

BEFORE THE PUBLIC UTILITIES COMMISSION

In the Matter of the Public Utilities  
Commission Act No.10 of 1999

- and -

In the Matter of an Application  
by GT&T for Adjusted Collection  
Charges for Calls to International  
Satellite Phones.

PRESENT:

Mr Prem Persaud	-	Chairman
Mr Badrie Persaud	-	Commissioner
Mr John Caesar	-	Commissioner
Mr Maurice Solomon	-	Commissioner

REPRESENTATION:

GUYANA TELEPHONE & TELEGRAPH COMPANY

Mr M. Fitzpatrick, S.C	-	Attorney-at-Law
Mr G. Evelyn	-	Director, GT&T

CONSUMERS

Mr Wilfred Eleazer	-	Vice President, Consumers' Movement of Guyana
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## **BACKGROUND**

By an Order No. 3/2003 dated the 14<sup>th</sup> day of November 2003, the Commission approved the Iridium service commonly referred to as International Satellite phones, and fixed rates for same.

In brief, there are two charges associated with a single call on an international satellite phone; the first charge is for the call that is made to a Stratos Automated Satellite phone centre in the USA; and the second charge is for the call to be transmitted by way of a satellite. The call to the Stratos Automated Satellite attracts the current PUC approved rates to the overseas destination and remains as approved. There is, however, a second charge termed a hubbing charge and that is originated by the international carrier that route the calls by satellite to its final destination. Neither the PUC nor the Guyana Telephone and Telegraph Company, the applicant in this matter, has any control over these charges.

In 2003 when the Order was made, three companies in the USA facilitated GT&T with the Iridium Service, these companies were Atlantic Tele-Network (AT&T), Sprint and Verizon Business (MCI). The then hubbing charges by these companies were as follows:

	<b>OFF-PEAK</b>	<b>PEAK</b>
	US\$	US\$
AT&T	1.2058	2.30
Sprint	1.046	1.978
MCI	1.40	1.40

On October 9, 2009, GT&T applied for an increase of the PUC approved Iridium rates as a result of increases in the termination rates in both the peak and off-peak periods by the two service providers. It has been noted that Verizon Business (MCI) has increased its termination rates to US\$3.38/minute (peak) and US\$3.15 (off-peak) to certain destinations. The company has stated that it has been ignoring the losses on these calls via the satellite; of recent however, the volume of these calls has increased resulting in financial loss to the company.. GT&T has noted that they place no mark-up on these calls and that the approved rates are paid over in its entirety to the terminating operators. GT&T is also seeking approval of any increases to be retroactive effective from September 1, 2009; and has subsequently requested a 5% service charge in addition to any new PUC approved rates.

**DECISION:**

The Commission after reviewing the evidence and all the circumstances of this application has granted an increase as set out below but has denied the service charge.

The Commission considers that GT&T gets a fixed PUC approved rate for each call to the USA where it recovers its cost and earn an adequate profit. GT&T provides no additional service or incur any further cost when the calls reach the Stratos Automated Satellite phone centre in the USA. In the circumstances the Commission can see no justification in GT&T's request.

GT&T has also sought an order for any increase to be retroactive to September 1<sup>st</sup> 2009. An order for rates to be backdated must be supported by evidence which is compelling and there has been no evidence to support this. In the circumstances the request has been denied.

After giving due consideration to the current weighted averages of the hubbing charges as subsequently presented by GT&T the Commission hereby fix the rate at \$565.00 per minute for off-peak calls and \$594.50 per minute for peak calls.

The Commission orders that GT&T uses its best efforts to route all calls through the Service Provider with the cheaper rate, and be it further ordered that charges associated with this service must be itemized on consumers' bills as is the common practice with other international calls.

This order shall take effect from December 1, 2009.

Dated this 2<sup>nd</sup> day of December, 2009.

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Prem Persaud, Chairman

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Badrie Persaud, Commissioner

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John Caesar, Commissioner

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Maurice Solomon, Commissioner

