

BEFORE THE PUBLIC UTILITIES COMMISSION.

In the matter of an application by Guyana Telephone & Telegraph Co:

Application for a new service and for the approval of rates therefor.

Mr Prem Persaud, CCH - Chairman,

Mr Badrie Persaud - Commissioner

Mr John Caesar - Commissioner

Mr Maurice Solomon – Commissioner.

Representations:

Guyana Telephone & Telegraph Co.

Mr M.G. Fitzpatrick, SC. Attorney-a-Law.

Mr Gene Evelyne – Director of Rates.

Consumers:

Ms Eileen Cox, AA.

Mr Pat Dyal.

COMMISSION’S RULING.

The Guyana Telephone & Telegraph Co has filed an application on May 14, 2008, seeking to introduce a new service called NEXUS that, it claims, will allow subscribers/consumers who so desire to have a prepaid service and to manage credits from a single prepaid account in such a way that these credits can be utilised for wire line and mobile calls. It is intended to be a new service for domestic and international calling from wire lines and wireless (mobile) devices. What this means, in effect, is that a consumer who has a land line telephone service and a mobile service can choose to have the prepaid service which will enable him/her to have calls from both services debited against the

prepaid service. The prepaid account can be obtained by a scratch card or electronically, via the C-Point facility.

This system, if implemented, will necessitate:-

- (a) a wireless (mobile) communication network;
- (b) a wireline/land line communication network; and
- (c) a prepayment server/platform that communicates with both networks.

The prepayment server platform will store the monetary amounts associated with the minutes of talk time paid for by the customer, and will utilise a measuring module that monitors the amount the subscriber uses on both networks and deduct the associated charges accordingly.

We form an opinion from what GT&T represents to us that one of, if not the greatest concern is that, in as much as they have been reportedly installing about 13000 lines per year, the net gain continues to stagnate because a very large number of customers lose their service every month due, in the main, to non-payment. GT&T has submitted a table which claims that in year 2006, 3,217 customers' services were terminated for non-payment as compared with 4,371 for year 2007. In year 2006, 771 were terminated at customers' requests as compared with 673 for year 2007. The overall effect is that in year 2006, 3988 services and for year 2007, 5044 lines were terminated.

In support of the proposed new service the Company claims that it is designed to provide additional value to wireline customers and to make it less likely for credit-challenged customers to lose their service. And it further urges that, like all prepaid services, the proposed one will benefit those consumers who would prefer to manage their telecommunications budget very closely; and that the service offers flexibility by allowing two separate customer devices to access the same credit bucket. GT&T went on

to urge that it will facilitate their desire to grow the wireline network and customer base, and to realise growth in net line service consistent with their substantial annual investment in wireline network expansion.

We wish to point out that customers do not necessarily surrender or lose their service for default of payment. Some may have surrendered the landline service in favour of the on-growing popular cellular service. We have great difficulty in accepting that the proposal will facilitate GT&T's aspirations. From the figures submitted by them regarding the loss of service by consumers for the two years referred to, we find, on the contrary, that GT&T has a net gain of about 17000 lines

We wish to note, however, that the present prepaid system differs from the proposed Nexus in more than one way. The current card may be used on any landline and in telephone booths, whereas the Nexus will be limited to one landline and one mobile phone. The Nexus service anticipates a separate charge will be added to the service that does not offer any financial benefit to the consumer.

GT&T's arguments defeat the purpose for which the service is intended when they include the plea that nearly 9000 customers have been deleted from the list of subscribers "due to non payment". How then can customers be re-attracted to the service when they will be called upon to pay \$200.00 activation charge? Upon activation of the service they will have to pay a further 15% surcharge on all calls from the prepaid wireline phones. These are the same consumers who defaulted when even that 15% levy is not included in their bills! And this new category of prepaid customers will still have to continue to pay the approved monthly rental, and will be billed on a post paid basis which must be paid every month to maintain the service.

In effect, those land line consumers who opt to join this new Nexus service will have the "privilege" of paying a surcharge of 15% whilst the regular mobile consumer will continue to pay the normal, current rate. This Nexus customer will in effect be

surrendering the postpaid service which attracts the benefit of a six-week credit for payment and go for the privilege of paying an additional 15% for the service!

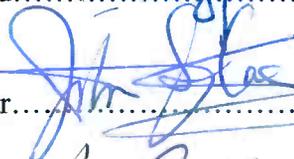
We are also concerned with the apparent hidden charge as^set out in the attachment to the application under "Terms and Conditions" at 4.1.2 which states: "The customer is responsible for payment of all charges for the service, **including but not limited to** installation fee, service activation fee, monthly rental, usage, **"and any other fee or payment which may apply from time to time"**. (Emphasis ours).

We wish to refer to a letter sent by GT&T's Director, Gene Evelyn, dated April 20, 2009, in which he made reference to Digicel's introduction of "a bundle of prepaid mobile offering" referred to as "A Bundle o' Gyaff", and in our judgment he seeks to compare the Nexus application with Digicel's offering to the public. We say, with respect, that there is no comparison between the two services, and reject whatever insinuation he may have implied.

The application by GT&T seems very substantial but for the reasons we have offered we regret that we cannot approve same. Despite our requests for information touching on the cost and finances involved in this proposed venture none was forthcoming. We find that when one overdresses it attracts undue attention, and denuded of the artificial fineries the natural body is exposed for all to see it as it is.

Prem Persaud..........Chairman.

Badrie Persaud..........Member.

John C. Caesar..........Member.

Maurice Solomon..........Member.



Dated this 3rd day of July, 2009.