

BEFORE THE PUBLIC UTILITIES COMMISSION

In the matter of the Public Utilities
Commission Act 1990 (No. 26 of 1990)

- and -

In the matter of application by the Caribbean
Telecommunication Limited for
interconnection arrangement with the
facilities of Guyana Telephone and Telegraph
Company Limited; and

In the matter of application by the Caribbean
Telecommunication Limited for approval of
rates for the mobile cellular telephone service
proposed to be provided by it.

Pamadath J. Menon, A.A.	-	Chairman
Hugh George	-	Member
John Willems, A.A.	-	Member
Chandraballi Bisheswar	-	Member
Badrie Persaud	-	Member

Representation -

The Caribbean Telecommunications Limited	-	By Dr. Lloyd Soobrian, Dr. S.P. Verma and Mr. Clem Duncan
The Guyana Telephone and Telegraph Company Limited	-	By Mr. Thomas Minnich, General Manager, Mr. Godfrey Statia, Treasurer, Raymond Roopnauth, Director (Operations).
The Consumers' Advisory	-	Miss Eileen Cox, Director

Bureau

The Guyana Consumers' Association

- Mrs Sheila Holder, President, Miss Lily Ferdinand, Attorney-at-Law.

The matters dealt with in this Order were heard by this Commission at public hearings on 21st April and 13th October, 1997.

DECISION

I

Interconnection with GT&T's System and interconnection charges

The Caribbean Telecommunications Limited (CTL) is a company registered in Guyana in August, 1994, under the Companies Act, chapter 89:01. CTL has been granted a Licence to operate a cellular radio telephone service under section 7 of the Telecommunication Act 1990 (No. 27 of 1990).

2. In order to operate the cellular radio telephone service CTL sought interconnection and co-location facilities with the facilities of the Guyana Telephone and Telegraph Company Limited (GT&T). GT&T has no objection to the grant of interconnection facilities to CTL, but GT&T has reservations about providing co-location facilities.

3. CTL proposes initially, to provide its services at Skeldon and New Amsterdam and it stated at the public hearing in regard to its request for interconnection facilities from GT&T that it does not require co-location facilities at those two places. So we are not going into the question of co-location at this stage.

4. In his letter dated 7th March, 1997, Mr. Godfrey S. Statia, Treasurer of GT&T, wrote to Dr. Shiv Verma of CTL, summarising the agreement reached between the representatives of GT&T and CTL at the conclusion of their discussions, as follows -

"Connection and Administration Charge

A charge of US\$5,000.00 will be levied on the initial exchange in each region. Thereafter a charge of US\$2,500.00 will be levied for each additional station in each region.

Re-Domestic rates

A initial 50:50 split in domestic revenues. This arrangement is to be revisited after six

months to allow for a review to ensure that GT&T's required connectivity costs are being met.

Re-International Rates

A 50:50 split in **Net Revenue** emanating from and to CTL's Network. **Net revenue** is calculated as the difference between incoming and outgoing revenues. **Should Net Revenues be in the negative, CTL will compensate GT&T for any revenue shortfall to make up for the loss incurred by GT&T.** The ratio aspect of the agreement will also be revisited after a six month period."

5. Since there was disagreement between GT&T and CTL as to what was agreed to, on 10th April, 1997, CTL requested this Commission to adjudicate interconnection charges. Pursuant to this request this Commission scheduled a public hearing on 21st April, 1997, at the Ocean View International Hotel and Convention Centre, Lilendaal, East Coast Demerara.

6. At the public hearing on 21st April, 1997, both CTL and GT&T agreed that -

- (1) For interconnection facilities at Skeldon and New Amsterdam CTL will pay to GT&T a total sum of US.\$7,500 as a one time payment .
- (2) CTL will pay GT & T 50% of CTL's domestic long distance calls and 50% of the net settlement revenues of international calls. This is pending a final decision by this Commission after receiving the report of a consultant to be engaged by it.

7. Subsequently, the terms of the arrangement were reduced to writing by a letter dated 20th August, 1997 signed by Dr. Lloyd Soobrian, on behalf of CTL, and Mr. Thomas Minnich, on behalf of GT&T. CTL has already paid GT&T the one time payment of U.S. \$7,500.

8. This Commission has requested the Georgetown Consulting Group, Inc. to advise us in regard to the above matters. We are awaiting their advice before making a final decision.

ORDER

9. Having regard to the above facts and circumstances, we hereby order GT&T to grant interconnection facilities for CTL's cellular radio telephone service and to allow switching on of CTL's cellular radio telephone service for commercial purposes, and pending a final decision by this Commission in this regard CTL and GT&T shall share CTL's domestic long distance and net international revenues, exclusive of CTL's air time revenue, as stated in the letter of agreement dated 20th August, 1997. When we make a final decision

in the matter, adjustments found necessary, in regard to sharing of revenues, will be made which, if so required in the interests of justice, will be made retrospectively. This Order shall be complied with by GT&T on or before 31st October, 1997. GT&T is further directed to specifically record the net revenues and costs associated with interconnection with CTL and track these until further direction from the Commission.

II

Tariffs for CTL's cellular radio telephone service

10. By letter dated 15th July, 1996, CTL submitted the following rates and tariffs for its cellular radio telephone service -

" CARIBBEAN TELECOMMUNICATIONS PROPOSAL FOR CELLULAR RATES & TARIFFS

SUBSCRIBER ACCESS USAGE CHARGE

(Stated in Guyana Dollars)

1. DEPOSIT

There would be no deposit, however, a Customer paid System based upon monthly usage would be negotiated by each Customer.

- 2. ACTIVATION FEE - \$ 57,000.00
- 3. RE-ACTIVATION FEE - Nil
- 4. ACCESS USAGE CHARGE

	ACCESS CHARGE	FREE	USAGE RATES
	Per month	Minutes	Per month (thereafter)
PEAK TRAFFIC HOURS		20	\$42.00
OFF PEAK TRAFFIC HOURS	\$2880.00	-	\$35.00

- (a) Domestic and International Long Distance Customers would be charged for incoming Domestic and International Calls.
- (b) For outgoing International calls, usage charges would be added to the regular GT&T long distance rates, plus a surcharge based on the GT&T Trunk access charges and Trunk loading.
- (c) Usage charges for Domestic calls would be independent of the distance between the

originating and terminating points, plus GT&T access for Trunks.

- (d) Installation and repair of CTL provided Subscriber equipment would be free of charge.

ADDITIONAL INFORMATION

- * Hourly Labour rates of \$580.00, plus Landed cost, reflect the cost of labour by CTL personnel.
- * Rates would be adjusted monthly based on the Bank of Guyana Exchange rate of the previous month.
- * CTL would be offering additional plans for high volume usage Customers at a later date.”

11. Along with letter dated 18th September, 1997, CTL submitted revised rates and tariffs for its cellular radio telephone service. These are as follows -

“CARIBBEAN TELECOMMUNICATIONS PROPOSAL FOR CELLULAR RATES AND TARIFFS:

A. SUBSCRIBER ACCESS USAGE CHARGES (Stated in Guyana Dollars)

- | | |
|---|----------|
| 1. Deposit Minimum | \$10,000 |
| (This could vary depending upon estimated monthly usage.) | |
| 2. Activation Fee | \$75,000 |
| (Includes Phone, Battery, Charger, Cigarette lighter Connection. Life time warranty on phone and Activation.) | |
| 3. Re-Activation Fee | \$2,860 |
| 4. <u>Access Usage Charges</u> | |

<u>PLAN</u>	<u>ACCESS CHARGE</u>	<u>FREE MINUTES</u>	<u>USAGE RATES THEREAFTER</u>
Peak Traffic hours*	\$2175.00 per month	20	\$40.00 Per Minute
Off-peak Traffic hours*			\$25.00 Per Minute

- (a) Domestic and International long distance customers would be charged for Incoming domestic and International calls.
- (b) For outgoing International calls, usage charges will be added to the regular GT&T long distance rates, plus a surcharge based on the GT&T trunk access charges and trunk loading.
- (c) Usage charge for domestic calls will be independent of the distance between the originating and terminating points plus GT&T access charge for trunks.
- (d) Servicing / maintenance and repairs to phones supplied by CTL will be done free of cost by CTL. If necessary , equipment will be replaced if found to be defected under normal use.
- (e) Additional plans and other services may be negotiated with interested parties.
- (f) Rates will be adjusted monthly, based on the Bank of Guyana exchange rates for the previous month.

Peak Hours 07:00 --- 19:00 Hrs. (AM -- 7 PM) Monday --- Friday except Public Holidays.

ORDER

12. Having regard to the submissions made by CTL referred to above, and the submissions made orally at the public hearing of this Commission on 13th October, 1997, we hereby order that the rates and tariffs submitted by CTL in their letter of 18th September, 1997, extracted in para. 11 above shall be temporary rates and tariffs which CTL shall be entitled to recover from the subscribers of its cellular radio telephone services, with effect from the date on which the cellular service is provided to them, subject to the following modifications -

- (I) Activation fees (including Phone, Battery, Charger, Cigarette Lighter Connection, life time warranty on phone and activation) shall be \$50,000 instead of \$75,000.
- (ii) No usage or airtime charge shall be payable by the subscriber in respect of incoming international calls.
- (iii) In regard to domestic calls, usage charge or airtime charge shall be paid by the person who makes the call.
- (iv) The rates for off-peak hours shall apply also in respect of calls all day on

Saturdays, Sundays and Public Holidays.

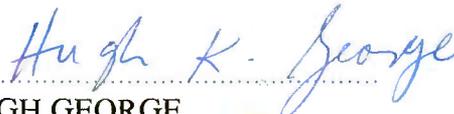
- (v) The rates and tariffs determined by this Order are the maximum rates and tariffs. Rates and tariffs higher than those determined by this Order shall not be charged by CTL from any subscriber for whatever reason, including variation of exchange rates of the Guyana dollar, without the approval of this Commission

CONCLUSION.

13. The matters dealt with in this Order are posted to 12th January, 1998, for further hearing. The parties to these proceedings shall bear their costs.

Dated this 27th Day of October, 1997.


PAMADATH J. MENON, A.A. - Chairman


HUGH GEORGE - Member


JOHN WILLEMS A.A. - Member


CHANDRABALLI BISHESWAR - Member


BADRIE PERSAUD - Member