

BEFORE THE PUBLIC UTILITIES COMMISSION

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

- and -

In the matter of the  
unallocated access lines  
available in the  
exchanges of the Guyana  
Telephone & Telegraph  
Company Limited.

PAMADATH J. MENON, A.A.	-	CHAIRMAN
HUGH GEORGE	-	MEMBER
JOHN WILLEMS, A.A.	-	MEMBER
ERROL HANOMAN	-	MEMBER
A.M.B. SANKIES	-	MEMBER

**REPRESENTATION** -

The Guyana Telephone & Telegraph Company Limited	-	Mr Joseph Sanders, Attorney-at-Law.
The Guyana Consumers' Association	-	Mrs Sheila Holder, President. Miss Lily Ferdinand, Attorney-at-Law.
The Guyana Consumers' Advisory Bureau	-	Miss Eileen Cox, Vice-Chairman

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Mr Vidyananda Persaud, Attorney-at-Law, was in attendance to assist the Public Utilities Commission.

Dates of Hearing - This matter was initiated by the Public Utilities Commission and was heard by it on 28 August and 24 September, 1996.

### DECISION

According to the Annual Report filed by the Atlantic Tele- Network, Inc. ("ATN") before the Securities and Exchange Commission, Washington, ("SEC") for the fiscal year 1991, that is, the year in which ATN acquired 80% of the shares in the Guyana Telephone and Telegraph Company Ltd. ("GT&T"), at December 31, 1991, GT&T had 21,000 recorded subscriber access lines, of which approximately 17,000 access lines were in service.

2. The Annual Report for fiscal year 1992, submitted by ATN before SEC states that at 29 March, 1993, GT&T had approximately 32,000 recorded subscriber access lines. The report does not say that only a portion of them were in service as was done in 1991.

3. ATN's Annual Report for 1993 also did not speak about access lines not in service, unlike the Annual Report for 1991. ATN's Annual Report for 1993 stated -

"At December 31, 1993, GT&T had approximately 41,287 recorded subscriber access lines (including 9,110 lines removed from service at least temporarily for non-payment by the subscriber)".

The language is clear: As at 31 December, 1993, there were 9,110 lines removed from service at least temporarily for non-payment by the subscriber. The manner in which, the lines that are removed from service for non-payment, are utilised, as explained by the General Manager of GT&T, will be dealt with later.

4. According to ATN's Annual Report for 1994, at 31 December, 1994, the total number of recorded subscriber access lines of GT&T was 53,602. This included 13,611 lines removed from service at least temporarily for non-payment by the subscriber. ATN's Annual Report for 1995 stated that GT&T had 62,773 recorded subscriber access lines, including 18,158 lines removed from service temporarily for non-payment by the subscriber.

5. Then there are a set of press releases by ATN. The press releases dated 14 November, 1995, and 22 January and 29 March, 1996, gave the access lines of GT&T at different dates and carried a note that the number of access lines stated therein included lines disconnected for non-payment, without specifying the number of the disconnected lines. The total number of GT&T's access lines as at 1995-03-31 and 1995-06-30 were given as 56,381 and 58,760 respectively in the press release dated 14 November, 1995. The press releases of 18 April, 7 May, 11 July and 30 July, 1996, mentioned the access lines in service and the number of the lines removed from service at least temporarily due to non-payment by the subscriber. The figures are as follows -

	<u>1995-03-31</u>	<u>1995-06-30</u>	<u>1996-03-31</u>	<u>1996-06-30</u>
Access Lines	41,604	42,961	45,940	47,412
Lines terminated for non-payment by the subscriber	14,777	15,799	18,912	19,695
TOTAL	56,381	58,760	64,852	67,107

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It may be noted that the total number of access lines as of 1995-03-31 and 1995-06-30 given in ATN's press release dated 14 November, 1995 (wherein the lines in service and the lines terminated for non-payment were not separately given) tallies with the aggregate of the access lines (exclusive of the lines terminated for non-payment) and the lines terminated for non-payment given separately in ATN's press releases dated 7 May, 1996, and 30 July, 1996, respectively.

6. It may be of interest also to note that ATN's press release of 30 July, 1996, stated that access lines as on 30 June, 1996, totalled 67,107.

7. In reply to a letter from this Commission ("PUC") as regards the telephone lines terminated for non-payment, the General Manager replied by letter dated 25 June, 1996, that, if the account is paid within 15 days after the termination of the service it is restored and facilities not so restored are reassigned to customers awaiting service based on held orders list.

8. By letter dated 27 June, 1996, Mr Eustace Abrams, Director, Customer Services of GT&T, informed the PUC that -

"as at May 31, 1996, 19,429 services were terminated for non-payment".

9. This Commission is willing to accept the position that the figure of 19,429 lines terminated for non-payment represents the aggregate of the lines terminated since 1991. Some of the disconnected lines would have been restored to the original subscribers. The PUC wanted to know what happened to the remaining lines and so requested GT&T to furnish particulars of the persons to whom the lines which were disconnected were allocated, including the dates on which the persons applied for telephone service.

10. To the above letter GT&T replied on 24 July, 1996, stating that ATN's press releases referred to above were based on a wrong interpretation of data. According to GT&T's letter its total switch capacity amounts to only 54,470 lines out of which 46,713

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lines have been allocated. So, the lines that remain to be allocated are 8,757. Later on 3 September, 1996, GT&T wrote to the PUC stating that as on 24 August, 1996, the access lines in service stood at 47,845, while the switch capacity remained unaltered at 54,470.

11. There are several questions to be examined. Firstly, ATN's Annual Report for 1995 stated that as at 31 December, 1995, GT&T had 62,773 recorded subscriber access lines. This is a document filed before SEC under the Securities and Exchange Act of 1934 of the United States of America. Even after the proceedings leading to this Order have been initiated, no effort is shown to have been made by ATN to correct it though Mr Godfrey S. Statia, Treasurer of GT&T, claims in his letters of 24 July and 3 September, 1996, that the total switch capacity of GT&T is only 54,470 lines. In these circumstances we are inclined to accept as correct ATN's statement in its Annual Report for 1995 that as at 31 December, 1995, GT&T had 62,773 recorded subscriber access lines.

12. It has been suggested that the discrepancy in the total access lines that GT&T had as given in ATN's Annual Report for 1995, and Statia's letters of 24 July and 3 September, 1996, is because some of the access lines were converted for use of the rapidly expanding audio-text business of GT&T. The numbers allocated by GT&T for audiotext have increased from 29,636 as on 24 October, 1995, to 42,000 presently, according to information furnished to the PUC by the General Manager of GT&T.

13. Mr H.E. Mc Allister, a telecommunications consultant engaged by the PUC, in his report dated 26 August, 1996, stated -

"Audiotext has a negative impact on the regular telephone service in the following ways:

- 1) Number ranges that are used for audiotext are unavailable to the rest of the net work. With Georgetown numbers being 5 digits and with 1xxxx and 9xxxx number ranges generally being used for Emergency and Service use viz, 101, 121, 131, 161,

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165, 169, 92, 96, 97, 911, there would normally be really only 80,000 numbers available for allocation.

As it happens, GT&T have already used 87,000 with 42,000 of those being audiotext.

- 2) Switching facilities are utilised by audiotext which would otherwise have provided a better grade of service to the network. Since the introduction of Audiotext the network performance has fallen progressively".

14. The report of Mr Mc Allister was forwarded to GT&T for comments, and the General Manager of GT&T, in his letter dated 23 September, 1996 stated -

"The present numbering plan for the Georgetown Exchange is far from exhausted and the assignment of 42,000 numbers for Audiotext is merely utilizing an available idle resource for new revenue".

15. The above aspect will have to be further investigated. Meanwhile, the PUC makes the following Order -

#### **O R D E R**

(1) As per the letter of GT&T dated 3 September, 1996, while the switch capacity of GT&T was 54,470, the access lines in service as on 24 August, 1996, were only 47,845. The unallocated lines numbering 6,625 existing in the different exchanges, less the lines allocated between 24 August, 1996, and the date of this Order, should be allocated and connected to the applicants for telephone connections, before the expiry of 31st December, 1996.

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(2) While GT&T claims that there are only 54,470 access lines, according to the Annual Report for 1995, submitted by ATN, which owns 80% of GT&T, to SEC, GT&T had, as at 31 December, 1995, 62,773 recorded subscriber access lines. We accept the figure as stated in ATN's Annual Report as correct. The difference between the figures as given by GT&T and ATN is 8,303 recorded access lines. These lines should be allocated and connected to applicants for telephone connections before the end of 31 March, 1997. In case some of these lines have been converted for use for audiotext services, they would have to be restored for allotment to applicants for telephones in Guyana.

(3) The allocation of telephones to applicants for the same under the above provisions should be in accordance with the Order of the PUC dated 5 August, 1996.

(4) The cost of providing the connections under Orders (1) and (2), properly incurred by GT&T, will be included in computing the rate base of that company.

(5) GT&T shall submit to the PUC before the 7th of every month a report setting out the progress made in the previous month in implementing Orders (1) and (2).

16. The above may appear to be a tight schedule. But, nearly six years have elapsed since licence under the Telecommunications Act 1990 (No. 28 of 1990) was issued to GT&T. But, GT&T has to go a very long way to achieve compliance with Condition 1.1. of the licence. This Condition reads -

"The Licensee shall provide to every person who requests the provision of such services at any place in Guyana -

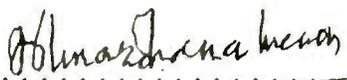
- (a) voice telephony services;
- (b) telegram services; and
- (c) other telecommunication services, consisting in the conveyance of Messages, agreed or required to be provided by the Licensee under the Agreement.

by means of the Applicable Systems, except to the extent that the Director is satisfied that any reasonable demand is or is to be met by other means and that accordingly it would not be reasonable in the circumstances to require the Licensee to provide the services requested; and the Licensee shall ensure that Applicable Systems are installed, kept installed and run for those purposes".

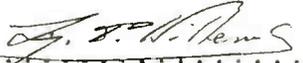
The PUC will separately consider to what extent, Condition 1.1. of the licence granted to GT&T has not been fulfilled by GT&T and if, so, what should be the penalty to be imposed on it for the same.

Dated at Georgetown, Guyana

this 1st day of October, 1996.

  
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 Pamadath J. Menon, A.A. - Chairman

  
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 Hugh George - Member

  
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 John Willems, A.A. - Member

  
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 Errol Hanoman - Member

  
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 A.M.B. Sankies - Member