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URCA Grants Approval to BTC's Application for Retail Charge for Directory Assistance

February 2, 2012, the Utilities Regulation and Competition Authority (URCA) published its final decision of the Bahamas Telecommunications Company Limited's (BTC) February 21, 2011 application for a permanent price change to local directory enquiry services. Approval for a per call retail charge of thirty five cents (35¢), for calls originating on BTC's network, was granted with various conditions. Including:

- The first three (3) calls each month, from fixed lines (residential and business) and mobile numbers to local directory assistance services shall be free of charge
- All enquiries from public pay phones shall be free of charge
- BTC shall publish and keep current its online telephone directory

Enquiries made to directory assistance are price regulated by URCA. BTC currently bundles directory enquiry services with its monthly access charges for fixed lines, while calls from mobile instruments presently attract no charges.

Analysis of data on directory dialling assistance call volumes from January 1 2011, to October 31, 2011 revealed that on average, households in The Bahamas make approximately 1.2 calls to directory enquiry services per month; and just one in every three mobile subscribers uses the service each month. URCA is therefore reasonably satisfied that the provision stipulating no charges for the first three (3) of monthly calls per fixed line and mobile number minimises the impact of the new charge to customers. The provision also means that any single holder of separate fixed and mobile lines will in effect have access to six (6) free directory assistance calls each month.

URCA also considers that BTC's business customers are more likely to have regular access to the internet, and therefore be able to avail themselves to BTC's updated online telephone directory services, at no additional costs.

The impact of the new price measure in terms of strengthening industry competition is significant. It is a regulatory requirement designed to ensure that any efficient competitor is able to offer similar retail services in direct competition with BTC, particularly in cases where the competitor uses inputs from BTC. Such regulatory measures are the standard in electronic communication sectors (ECS) where there is a dominant provider of a given service or services. In The Bahamas, BTC

is the dominant provider for fixed and mobile telephony markets, providing services to a final consumer as well as other licensed operators.

URCA is therefore concerned with both wholesale and retail pricing behaviour. This pricing measure is in line with URCA's mandate to promote sustainable competition and a playing field that is conducive to fair competition and general economic wellbeing. This final decision by URCA, is an outcome of extensive consultation and engagement with BTC, ECS participants and the public at large, to establish standards for Reference Access and Interconnection Offers (RAIO) by BTC. RAIOs are significant because they define the terms and conditions by which a dominant operator will provide access and/or interconnection to its facilities, services and/or networks, to other licensed operators.

Directory assistance via mobile and fixed line services has become a chargeable value added service worldwide. URCA is satisfied that BTC's application is reflective of regulatory practices in competitive markets around the globe.

Comparatively, regional directory enquiry dialling attracts per call rates as high as \$1.00, plus additional charges of up to 50¢ on each call, if the customer making the enquiry also wishes to be connected automatically to the requested number. BTC will provide this additional connection service at no additional charge.

This final decision on BTC's pricing application follows a consultative process in which URCA licensees and members of the general public were invited to provide feedback on the proposal. URCA extends its thanks to all that participated in the exercise. URCA will review any impacts that may arise from these measures, on the elderly and visually impaired, in furtherance of URCA's commitment to the welfare of these and other special groups.

A copy of URCA's statement of results and final decision arising from this consultation, [URCA document reference number ECS 03/2012] may be downloaded from URCA's website, www.urbahamas.bs. The consultation document including BTC's application [URCA document reference number ECS 18/2011] is also available for download on the URCA website.

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