245.81 | 49.DENMARK | 378.78 | 265.15 |
| 15.AZORES | 377.31 | 264.12 | 50.DJIBOUTI | 270.18 | 189.12 |
| 16.BAHAMAS | 345.33 | 241.73 | 51.DOMINICA | 112.49 | 78.74 |
| 17.BAHRAIN | 336.57 | 235.6 | 52.DOMINICAN REP. | 330.72 | 231.5 |
| 18.BANGLADESH | 437.79 | 306.45 | 53.ECUADOR | 329.7 | 230.79 |
| 19.BARBADOS | 72.24 | 50.57 | 54.EGYPT | 500.96 | 350.67 |
| 20.BELGIUM | 369.74 | 258.82 | 55.EL SALVADOR | 455.01 | 318.51 |
| 21.BELIZE | 328.18 | 229.72 | 56.EQUATORIAL GIUNEA | 270.18 | 189.12 |
| 22.BENIN | 416.54 | 291.58 | 57.ERITREA | 379.07 | 265.35 |
| 23.BERMUDA | 101.41 | 70.99 | 58.ESTONIA | 381.12 | 266.78 |
| 24.BHUTAN | 270.18 | 189.12 | 59.ETHIOPIA | 553.49 | 387.44 |
| 25.BOLVIA | 417.52 | 292.26 | 60.FAEROE ISLANDS | 302.11 | 211.48 |
| 26.BOTSWANA | 378.94 | 265.26 | 61.FALKLAND ISLANDS | 490.1 | 343.07 |
| 27.BRAZIL | 271.68 | 190.18 | 62.FIJI | 302.11 | 211.48 |
| 28.BRUNEI | 405.1 | 283.57 | 63.FINLAND | 357.69 | 250.38 |
| 29.BULGARIA | 379.11 | 265.38 | 64.FRANCE | 342.24 | 239.57 |
| 30.BURKINA FASSO | 439.42 | 307.6 | 65.FRENCH GUIANA | 249.8 | 174.86 |
| 31.BURUNDI | 416.54 | 291.58 | 66.FRENCH POLYNESIA | 303.75 | 212.62 |
| 32.CAMEROON | 416.54 | 291.58 | 67.GABON | 367.5 | 257.25 |
| 33.CANADA | 134.5 | 94.15 | 68.GAMBIA | 418.17 | 292.72 |
| 34.CANARY ISLANDS | 377.31 | 264.12 | 69.GERMANY | 329.38 | 230.56 |
| 35.CAPE VERDE | 445.28 | 311.69 | 70.GHANA | 412.05 | 288.43 |



INTERNATIONAL RATES

Schedule 6b

| COUNTRY | PEAK RATES | OFF PEAK RATES | COUNTRY | PEAK RATES | OFF PEAK |
|---------------------|------------|----------------|----------------------|------------|----------|
| 71. GIBRALTAR | 334.81 | 234.36 | 118. MARIANA ISLANDS | 375.67 | 262.97 |
| 72. GILBERT ISLANDS | 154.4 | 108.08 | 119. MARTINIQUE | 138.65 | 97.05 |
| 73. GREECE | 427.36 | 299.15 | 120. MAURITANIA | 499.91 | 349.94 |
| 74. GRENADA | 91.68 | 64.18 | 121. MAURITIUS | 266.15 | 186.3 |
| 75. GUADELOUPE | 112.49 | 78.74 | 122. MEXICO | 346.72 | 242.7 |
| 76. GUAM | 302.11 | 211.48 | 123. MICRONESIA | 189.14 | 132.4 |
| 77. GUATEMALA | 428.48 | 299.94 | 124. MIDWAY | 330.72 | 231.5 |
| 78. GUINEA | 419.81 | 293.87 | 125. MOLDOVIA | 363.41 | 254.39 |
| 79. GUINEA BISSAU | 419.81 | 293.87 | 126. MONACO | 920.15 | 644.1 |
| 80. HAITI | 341.86 | 239.3 | 127. MONGOLIA | 189.14 | 132.4 |
| 81. HAWAII | 226.35 | 158.45 | 128. MONTSERRAT | 101.41 | 70.99 |
| 82. HONDURAS | 372.24 | 260.57 | 129. MOROCCO | 414.9 | 290.43 |
| 83. HONG KONG | 288.45 | 201.91 | 130. MOZAMBIQUE | 419.81 | 293.87 |
| 84. HUNGARY | 367.5 | 257.25 | 131. MYNANMAR | 539.14 | 377.4 |
| 85. ICELAND | 313.56 | 219.49 | 132. NAMIBIA | 477.02 | 333.92 |
| 86. INDIA | 317.3 | 222.11 | 133. NAURU | 154.4 | 108.08 |
| 87. INDONESIA | 425.54 | 297.88 | 134. NEPAL | 404.37 | 283.06 |
| 88. IRAN | 375.67 | 262.97 | 135. NETHERLANDS | 402.24 | 281.57 |
| 89. IRAQ | 383.85 | 268.69 | 136. NETHERL. ANT. | 264.72 | 185.3 |
| 90. IRELAND | 418.78 | 293.15 | 137. NEVIS | 91.68 | 64.18 |
| 91. ISRAEL | 411.54 | 288.08 | 138. NEW CALEDONIA | 270.18 | 189.12 |
| 92. ITALY | 421.14 | 294.8 | 139. NEW ZEALAND | 293.46 | 205.42 |
| 93. IVORY COAST | 463.23 | 324.26 | 140. NICARAGUA | 315.78 | 221.04 |
| 94. JAMAICA | 130.59 | 91.41 | 141. NIGER | 414.04 | 289.83 |
| 95. JAPAN | 442.56 | 309.79 | 142. NIGERIA | 305.39 | 213.77 |
| 96. JORDAN | 372.4 | 260.68 | 143. NIUE ISLANDS | 313.56 | 219.49 |
| 97. KAMPUCHIA | 378.94 | 265.26 | 144. NORTH KOREA | 591.45 | 414.01 |
| 98. KAZAKHSTAN | 344.77 | 241.34 | 145. NORWAY | 330.72 | 231.5 |
| 99. KENYA | 302.48 | 211.74 | 146. OMAN | 375.67 | 262.97 |
| 100. KOREA(SOUTH) | 591.45 | 414.01 | 147. PAKISTAN | 421.26 | 294.88 |
| 101. KUWAIT | 367.5 | 257.25 | 148. PANAMA | 368.3 | 257.81 |
| 102. LAOS | 591.45 | 414.01 | 149. PAPUA N. GUINEA | 405.07 | 283.55 |
| 103. LATVIA | 922.6 | 645.82 | 150. PARAGUAY | 364.16 | 254.91 |
| 104. LEBANON | 457.06 | 319.94 | 151. PERU | 347.97 | 243.58 |
| 105. LESOTHO | 257.98 | 180.58 | 152. PHILIPPINES | 494.19 | 345.93 |
| 106. LIBERIA | 499.91 | 349.94 | 153. POLAND | 421.44 | 295.01 |
| 107. LIBYA | 358.68 | 251.08 | 154. PORTUGAL | 419.38 | 293.56 |



INTERNATIONAL RATES

Schedule 6c

| COUNTRY | PEAK RATES | OFF PEAK RATES | COUNTRY | PEAK RATES | OFF PEAK |
|---------------------|------------|----------------|-----------------------|------------|----------|
| 108.LITHUANIA | 322.26 | 225.58 | 155.PUERTO RICO | 226.22 | 158.36 |
| 109.LUXEMBORG | 421.44 | 295.01 | 156.QUATAR | 483.56 | 338.49 |
| 110.MACAO | 480.29 | 336.2 | 157.REP.OF GUINEA | 270.18 | 189.12 |
| 111.MADERIA | 270.18 | 189.12 | 158.REUION | 189.14 | 132.4 |
| 112.MALGASY | 499.91 | 349.94 | 159.ROMANIA | 367.5 | 257.25 |
| 113.MALAWI | 330.72 | 231.5 | 160.RWANDA | 477.02 | 333.92 |
| 114.MALAYSIA | 317.02 | 221.92 | 161.SAIPAN | 270.18 | 189.12 |
| 115.MALDIVES | 93.28 | 65.3 | 162.SAO TOME&PRIN | 392.02 | 274.41 |
| 116.MALI | 499.91 | 349.94 | 163.SAUDI ARABIA | 546.18 | 382.32 |
| 117.MALTA | 367.5 | 257.25 | 164.SENGAL | 424.32 | 297.02 |
| 165.SEYCHELLES | 439.42 | 307.6 | 191.TONGO | 189.14 | 132.4 |
| 166.SIERRA LEONE | 427.57 | 299.3 | 192.TUNISIA | 378.94 | 265.26 |
| 167.SINGAPORE | 309.92 | 216.94 | 193.TURKEY | 365.95 | 256.17 |
| 168.SLOVAKIA | 270.18 | 189.12 | 194.TURKS&CAICOS | 138.65 | 97.05 |
| 169.SLOVENIA | 270.18 | 189.12 | 195.TUVALU ISLANDS | 270.18 | 189.12 |
| 170.SOLOMON ISLANDS | 270.18 | 189.12 | 196.UGANDA | 292.1 | 204.47 |
| 171.SOMALIA | 270.18 | 189.12 | 197.UKRAINE | 922.6 | 645.82 |
| 172.SOUTH AFRICA | 399.7 | 279.79 | 198.U.K | 187.58 | 131.31 |
| 173.SPAIN | 423.04 | 296.13 | 199.URUGUAY | 312.98 | 219.08 |
| 174.SRI LANKA | 302.11 | 211.48 | 200.U.A.E. | 349.52 | 244.66 |
| 175.ST.HELENA | 379.07 | 265.35 | 201.U.S.A. | 167.07 | 116.95 |
| 176.ST KITTS | 91.68 | 64.18 | 202.U.S.SR. | 343.15 | 240.21 |
| 177.ST LUCIA | 91.68 | 64.18 | 203.VANUATU | 439.42 | 307.6 |
| 178.ST MAARTEEN | 405.1 | 283.57 | 204.VENEZUELA | 343.38 | 240.36 |
| 179.ST VINCENT | 91.68 | 64.18 | 205.VIETNAM | 378.94 | 265.26 |
| 180.SUDAN | 379.3 | 265.51 | 206.VIRGIN ISL. BR. | 248.17 | 173.72 |
| 181.SURINAME | 139.84 | 97.89 | 207.VIRGIN ISL. US. | 330.72 | 231.5 |
| 182.SWAZILAND | 375.67 | 262.97 | 208.WALLIS7FUTUMA | 189.14 | 132.4 |
| 183.SWEDEN | 372.4 | 260.68 | 209.WESTERN SAMOA | 270.18 | 189.12 |
| 184.SWITZERLAND | 422.91 | 296.04 | 210.YEMEN ARABA. REP. | 412.45 | 288.72 |
| 185.SYRIA | 372.4 | 260.68 | 211.YUGOSLAVIA | 371.59 | 260.11 |
| 186.T&T | 72.24 | 50.57 | 212.ZARIE | 483.42 | 338.4 |
| 187.TAIWAN | 346.18 | 382.32 | 213.ZAMBIA | 342.98 | 240.09 |
| 188.TANZANIA | 508.08 | 355.66 | 214.ZIMBABWE | 372.64 | 260.85 |
| 189.THAILAND | 457.62 | 320.33 | | | |
| 190.TOGO | 438.42 | 307.6 | | | |

