

BEFORE THE PUBLIC UTILITIES COMMISSION

In the matter of the Public Utilities
Commission Act 1999, Act No. 10 of 1999

-And-

In the matter of application by
Cel*Star (Guyana) Inc. for a change
in rates for the purpose of conducting a
promotion pursuant to the provisions of
Section 41 of the Public Utilities
Commission Act.

CORAM:

Justice Prem Persaud	-	Chairman
Mr Badrie Persaud	-	Commissioner
Mr Maurice Solomon	-	Commissioner
Mr Lancelot Mc Caskey	-	Financial Analyst
Mr Vidiahar Persaud	-	Secretary

Appearances:

Cel*Star (Guyana) Inc.

Mr Pierre Strasser	-	Chief Operations Officer
Mr Nigel Hughes	-	Attorney-at-Law

Guyana Telephone & Telegraph Co.

Mr Gene Evelyn	-	Director of Rates
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Consumers

Ms. Eileen Cox	-	President, Guyana Consumers Advisory Bureau
Mr Patrick Dyal	-	President, Guyana Consumers Association
Mr George Seales	-	President, Consumers Movement of Guyana

DECISION

Cel*Star Guyana Incorporated (hereinafter referred to as the Applicant) operates in Guyana by virtue of a Licence dated the 21st day of February, 2001 and granted under section 7 of the Telecommunications Act, 1990 (Act No. 27 of 1990). The Applicant is a company registered under the Companies Act 1991 (Act no. 29 of 1991), whose registration number is 4715.

The said Licence is granted to the Applicant to:

1. Establish, operate and maintain a GSM 900 MHz Cellular Radio Telephone System, which is hereby declared a public telecommunication system in keeping with section 9 of the Telecommunications Act No. 27 of 1990; and
2. do all or any of the acts specified in Schedule 3 of the said Licence and to provide Cellular Radio Telephone Service throughout the Licensed Area, provided that the Licensee may provide international service only through interconnection and other Licensed Telecommunications Operators.

The Public Utilities Commission (PUC) is a body corporate established by the Public Utilities Commission Act 1990 (Act No. 29 of 1990) which Act has been repealed and replaced by the Public Utilities Commission Act 1999 (Act No. 10 of 1999). The Public Utilities Commission is a consumer-driven entity with regulatory powers and responsibilities and is responsible for every public utility providing a service including cellular mobile providers (section 4 (1) (b) of the PUC Act). Such regulation includes the jurisdiction to determine the change of rates of such utilities.

On or about the 18th day November, 2005 by way of application, from the Attorneys-at-Law, acting on behalf of the Applicant, Cel*Star Guyana Inc., proposes a change in rates for the provision of cellular services for the purpose of conducting a promotion, pursuant to section 41 of the Public Utilities Commission Act No. 10 of 1999.

The said application sought a modification of Option 1 of the Pre-Paid and Post- Paid package for the purpose of a four month promotion, commencing from December 15th, 2005 to April 15th, 2006.

The proposed four month promotion offers to the Applicant's Post and Pre-Paid customers who have used \$3,000 worth of minutes within the month, to receive free on-network calls for the rest of the month. This offer, the proposal explains, will be monthly and will be reset at the beginning of the month. This means, according to the Applicant, that each customer will have to reach a monthly usage of \$3,000 before they qualify for the free on-network calls within the period of the month.

The Applicant states that their recurring RPU (Revenue per User) is US\$15.04 (G\$3,000), and once the customer usage reaches this point, it becomes more economical for the Applicant to provide the service in addition to providing greater savings to the customer. The Applicant states that they understand the importance of providing affordable communication service for Guyanese, particularly during the present times of increasing security concerns which gives the family more reasons for staying in communication. They argue further, that it allows the Applicant to give back to its customers for Christmas, the season of giving, during which

communication is important for friends and family, to keep in touch, and share greetings and good cheer.

The Public Utilities Commission, acting pursuant to section 41 of the Public Utilities Commission's Act, No. 10 of 1999, held a public hearing on the 12th December, 2005 at 1330 hrs in the Boardroom of the office of the Public Utilities Commission, situate at 298 Church Street, Queenstown, Georgetown.

At the aforementioned Public Hearing, the representative from Guyana Telephone and Telegraph (GT&T), Gene Evelyn, Director of Rates, indicated that the present application is merely a variation of the August 2005 application by Cel*Star Guyana Inc. and it is his Company's opinion, a way of circumventing what the Applicant's August 2005 application was seeking. The GT&T representative also queried the financial viability of the Applicant and suggested that the matter should be considered on the 15th December, 2005, along with the August 2005 application.

Attorney-at-Law for the Applicant, Mr Nigel Hughes stated that any change in rate is a variant and that the present application is for a limited period of time and is not designed to circumvent the August 2005 application. All changes in rate he stated will have to be approved by the Public Utilities Commission. Further, that Christmas is a time for promotions and should the application wait until the 15th December, 2005, for determination, there will be insufficient time to conduct the promotions. He further stated that the promotion affects no other party since the calls are restricted to 'on-network' calls only.

The President of the Guyana Consumers' Association Mr. Partick Dyal advocated no delay in the Public Hearing of the present application, stating that it is a Christmas promotion, that the consumer would gain and he sees no link between the two applications since the August 2005 application is for a longer period and the present application for 16 weeks.

The Commission having given due consideration to all the aforementioned finds that:

- i) The Application is separate and apart from the August 2005 filing;
- ii) No other utility will be adversely affected by the application which is restricted to "**on-network calls only**", and orders as follows:-

ORDER

- i) The Application is granted for the period 15th December, 2005 to 31st March, 2006;
- ii) Applicant is to file returns showing the present customer base as at 15th December, 2005 and subsequent consumer base as at the 15th day of each and every month, and on the 31st March 2006, during the subsistence of the order; and

iii) That the Applicant is to pay the cost of these proceedings.

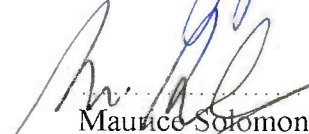
Dated this 12th day of December, 2005


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Prem Persaud

Chairman


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Badrie Persaud

Commissioner


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Maurice Solomon

Commissioner

