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November 10, 2010

Mr. Donovan Dorsett
Acting Director of Policy & Regulation
Utilities Regulation & Competition Authority
UBS Annex Building
East Bay Street
Nassau, Bahamas

Dear Mr. Dorsett,

**Re: BTC Comments on Submissions received by URCA to BTC's
Draft RAIO Public Consultation**

BTC is pleased to enclose its response to the submissions made by Cable Bahamas Limited, SRG and LIME on the draft RAIO Public Consultation, for the consideration of URCA.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Felicity L. Johnson', followed by a long horizontal flourish.

Felicity L. Johnson
Vice President, Legal, Regulatory & Interconnection
& Company Secretary

FLJ/ksw

Encl.

The Bahamas Telecommunications Company Limited

**Comments on the Responses from CBL and SRG to
URCA's Consultation Document ECS 22/2010 on
BTC's draft Reference Access and Interconnection
Offer**

November 10th 2010

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1. **BTC comments on the response from CBL**

General comments

BTC welcomes this opportunity to provide comments on CBL's response to URCA draft position on BTC's RAIO. BTC believes that Cable Bahamas' position on a variety of issues is based on a degree of misunderstanding on the workings of BTC's RAIO and it is therefore helpful to be able to address this at this stage. More seriously BTC believes that Cable Bahamas position on a number of material issues is largely self-serving and would not ensure the development of sustainable competition in The Bahamas, nor would it provide benefits to its citizens.

For example, Cable Bahamas puts considerable emphasis on the need to ensure replicability for wholesale pricing and for local calls in particular. This is an important issue that requires the attention and context it deserves. BTC considers that a thorough review of its regulated retail tariff regime would form the logical start for such a discussion. We have noted in our submission to URCA that it is inappropriate to 'pick and choose' which parts of BTC's retail pricing practices to object to as part of a discussion on BTC's RAIO tariffs. BTC would welcome a more holistic approach which would at least include analysis of:

- BTC's universal service obligations – i.e. BTC's role as the provider of universal service in The Bahamas and the net costs it incurs for the provision of such service. In a country like The Bahamas such net costs are likely to be substantial and may require funding to ensure that the development of efficient competition is not impeded.
- Access deficits – as noted in BTC's submission, BTC currently incurs a significant access deficit as a consequence of its historic pricing practice, aimed at ensuring affordability of telecommunications services for all citizens in the Bahamas. Cable Bahamas casually suggests the removal of any deficits through increases in corresponding retail tariffs but this is clearly inappropriate without a detailed analysis of the consequences and would potentially result in making basic telephony services unaffordable for vulnerable customer groups. A more appropriate approach would be a gradual reduction of the access deficit over time combined with appropriate reductions in corresponding sources of cross-subsidisation.
- The development of appropriate definitions of margin squeeze in the context of a market which is likely to be based on competition across bundles of service provided by multiple operators owning their own infrastructure.

The suggestion by Cable Bahamas that BTC should provide 'zero-based interconnection rates' is totally inappropriate in these circumstances. International experience would rather suggest that, at this stage of the liberalisation cycle, universal service funding and access deficit contributions are more appropriate topics of discussion.

BTC also wishes URCA to note that CBL itself is more than just a new entrant. It has a well established cable television network, which already provides electronic communications services in the form of broadband and internet services, and will shortly provide voice services to all of its customers. Control over this access

network, and an expansion of its market share may provide CBL with market power, which URCA may need to regulate sooner rather than later, especially if the planned merger between CBL and SRG goes ahead. CBL is already showing this power, for example by initially refusing to provide BTC with access to the CBL data centre. As a result BTC expects that the forthcoming interconnection negotiations between CBL and BTC will demonstrate that both operators have substantial negotiating power, and that some regulatory constraint may be necessary on CBL so that it does not abuse its market position, and in particular its control over its access network.

Of course, CBL is not the only new entrant to the telecommunications market, and BTC is aware that a number of smaller operators are planning to enter following contacts that they have made with BTC over interconnection arrangements. Although these organisations have chosen not to comment on BTC's RAIO, URCA does have a responsibility to consider their interests as well as those of CBL in making its decisions on the RAIO. As many of these potential operators are local entrepreneurs and businesses, they may not identify with the comments made by CBL, which is a large and well resourced organisation.

We will now address some of the issues raised in CBL's submission. Please note that BTC reserves the right to provide further comment at a later stage. BTC also does not necessarily agree with CBL if it does not comment on some of CBL's statements.

Page 1, section 1: Structure of the RAIO

We consider that CBL's comments illustrate the good sense of BTC's approach to the RAIO. CBL suggests that BTC and the other operator should have a second interconnection agreement to cover traffic flowing from BTC to the OLO, while the RAIO covers traffic flowing from the OLO to BTC. BTC wishes to point out:

- this proposal contradicts the principle of any-to-any connectivity, which ensures that customers of one network can contact customers on another network. Hence it is not a matter of whether "BTC wishes to terminate traffic on an OLO's network" – an OLO and BTC must have both the right and the obligation to enter into interconnection arrangements
- URCA's Access and Interconnection Guidelines (section 4.2, page 5) go on to say:

"The RAIO shall offer access and/or interconnection services that enable end-to-end connectivity between customers on an SMP operator's network and customers on another licensee's network."

- hence the RAIO must include terms and conditions that cover traffic from BTC's network to an OLO's network, not a separate interconnection agreement.
- the proposal for a second interconnection agreement shows an inability to consider the practical implications. Either the second agreement will have significantly different terms, in which case it will extend the time needed to complete negotiations, and will result in day to day confusion on which rules apply, depending on the direction of traffic, or the terms will be very similar, in which case the agreements cause unnecessary duplication.

- in many jurisdictions national regulatory authorities take the view that each operator has a dominant position in the call termination on its own access network. BTC expects CBL to provide voice telephony services to its own cable television customers as soon as it enters the telecommunications market, and in these jurisdictions it would be regarded as an SMP operator for its own call termination market. URCA should examine this approach in its next market review, when it may have to impose suitable remedies on CBL.

BTC remains convinced that the most practicable approach to an interconnection agreement remains one based on reciprocal terms.

Page 2, section 2: Importance of deciding which party pays

While BTC agrees that a decision on receiving party pays or calling party pays is important, this is a commercial decision for BTC, subject to regulatory approval from URCA. BTC is giving due consideration to this issue, and make a decision on the preferred approach in due course.

Page 2, section 3: Direct interconnection with BTC's mobile network

BTC considers that at this stage of the liberalisation cycle, when the volumes of traffic between fixed and mobile networks are low, it would be premature and inefficient to provide direct interconnection between fixed OLOs and its MSC. We propose to review this situation when the market has matured and direct interconnection becomes more economically viable.

Page 2, section 4: Replicability test for wholesale pricing

BTC wishes to point out that the principle of replicability receives no mention in the Communications Law 2009 or in URCA's Access and Interconnection Guidelines, and hence cannot be used as a test for the acceptability (or otherwise) of BTC's RAI0. BTC has followed URCA's instructions on which services are to be included in the RAI0, and which pricing principles are to be used. If CBL wished to have a debate about whether the principle of replicability should be included as a test, the matter should have been raised during the consultation period on the draft Access and Interconnection Guidelines in 2009.

Page 2, section 5: Termination of local calls and replicability

BTC has noted URCA's preliminary conclusion that the principle of cost orientation should apply to the termination of intra-island calls, as required by its Access and Interconnection Guidelines and by Article 40 (b) of the Communications Act 2009. CBL's proposal for zero termination rates for intra-island calls is contrary to both the Guidelines and to the Act.

Page 2, section 6: Points of interconnection

BTC has designed its next generation network with two switches, one on New Providence and one on Grand Bahama, as the most efficient network layout, in order to reduce BTC's costs and its prices for consumers. Following the network migration to its Next Generation Network (NGN), BTC closed the point of interconnection at Marsh Harbour, Abaco in July 2009, and the traffic is now routed to New Providence.

BTC has no plans for active equipment on Eleuethra or Abaco, where levels of traffic do not justify additional investment. BTC considers that this position is entirely consistent with URCA's Access and Interconnection Guidelines, which state that interconnection should be available at any technically feasible point unless "it is not economically feasible" (paragraph 4.2, pages 5 and 6). There are no technically feasible points on Eleuethra or Abaco, and it would not be economically feasible to construct them (unless CBL is willing to pay all of BTC's costs).

Page 2, section 7: Specification of plans for Next Generation Network interconnect

BTC is now deploying its NGN, and is willing to discuss its roll out plans with other operators during interconnection negotiations and in the regular network planning meetings. BTC has no plans to provide TDM interconnection, and hence CBL's comments about the timescales for cut over of services are not relevant.

Page 3, section 8: Usage sensitive charging increments/minimum average time requirements.

CBL appears not to have read the RAIO carefully. As stated in Clauses G.1 -3 and G.7 – 11, calls are charged on a per second basis. BTC follows normal practice of the majority of reference offers in expressing the charges on a per minute basis, rather than on a per second basis.

Page 3, section 9: Local number portability

BTC is surprised that CBL raises the matter of number portability in a consultation on the RAIO. Number portability has not yet been mandated by URCA, and BTC fully expects that URCA will undertake a market review before deciding whether number portability is an appropriate remedy for the access market in The Bahamas. It will also need to consider the costs and benefits of introducing number portability in its assessment of whether number portability is a good use of economic resources in a market as small as The Bahamas, and, if number portability is worthwhile, how its costs should be shared between the operators, and between the operators and their customers. It is certainly not a matter for URCA's final decision on the RAIO because there has been no opportunity for a full public debate on the matter, as required by Article 80 (1) of the Communications Act 2009.

Page 3, Consultation Question 1

Do you agree that BTC should be required to provide a clearer separation between its draft interconnection contract and the draft reference access and interconnection offer? Please detail your response in full.

CBL raises several issues in its response to this question:

- BTC agrees that the RAIO and the interconnection agreements should be as close as possible, because this makes the management of the agreements much simpler and clearer.
- BTC does not agree that the RAIO or the interconnection agreement should be unilateral, or that there should be separate agreements covering traffic flowing from BTC to an OLO. Our reasons for this position are set out above (see comments on Page 1, section 1 above). BTC considers that any operator with

an access network has market power in its terminating market, and is in a position to use its dominance, and that bilateral negotiations are more likely to equalise negotiating power between the operators than unilateral negotiations and agreements. As an example, URCA needs to consider how it would react if an OLO with its own access network (such as a cable television network) demanded unreasonable termination rates (say five times those charged on BTC's network). BTC considers that the fundamental principle of interconnection, that users of one network must be able to communicate with users of another network, must prevail, and that a "laissez-faire" approach to the regulation of OLO access networks is not consistent with this principle. In BTC's view, bilateral negotiations and bilateral agreements are the best way of equalising market power, and satisfy the principles of the primacy of commercial negotiations and light touch regulation. The negotiation of unilateral interconnection agreements will add to the time required for a new entrant to launch its services, and BTC assumes that CBL and URCA do not wish to delay a competitive telecommunications market.

- BTC considers that CBL comments on the structure of the RAIO show a lack of understanding of how it will work. Annex A gives a full list of regulated services available to OLOs, and they are under no requirement to purchase services that they do not need. The list of services (Schedule 1 of Annex A) shows which services are taken by the operators. CBL seems to be suggesting that each service should have a separate annex, with all the terms and conditions applying to that service in the same annex. As most terms and conditions are common to each service (for example ordering, technical, operations and management, billing, dispute resolution and quality of service), this will result in considerable duplication, adding to the complexity of the agreement and the difficulty of managing it. BTC considers that its RAIO has struck the right balance between flexibility and being easy to understand and manage.
- BTC is fully aware from its contacts with organisations interested in interconnection that most operators negotiating an interconnection agreement with BTC will be small local businesses. Unlike CBL, these organisations do not have extensive legal and financial resources behind them. BTC has therefore designed the RAIO to meet their needs for a simple and easy to understand document which does not use complex legal language and complicated processes.

Page 4, Consultation Question 2

Do you agree that the BTC should remove any obligations on other operators which are inappropriate and unnecessary to manage the interconnection regime in The Bahamas? Please detail your response in full.

While BTC is keen to see the removal of any "unnecessary and inappropriate" clauses in the RAIO in the interest of making the document easier to understand and manage, it does not consider that CBL (or URCA) have identified any such clauses (with the exception of the reciprocal pricing clauses).

OLOs with access networks do need to provide interconnection services in order to satisfy the principle of any to any connectivity. In addition, they do need to take on technical, operational and commercial contractual obligations in order to ensure the

proper functioning of interconnection services across the networks. BTC considers that URCA will have to take a closer interest in such agreements, and that the RAIO with reciprocal terms is an efficient and effective way of ensuring that interconnection in The Bahamas works in the interests of all consumers.

Page 4, Consultation Question 3

Do you agree that the BTC should fully justify any reciprocal clauses that remain in the RAIO? Please detail your response in full.

As stated above, BTC considers that OLOs with access networks, such as CBL, have interconnection obligations as well as rights, and that the best way of ensuring that the interconnection regime is both fair and efficient is through the use of reciprocal terms.

In BTC's view, reciprocal terms:

- ensure that interconnection arrangements are easy to manage because the same terms and conditions apply to both operators
- equalises negotiating power because one operator knows that if it tries to impose unfair terms on the other, the same unfair terms will be applied to itself.

The terms and conditions in BTC's RAIO are based on best practice in a number of jurisdictions, and enable efficient interconnection arrangements. BTC can see little point in excluding these from the RAIO because of a doctrinaire opposition to reciprocity, only to include them again in the interconnection agreements.

Page 4, Consultation Question 4

Do you agree that BTC should remove from its RAIO any reciprocal charging obligations on other operators? Please detail your response in full.

While BTC has accepted that pricing may not be reciprocal at this stage (in the absence of formal SMP findings on OLOs on the market for call termination on their networks), it believes that URCA has to give more consideration to the setting of interconnection prices on an OLO's access network. As CBL's comments illustrate, it wishes to levy high prices for traffic terminating on its access network. However, BTC considers that this may not be the outcome of cost based prices, especially when CBL's economies of scope are taken into account. As stated earlier, URCA needs to consider on what basis it should resolve any dispute between CBL and another operator over its termination prices. In BTC's view, CBL is dominant in the call termination market on its access network, and will attempt to use this market power in charging high prices (as indicated in CBL's response).

BTC urges URCA to reconsider its position on reciprocal charges. If other operators are allowed to set their own prices for call termination, the likely consequences are:

- higher retail prices for calls from BTC to the OLO in order to reflect the higher cost of call termination, leading to greater confusion for customers about the prices for calls

- the provision of a cross-subsidy from BTC's customers to the OLO's customers, thus encouraging inefficient entry and discouraging the development of efficient competition

Because of these problems, many national regulatory authorities have set their face against unregulated termination rates, and BTC considers that URCA must revisit this issue as a matter of urgency. There are enough warning signs in CBL's response on this Consultation Question.

Page 5, Consultation Question 5

Do you agree that BTC should include in its RAIO the ability of OLOs in The Bahamas to terminate incoming international calls on BTC's network? Please detail your response in full.

BTC agrees that OLOs should have the ability to terminate international traffic on to BTC's network, as stated in BTC's Response to URCA's Consultation Document ECS 22/2010 on BTC's draft Reference Access and Interconnection Offer.

BTC however invites Cable Bahamas to study carefully the history of SMP designations on BTC which show that a distinction has been made between the termination of nationally and internationally originating traffic. BTC believes that such a distinction is wholly appropriate given the different impact of these services on the development of competition and on the interests of citizens of the Bahamas.

BTC's position on this topic, as expressed in its response to URCA, has not changed as a consequence of the views presented by Cable Bahamas. There are many examples of differentiated termination rates around the world, including in the Gulf States, Mexico, Jamaica, Serbia, Romania, Moldova and others. BTC would like to point out that CBL's reliance on examples from the EU is not relevant for a discussion of this topic because the EU Directives prevent EU operators from implementing a similar approach on the grounds that it affects the trade between EU member states. The Bahamas, of course, does not have such restrictions.

Page 6, Consultation Question 6

Do you agree that the international call transit RAIO service should be made available to OLOs and that the charge should be based on:

- A cost-based charge for call conveyance on BTC's network (including BTC's international facilities); and
- The relevant international settlement rate, passed on to OLOs at cost?

Please detail your response in full.

BTC broadly agrees with the views set out by Cable Bahamas as they largely correspond with BTC's response to the same question. As recognised by Cable Bahamas, BTC does not control the bottleneck function of the outbound termination service and an obligation on BTC to provide such service would be disproportionate and unnecessary. For the avoidance of doubt, Cable Bahamas' position that 'URCA

should not unnecessarily intervene by regulating such services' implies that this service should not form part of the RAIO. BTC agrees with this view.

Page 7, Consultation Question 7

Do you agree that URCA should periodically review the relevant international settlement rates charged by BTC to OLOs for the international call transit RAIO service, to ensure that such charges are passed on to OLOs at cost? Please detail your response in full.

BTC believes that the position of Cable Bahamas on this question is not consistent with its answer on Consultation Question 6. If, as stated, Cable Bahamas believes that the "International call conveyance is a contestable service and does not appear to be a bottleneck that BTC controls" than it logically follows that a periodic review of the international settlement rates as part of an ex ante regulatory process is not necessary. Rather, BTC proposes that URCA should rely on its ex-post competition powers on such matters.

Page 7, Consultation Question 8

Do you agree that BTC must:

- (i) add a RAIO call termination service for calls to freephone numbers on its network*
- (ii) remove the RAIO charge for call origination from BTC's mobile network to freephone numbers on an OLOs network if BTC charges for such airtime?*

Please detail your response in full.

As URCA will have seen from BTC's earlier comments, BTC has agreed to remove the call origination to freephone numbers service, and to add a call termination to freephone numbers service. As a result, there will no longer be a call origination charge for freephone numbers from fixed or mobile phones in the RAIO.

Page 7, Consultation Question 9

Do you agree that BTC must include a service for terminating calls from OLOs to premium rate numbers in its RAIO? Please detail your response in full.

CBL's response illustrates the confusion caused by the wording of URCA's question. As BTC pointed out in its response, the question does not distinguish between access to premium rate numbers in foreign jurisdictions and premium rate numbers in The Bahamas. While most of URCA's discussion is about foreign jurisdictions, CBL appears to be discussing both domestic and foreign premium rate numbers.

BTC has no market power over the termination of premium rate numbers in foreign jurisdictions, and OLOs can make their own arrangements for the termination of these calls, as CBL acknowledges in its response to Consultation Question 6. In The Bahamas there are currently no premium rate numbers, and URCA did not specify this as a regulated service in its SMP Final Decision. However BTC will make this service available in its Commercial Wholesale Offer.

Page 8, Consultation Question 10

Do you agree that BTC should offer both direct accounting arrangements and cascading account arrangements for its call transit service? Please detail your response in full.

BTC is pleased to see that CBL does not regard cascade accounting as a priority.

CBL also raises a separate point about direct interconnection to BTC's mobile network. As stated in our comments on section 3 above, BTC considers that direct interconnection from an OLO to the BTC MSC at Camperdown cannot be justified by the levels of traffic likely between the networks, at least for the present.

Page 8, Consultation Question 11

Do you agree that BTC should remove any call handover requirements from the RAIO and that BTC should amend the RAIO to the wording proposed by URCA? Please detail your response in full.

BTC has agreed to URCA's proposal, subject to two qualifications given in BTC's response to this Consultation Question.

Page 8, Consultation Question 12

Do you agree that the following terms should be incorporated in BTC's RAIO:

- *Joining Circuit, meaning the T1 capacity provided over a PoI;*
- *Joining Path, meaning the higher level transmission bearer; and*
- *Interconnect Traffic Route, meaning the group of 64kbit/s channels over which a given type of interconnect traffic is directed. A Traffic Route will usually be carried over two diverse Joining Paths for security and may even have an overflow via another PoI to cope with unusual traffic flows?*

Please detail your response in full.

Given the brevity of CBL's comments, BTC questions whether CBL has thought through the implications of URCA's proposals for Interconnection Traffic Routes, which, as explained in BTC's own comments, are no longer needed in an NGN environment.

Page 9, Consultation Question 13

Do you agree that further details need to be included in the RAIO on how decisions relating to the planning, construction and provision of the Joining Path are achieved and Annex G should reflect the appropriate charges of the chosen cost-recovery system? Please detail your response in full.

BTC notes that it has proposed a number of changes to the draft RAIO in order to take URCA's distinction between Joining Paths and Joining Circuits into account.

Page 9, Consultation Question 14

Do you agree that the current number of PoIs provided by BTC and its proposed approach to review interconnection requests at new PoIs are feasible? Please detail your response in full.

BTC has explained its position on the number of points of interconnection in its comments on section 6 above. CBL suggests that with two points of interconnection, a call between numbers on the same island would be carried to the points of interconnection on New Providence or Grand Bahama, and then would be charged an inter-island wholesale rate. It is clear that CBL has not read the RAIO with care, as in Clause G.1 intra-island is defined as calls between numbers on the same island and the inter-island rate as calls between numbers on a different island. These charges apply irrespective of the routing of the call.

CBL also raises the question of replicability in its response. BTC considers that its wholesale charging and routing arrangements replicate its retail offering because:

- its retail tariffs are based on the same distinction between intra-island and inter-island calls as its wholesale tariffs
- BTC also has to bear the costs of carrying intra-island calls to New Providence or Grand Bahamas for switching.

Hence BTC is already providing the second option outlined by CBL, and there is no need for additional points of interconnection beyond those already described in the RAIO.

Page 10, Consultation Question 15

Do you agree with the following recommendations by URCA:

- (i) BTC should, in responding to this consultation document, provide an appropriate forecasting and capacity planning system, reflecting the scale of local operations.*
 - (ii) The agreed forecasting and capacity planning system should be reflected in BTC's RAIO which, before being concluded, must be reviewed and approved by URCA.*
- Please detail your response in full.*

BTC has set out its proposal for a planning and forecasting system in its response to URCA's Consultation Document, and looks forward to seeing CBL's comments on it.

Page 10, Consultation Question 16

Do you agree that BTC should continue to offer free local calls given the non-zero RAIO charge for intra-island interconnection? Please detail your response in full

BTC welcomes the position taken by Cable Bahamas that the structure of BTC's retail tariffs does not necessarily have to be the same as the structure of the corresponding wholesale charges. BTC remains of the opinion that Consultation Question 16, which relates to BTC's retail pricing practices rather than BTC's wholesale pricing practices for services included in the RAIO, is inappropriate because there is a significant risk that BTC's retail pricing practices are reviewed on a case-by-case basis rather than from a holistic perspective.

BTC believes that Cable Bahamas' suggestion that 'zero-rated' call termination should apply until URCA confirms that BTC's local call tariffs are 'compensatory' is totally inappropriate and a blatant attempt to further Cable Bahamas' own cause at the expense of the sustainable development of the telecommunications sector in The Bahamas. URCA should not consider such suggestions and rather be mindful of its legal obligations to ensure that tariffs for BTC's regulated wholesale service are cost-oriented.

BTC would welcome a thorough review of all its retail pricing practices for SMP services. BTC would suggest for such a review to include an assessment of the net costs that BTC incurs as the provider of universal service in The Bahamas and how this should affect both BTC's wholesale and retail pricing practices. It should be noted here that international experience suggests that such a discussion is more likely to result in universal service funding requirements on the industry if URCA comes to the conclusion that rapid changes to BTC's prices would result in unaffordability for basic telephony services for vulnerable consumer groups. In the context of interconnection charges these funding requirements could potentially take the form of access deficit contributions, i.e. this is the direct opposite of the approach argued by Cable Bahamas.

As part of such a review we would also expect to have extensive discussions on relevant definitions for predation and margin squeeze in the context of the current stage of development in The Bahamas. This would include an assessment on how the presence of Cable Bahamas in the market, as an infrastructure-based integrated provider of telecommunications and content services, would influence any appropriate pricing restrictions on BTC. BTC would warmly welcome such a review, particularly if it is done in the context of the introduction of a price cap for regulated retail services, as this would provide predictability for all market participants, including CBL.

Page 11, Consultation Question 17

Do you agree that BTC should be able to charge a cost oriented tariff in the RAIO for terminating calls to emergency services, and that each licensed operator should recover the costs of providing free emergency call services to their retail customers from their general revenues? Please detail your response in full.

BTC agrees with both CBL and URCA on this approach.

Page 11, Consultation Question 18

Do you agree with URCA's requirement for BTC to submit retail proposals for calls to DQ enquiries and automated ancillary services given BTC's non-zero RAIO charges for equivalent wholesale inputs? Please detail your response in full.

BTC's answers to question 17 are relevant here as well. For Directory Enquiries and automated ancillary services, BTC has committed to the introduction of separate retail charges.

Page 11, Consultation Question 19

Do you agree that mobile termination charges should not be included in the final RAIO except for incoming international calls to mobiles (delivered via an OLO)? Please detail your response in full.

BTC refers to its submission and its comments on the potential harm to the industry if stakeholders persist with a selective concern about over-recovery of services without a matching concern for the funding of services that currently show an under-recovery. As stated in our submission, the key function of cost-oriented wholesale tariffs is that they provide the right incentives for investment and for efficient competitive entry in the interest of consumers on The Bahamas. Any regulated wholesale charges that are set below cost will not meet these key policy objectives.

Page 12, Consultation Question 20

Do you agree that it is appropriate for BTC to set a single rate in the RAIO across all times of the day for its fixed voice products? Please detail your response in full.

BTC disagrees with CBL on this issue. As stated by URCA, “the demand for interconnection services is derived from the demand for retail call services. That is, applying differential peak and off-peak charges to interconnect services will not affect the demand for retail call services unless differential peak and off-peak rates are also applied to retail charges”. BTC has no current intention of introducing such time-of-day gradients for its retail services and it is therefore difficult to see on what basis any peak/off-peak gradients would be developed for wholesale services.

BTC also does not see how a flat interconnection rate would limit OLOs in the introduction of innovative services. Cable Bahamas does not provide examples of the kind of difficulty it anticipates here, so at this stage BTC is not in a position to comment.

It is tempting to speculate that Cable Bahamas concerns on this issue have more to do with its intended business strategy for fixed telephony services and the segments it intends to pursue in the market – as URCA noted a peak/off-peak gradient would ensure that off-peak tariffs would be set below average costs and this would benefit OLOs targeting segments making off-peak calls (i.e. mass-market). URCA needs to ensure that the interests of all market participants are protected here, not just those of Cable Bahamas, and maintain its initial position.

Page 12, Consultation Question 21

Do you agree that BTC should publish charges for joining services for all available links in its RAIO? Please detail your response in full.

BTC refers to its answer to Consultation Question 21 in its own response.

Page 12, Consultation Question 22

Do you agree that for its final RAIO, BTC should develop revised charges based on the amendments to its Accounting Separation model? Please detail your response in full.

BTC refers to its answer to Consultation Question 22 in its own response.

Page 13, Consultation Question 23

Do you agree with URCA's approach that where BTC has used the AS model for developing interconnection tariffs, these tariffs be used for 2010 (with appropriate adjustments for the cost allocation issues highlighted by URCA) and adjustments for efficiency be incorporated, in parallel with production of the AS model based on 2010 financials, from Summer 2011 onwards? Please detail your response in full.

BTC notes here that any retrospective adjustments to any regulated tariffs would undermine the predictability of the regulatory regime in The Bahamas for all stakeholders, including Cable Bahamas. It is fundamental to the workings of a regulated system that stakeholders are made aware of the regulated environment they are going to face in advance. Removing such certainty would undermine, for example, incentives to invest in new infrastructure, as operators would be reluctant to base their investment plans on regulated tariffs that can be adjusted retrospectively.

Finally, in our own submission we have already pointed out the limitation of relying on any external benchmarks for the development of a view of relative efficiency in The Bahamas. As Cable Bahamas very well knows, the operational circumstances in The Bahamas are unique and, unlike Cable Bahamas, BTC is mandated to provide services across the archipelago. This has implications for the costs associated with service provision and it is entirely appropriate for such costs to be reflected in regulated wholesale charges.

Page 13, Consultation Question 24

Do you agree with URCA's proposal:

(i) Not to require BTC to change its draft RAIO charge for its calls to Directory Services for this year's RAIO; but

(ii) To develop revised charges for this service, based on its AS unit cost results, in subsequent years.

Please detail your response in full.

BTC refers to its answer to Consultation Question 24 in its own response.

Page 14, Consultation Question 25

Do you agree with the revised approach and resulting RAIO charges for BTC's Automated Ancillary charges (as set out in Table 2)? Please detail your response in full.

BTC refers to its answer to Consultation Question 25 in its own response.

Page 14, Consultation Question 26

Do you agree with the revised approach and resulting RAIO charges for BTC's international transit charges (as set out in Table 3)? Please detail your response in full.

BTC refers to its answer to Consultation Question 26 in its own response.

Page 14, Consultation Question 27

Do you agree with URCA's proposition:

(i) not to require any changes to BTC's draft RAIO charges for its Operator Assistance service, but

(ii) to require BTC to remove minimum call duration (of three minutes) from this service?

Please detail your response in full.

BTC maintains that the 15% retail-minus discount is reasonable.

Page 14, Consultation Question 28

Do you agree that, in absence of further evidence on cost-reflectivity of its current charge, BTC should reduce the RAIO charge to \$1.91 per data entry? Please detail your response in full.

BTC does not see why the calculation presented by CBL would provide an improvement on either BTC's own calculation or URCA's suggestion. BTC does note that Cable Bahamas appears to have divided the total entries per year by the annual salary costs rather than the other way around. In addition, employees in the Bahamas do not work 254 days a year, this assumes there are no public holidays, annual leave, sick leave etc. which is clearly not realistic.

Page 15, Consultation Question 29

Do you agree that BTC should:

(i) prepare, and publish, separate charges for its two PoI facilities in New Providence and Grand Bahama; and

(ii) that these charges should contain location-specific accommodation cost estimates, which are reflective of the current utilisation of the relevant facilities (i.e., an average cost per square foot charge, weighted by the share of commercial and office space).?

Please detail your response in full.

BTC refers to its answer to Consultation Question 29 in its own response.

Page 16, Consultation Question 30

Here BTC does not repeat the comments and conclusions it made in its Response to the proposals made by URCA for individual clauses. It only comments below where CBL has made a new observation or introduced a new proposal. For all other comments, BTC refers URCA to the full BTC response.

Pages 6 and 7

BTC rejects CBL's claim that it refuses to provide access to CBL until it has satisfied URCA's SMP requirements. BTC has simply asked CBL to clarify whether it has satisfied URCA's requirements.

Paragraph 3 of Introduction

As BTC agrees that is unable to change or impose changes in the RAIO until URCA has given its approval, there is no need to make any changes to the text.

Penultimate paragraph of Introduction

BTC has already made its comments on the CBL views on the structure of the RAIO in Section 1.

BTC agrees that URCA should consider the impact of any changes to the RAIO on all operators, and agrees to the change in wording proposed by URCA to cover this point.

3.2 - Available interconnection services

BTC has given full comments on the termination of international inbound calls in its Response. It is unclear whether CBL is commenting on the need for a termination service for international inbound calls or for international outbound calls here. As discussed in its Response, the issue of an origination charge for calls from mobiles to freephone numbers no longer applies because BTC will remove the call origination service to freephone numbers from the RAIO.

8.2 - Best endeavours

BTC has agreed to URCA's proposals for new wording here.

In its response, CBL seems to have overlooked the quality of service standards and penalties set out in Annex H. Of course, these quality of service standards and penalties will need review in due course as BTC and the OLOs gain experience of the measures that matter to customers in a competitive environment.

BTC does not consider that a liquidated damages clause would be of any value in the RAIO. The penalties set out in Table H.9 are on a per day basis and are not capped, and so meet CBL's demand for compensation for events that are repeated or extend over a period of time. BTC challenges CBL to provide examples of reference offers – regional or international – that include provisions for liquidated damages. BTC can find no such examples.

11 - New services

BTC rejects CBL's proposals for an inter-operator process for deciding whether a new service should be a regulated service or not. This is a decision for URCA, using its processes for market analysis, the assessment of whether the market is competitive and which operators have significant market power, as outlined in its Competition Guideline ECS Comp -5. To leave this decision to operators is unlikely to produce any agreement, but will result in a waste of time and resources. Hence there is no point in including an inter-operator process in the RAIO.

BTC agrees that in the event that a new service is added to the RAIO, this would be treated as an amendment to the RAIO, and be available to all OLOs under the principle of non-discrimination.

BTC has commented on CBL's views on points of interconnection and on the Abaco point of interconnection in section 6 above. While an OLO is free to request an additional point of interconnection under Clause B.6 of the RAIO, the test of economic feasibility is as important as the test of technical feasibility mentioned by CBL. BTC would give the OLO an estimate of the costs to the Access Seeker of

establishing the POI in the feasibility study. The Access Seeker can then decide whether to go ahead with the point of interconnection or use another way of routing traffic. Hence BTC sees no need to change the wording of the RAIO in response to CBL's last paragraph.

12. - Network planning

BTC has included a planning and forecasting system in its Response. CBL's reference to a three month commitment is unclear – is it to a planning horizon, an ordering timescale, or financial payment commitment?

16.2 Misrepresentation

As BTC has commented in its Response, it considers that URCA has misunderstood the purpose of this clause. CBL certainly has – BTC cannot see how the clause requires any affirmative disclosure suggested by CBL, or can prevent an OLO informing a customer of a factually correct cause of an outage. The purpose is to prevent misrepresentation.

16.4 Cooperation over fraud

BTC is pleased to see that CBL agrees with it that no change is needed in this clause.

21.1 General review

BTC considers that CBL suggestion of an annual review is unnecessary and will waste time and resources if there is no need for any changes. It also considers that the RAIO already permits sufficient avenues to amend the agreement as required by different circumstances.

21.4 Review of Annexes

In its comments on this clause, BTC has noted that URCA has misread the clause, It has also proposed that the clause should be deleted.

A1.1 International inbound termination

In its comments on this Clause in its Response, BTC accepts that international inbound calls should be terminated as part of the call termination service. However it does not agree with CBL that these calls should be terminated at a cost oriented price. This is fully explained in BTC's comments on Consultation Question 5.

A.1.5 Fault rectification

The requirement for non-discrimination in quality of service is already covered in Clause 8.1 and D.7.8, and service restoration times are shown in Table H.7. Hence CBL's comments are already covered in the RAIO.

BTC considers that it is not possible to draw up a list of fault rectification timescales and procedures that distinguish between retail and wholesale for the services covered in the RAIO. While such reporting is useful for retail and wholesale access network services (such as unbundled local loops) and leased line services, the faults for the BTC RAIO services are either in the operator's network (and thus affect retail and wholesale traffic equally) or in the joining circuits (for which there is no retail equivalent).

A.6.4 Directory format and charges

CBL suggests that there should be a process for updating directory information. BTC sees this as being no different from the process outlined for submitting information. The same process applies when a customer moves to another operator, as the former supplier of access does not know whether the customer has stopped taking a service or moved to another operator. In all cases a change has to be initiated by the current provider of the access number to the customer. Hence there is no need to change the wording for this service description.

The RAIO should not include a requirement on BTC to provide its directory information to an OLO. This information is already available in BTC's published telephone directories. Any OLO wishing to provide its own directory enquiries service can already do this without the need for additional regulation.

A.10.1 International termination

BTC welcomes CBL's support for its position on international outbound calls.

A.10.9 Direct accounting

BTC welcomes CBL's support for its position on cascade billing.

A.11.1. National call transit service

As stated in the comments on section 3 above, BTC considers that direct interconnection between an OLO and BTC's MSC at Camperdown cannot be justified by the levels of traffic likely between these networks.

A.13.13 Repair to damage

BTC considers that CBL's suggestion that any charges for the repair of equipment should be justified by an explanation of the reason and the basis for the charges is reasonable. However, as such repairs are unlikely to be frequent occurrences in practice, there is no need to include a specific provision in the RAIO.

A.13.25 Charging clause

Contrary to CBL, BTC expects that any invoices for customer sited interconnection would be raised by the owner of the customer sited facility. This seems a much more straightforward approach than the owner informing BTC of the charges and then BTC having to include a credit on its invoices, and reduces the risk of errors. Whether the charges are then netted off against BTC's invoices is a separate matter for negotiation between the operators. CBL may be confusing the two processes for invoicing and payment in its comments.

C.5.4 Removal of CLI

BTC accepts CBL's point that the removal of CLI from some international calls may be due to legal or other reasons applying to the foreign correspondent operator, and considers that these points can be discussed between the operators during the process set out in Clause C.5.4. However the removal of CLI may be undertaken by some operators to present international traffic as domestic traffic, and thus avoid the termination rate levied on international inbound traffic. As BTC states in the comments in its Response, this would be a fraudulent activity, and must be prevented.

Schedule 1 to Annex C, signalling specifications

BTC intends to provide IP interconnection to all operators.

Schedule 3 to Annex C, C-3.3.1

BTC is surprised that CBL agrees with URCA's comments, as its rationale, that testing must ensure inter-operability, supports the need for a common testing programme. If the same tests are not used on joining circuits or points of interconnection, it is more difficult to evaluate whether inter-operability has been achieved.

D.2.3 Call handover

BTC has agreed to URCA's proposed wording changes, with two qualifications. It does not consider that CBL's proposals for further changes are appropriate. They attempt to include the provision of new points of interconnection in a clause that is concerned with arrangements for traffic routing. Traffic routing arrangements have to be agreed in the context of the agreed points of interconnection, and a process for assessing the technical feasibility and the cost of additional points of interconnection is set out separately (see Clause B.6 of the RAIO).

CBL's proposal to remove the words "economically reasonable" can only be acceptable if the Access Seeker bears **all** the costs involving in setting up and operating a new point of interconnection. BTC expects that in reality, an OLO will attempt to minimise the costs allocated to it, hence hoping that BTC will pick up some of the costs. BTC is a commercial organisation, and there is no reason why its customers should pay for the network architecture decisions of another operator. Hence BTC must have some say in the assessment of whether the points of interconnection are economically reasonable. BTC therefore concludes that the words "economically reasonable" should not be deleted from this Clause.

D.8.5 Escalation process

It appears that CBL has not read the RAIO carefully. Timeframes for updates on fault repairs are given in Clauses D.8.2 and 8.3, and the escalation timescale for service affecting faults is given in Table H.5.

D.9.1 Scheduled maintenance works

BTC has proposed that the period of notice should be "at least five (5) working days". While this is close to CBL's proposal for ten (presumably calendar) days, BTC considers that its existing working practices should form the basis for the notice period rather than CBL's.

D.13.5 Network alterations

BTC considers that the RAIO already distinguishes between major network alterations and other alterations. Major alterations are listed in Clause D.14.3, and a six month notice period is required. All other network alterations are handled under Clause 13.5, and an eight week notice period is required.

CBL's distinction between "routine" and "extraordinary" network changes is not helpful as what may be routine to one operator may be extraordinary to another. BTC expects that discussions between operators on network alterations will take place

during the network planning meetings envisaged as part of the planning and forecasting system. It does not think that URCA should approve any network alterations as they are operational matters, unless, of course, they become a matter for an inter-operator dispute.

D-1.2.2 Emergency notice

As BTC noted in its Response, URCA's comments are based on a misreading of the clause, and CBL has not appreciated this problem in its comments.

BTC considers that a definition of "emergency" and a process for an emergency is best **not** provided, so that the specific need can be met at the time, rather than creating an argument about whether it meets the definition or the process in the RAIO. An example of an emergency not covered by CBL's definition is a serious injury to an OLO's employee, where BTC would expect that its and the OLO's staff would respond as quickly as possible without referring to the RAIO.

D-1.2.5 Contact persons

BTC considers that the wording in the RAIO is sufficiently flexible so that if CBL wishes to update its list only 24 hours before a visit, this would be acceptable to BTC. There is no need to change the wording of this clause.

E.4.2 Period for unpaid debts

BTC considers that the CBL period of 90 days after the invoice date before collection action can start is too long. It notes that in the interests of equity, the same arrangement should apply to both operators.

G.7 Operator assistance calls

As stated in Clause G.7, calls are charged on a per second basis. BTC follows normal practice of the majority of reference offers in expressing the charges on a per minute basis, rather than on a per second basis.

H.1.3 Compliance with quality of service standards

In its comments, CBL appears not to have seen the measurable quality of service standards set out in Tables H1 – H.7.

BTC has made its comments on CBL's proposals for liquidated damages in its comments on CBL's response to Clause 8.2 above.

BTC considers that both operators must conform to the same quality of service standards so that customers of both networks can receive the same quality of service. Without similar standards, the customer making calls that go across more than network will find that the call is limited to the lower quality of service standard, and BTC does not think that this is acceptable. Hence quality of service standards must be reciprocal.

H.3.1 Grade of service

BTC notes that CBL agrees with the standard proposed in the RAIO.

H.3.2 Availability of joining circuits

CBL's target of network availability on joining circuits of 99.999% is completely unrealistic. BTC notes that the target it proposes in the RAIO of 99.5% is also used in Barbados and Trinidad, and considers that this target should remain while it gains more experience of operating joining circuits in a competitive environment.

H.5.3 Availability of joining circuits

See comment above.

Annex I Partial Failure

BTC agrees with CBL that the term "Partial Failure" can be removed from the list of definitions as it is not used as a term in the RAIO.

2. BTC comments on the response from SRG

General comments

BTC welcomes this opportunity to comment on SRG's submission on BTC's draft RAIO. BTC believes that SRG's submission is not based on a thorough review of the workings of the RAIO and, in particular, is based on the peculiar belief that previous agreements between BTC and SRG are in any shape or form relevant for the development of the RAIO, which is based on guidelines provided by URCA. BTC considers SRG's submission to present an opportunistic attempt to achieve some quick gains in the interconnection arena, often by ignoring the results of the extensive consultations on the RAIO, and by ignoring URCA's guidelines, the Act and international best practice.

With this in mind, we shall now address the specific points made by SRG. Please note that BTC reserves the right to provide further comment at a later stage. BTC also does not necessarily agree with SRG if it does not provide comment on all of SRG's statements.

Wholesale and retail distinctions

BTC recommends that SRG should distinguish between calls that are free of charge and calls that are included in a monthly subscription fee (i.e. unlimited or unmetered calls). BTC's VOIP calls and PSTN local calls are bundled in with the subscription fee for the respective services and are therefore not 'free' from the perspective of regulatory intervention. This issue is recognised by both URCA and Cable Bahamas but for some reason not by SRG.

SRG also appears to confuse the purpose of this consultation when it states that 'BTC should therefore be compelled to provide free of charge calling from its Family Island fixed line customers to the VoIP customers of OLOs that compete with it'. The RAIO consultation relates to tariffs for wholesale services, not to retail pricing.

BTC's Development of its draft RAIO

BTC is astounded that SRG feels able to put forward such a self serving and inaccurate line of argument as appears in this section. Without wishing to go into the complicated and extensive history of interconnection between BTC and SRG (which has been provided to URCA as part of a separate dispute), BTC points out that it has attempted to negotiate a new interconnection agreement with SRG in order to replace the arrangements that expired in 2009 with an agreement that is more appropriate to a fully competitive market. This process was put on hold while BTC develops a reference offer, initially under the instructions of the Public Utilities Commission, and more recently under the instructions of URCA.

SRG argues that the outdated terms of the expired agreement between BTC and SRG should be used as the basis for future interconnection agreements. This argument flies in the face of the requirements of the Communications Act 2009, URCA's Final Decision on obligations imposed on operators with significant market power, and URCA's Access and Interconnection Guidelines. In developing its RAIO, BTC has attempted to comply with these legal requirements and to utilise the experience of

liberalising markets in other countries. BTC totally rejects SRG's argument, and looks forward to receiving URCA's support when BTC comes to replace its interconnection arrangements with SRG with an agreement based on the RAIO, in compliance with Section 6.3 of URCA's Access and Interconnection Guidelines.

Omissions in BTC's Offered Interconnection Services

1-800-389 services

International incoming calls to freephone numbers on BTC's network are now covered by the Call Termination Service to Freephone Numbers which BTC has agreed to include in the RAIO instead of the Call Origination Service to Freephone Numbers.

1-800 Termination service

These calls are also covered by the Call Termination Service to Freephone Numbers.

Short Message Service

URCA has not identified this service as a RAIO service in its Final Decision on obligations imposed on operators with significant market power. If SRG had wished to have this service considered for inclusion as a RAIO service, it should have made appropriate representations during the consultation process on the obligations.

Backhaul service

In its comments SRG is conflating backhaul (which provides connectivity between a local exchange and an operator's point of presence, principally as part of a wholesale broadband service) and transmission (which provides connectivity between different parts of an operator's trunk network).

BTC considers that both backhaul and transmission can be provided by any operator as a self build facility or can be leased from CBL. It notes that in its Final Decision on obligations imposed on operators with significant market power, URCA concluded that both CBL and BTC had market power in the wholesale leased lines market, but did not impose any requirement on either operator to include these services in their reference offers. BTC sees no reason to change this position, and if URCA wishes to review this position, it should repeat the market analysis process. However, BTC has included a both a backhaul service and a transmission service in its Commercial Wholesale Offer, which will be available to SRG, as to any other operator.

VoIP service

URCA has not identified this service as a RAIO service in its Final Decision on obligations imposed on operators with significant market power. If SRG had wished to have this service considered for inclusion as a RAIO service, it should have made appropriate representations during the consultation process on the obligations. BTC notes that many of the points made by SRG are about retail arrangements, and hence not the subject of this consultation. Of course, the retail bundling of calls and access is a common practice.

Anomalies in BTC's Offered Interconnection Services

Call Termination to Non-Geographic Numbers

BTC expects non geographic numbers will be identified in the National Numbering Plan as the telecommunications market in The Bahamas grows and matures.

National Transit Call Conveyance

SRG's comments are based on a misunderstanding of network architecture and charging arrangements. A mobile termination charge covers the costs of carrying a call from the point of interconnection with the mobile network to the mobile customer. The transit charge covers the cost of carrying the call from the points of interconnection on the fixed network to the point of interconnection with the mobile network. The two charges cover different parts of the call path.

SRG suggests that URCA's comments about the airtime charge should apply to the transit charge. Again this is based on a misunderstanding of network architecture and charging arrangements. The airtime charge, where levied, covers the cost of carrying a call on the mobile network, not on the transit network. Hence a transit charge is valid whether the mobile network cost is covered through an airtime charge to the retail customer or through a termination charge to the originating operator.

Page 4, Consultation Question 1

Do you agree that BTC should be required to provide a clearer separation between its draft interconnection contract and the draft reference access and interconnection offer? Please detail your response in full.

SRG's distinction between contractual and service terms makes no sense. All the terms in an interconnection agreement are part of the legally enforceable contract.

In BTC's view, pages 6 and 7 of the RAIO are valuable in explaining the status and processes associated with the RAIO. If they are excluded, as SRG suggests, they will have to be reproduced elsewhere.

BTC is pleased to see that SRG agrees with the concept of reciprocity. SRG's confusion over the structure of the interconnection agreement illustrates the lack of clarity in URCA's approach to reciprocity. BTC considers that its approach, that the terms and conditions for the supply of interconnection services between two operators should be contained in one agreement, with reciprocal terms wherever appropriate, provides the clearest and most efficient approach.

Page 4, Consultation Question 2

Do you agree that the BTC should remove any obligations on other operators which are inappropriate and unnecessary to manage the interconnection regime in The Bahamas? Please detail your response in full.

BTC considers that in its comments SRG has lost sight of the principles behind regulated interconnection, that is to ensure that the customers of one network can communicate with the customers of another network. URCA has already stipulated that:

*“The RAIO shall offer access and/or interconnection services that enable end-to-end connectivity between customers on an SMP operator’s network and customers on another licensee’s network”.*¹

Hence the RAIO should include interconnection services provided by an OLO to BTC. Moreover, the terms and conditions for these services should be similar to those offered by BTC to the OLO in the interests of equity and the ease of managing interconnection for all operators.

Page 5, Consultation Question 3

Do you agree that the BTC should fully justify any reciprocal clauses that remain in the RAIO? Please detail your response in full.

BTC is surprised by SRG’s comment on Clause C-2.2 and Clause E.2.2, which specify a basic content of a CDR. The formats described in these clauses are standard in the telecommunications industry, and are the minimum necessary to ensure that any disputes can be resolved efficiently. Similarly, the forms in Schedules 1 and 2 to Annex E show the minimum data needed to ensure efficient verification of bills. SRG appears not to have noticed that the forms are described as “samples”, so that a different format can be used if the operators so agree.

Page 5, Consultation Question 4

Do you agree that BTC should remove from its RAIO any reciprocal charging obligations on other operators? Please detail your response in full.

In its response to URCA, BTC has accepted that pricing may not be reciprocal. As noted in its comments on CBL’s response to this question, BTC believes that URCA has to give more consideration to how interconnection prices should be set on an OLO’s access network

Page 5, Consultation Question 5:

Do you agree that BTC should include in its RAIO the ability of OLOs in The Bahamas to terminate incoming international calls on BTC’s network? Please detail your response in full.

BTC agrees that OLOs should have the ability to terminate international traffic on BTC’s network, as also stated in BTC’s Response to URCA’s Consultation Document ECS 22/2010 on BTC’s draft Reference Access and Interconnection Offer.

However, BTC believes that a distinction between termination services that originate locally versus internationally is wholly appropriate given the different impact of these services on the development of competition and on the interests of citizens of The Bahamas. We note that URCA itself has made this distinction during the various SMP consultation processes.

¹ URCA. Access and Interconnection Guidelines. Page 5, Section 4.2

BTC's position on this topic, as expressed in its response to URCA, is that it is in the interest of citizens of The Bahamas for international termination tariffs to be commercially negotiated. The approach proposed by SRG would only benefit international operators originating the traffic, particularly SRG, and it would not benefit operators and consumers overall in The Bahamas.

Page 6, Consultation Question 6:

Do you agree that the international call transit RAI0 service should be made available to OLOs and that the charge should be based on:

- *A cost-based charge for call conveyance on BTC's network (including BTC's international facilities); and*
- *The relevant international settlement rate, passed on to OLOs at cost?*

Please detail your response in full.

BTC welcomes SRG's views that it is not onerous on OLOs to negotiate bilateral call termination arrangements with an international partner and BTC would like to add to this that the choice would not even be limited to BTC's international partners, it could be any international partner as long as they have a presence in the same POPs in Miami.

BTC does not understand however how this view by SRG can be affected by any change in the ownership structure of BTC. If, as SRG states, BTC were to be acquired by a regional partner with other regional subsidiaries, this 'might bring about settlement rates with those subsidiaries that were unattainable by other operators in any circumstances'. It continues that 'in SRG's view BTC would then be abusing its SMP and anti-competitively distorting the market'. It is not clear from the text which 'SMP' SRG has specific concerns about in this context and BTC respectfully asks how it could have SMP for a service that is not actually provided on its own network but on the network of a hypothetical strategic partner. We would welcome SRG's or URCA's view on how such a 'problem' could be relevant within the context of regulatory intervention in The Bahamas.

Page 7, Consultation Question 7

Do you agree that URCA should periodically review the relevant international settlement rates charged by BTC to OLOs for the international call transit RAI0 service, to ensure that such charges are passed on to OLOs at cost? Please detail your response in full

BTC welcomes SRG's views that such periodical reviews would be unnecessary 'in nearly all cases'. BTC would add that SRG has not provided examples of any exceptions that would merit ex ante intervention by URCA and BTC suggests that any issues over which URCA has legal jurisdiction in this matter should be dealt with through its ex post competition powers.

Page 8, Consultation Question 8

Do you agree that BTC must:

(i) add a RAI0 call termination service for calls to freephone numbers on its network

(ii) remove the RAIO charge for call origination from BTC's mobile network to freephone numbers on an OLOs network if BTC charges for such airtime?

Please detail your response in full.

As URCA will have seen from BTC's earlier comments, BTC has agreed to remove the call origination to freephone numbers service, and to add a call termination to freephone numbers service. As a result, there will no longer be a call origination charge for freephone numbers from fixed or mobile phones in the RAIO.

In its comments, SRG makes two inaccurate statements:

- BTC will not be acting as a "clearing house" for freephone calls. It will be providing a regulated termination service to freephone numbers on its network. OLOs with freephone numbers will need to make their own arrangements for the termination of calls on their networks, including the negotiation of the origination fee.
- If an OLO wishes to use the BTC network as a transit network, BTC's national transit service will be available to it. In this case, BTC will charge the terminating operator the transit fee, and the originating operator will charge the terminating operator its origination fee.

Page 8, Consultation Question 9

Do you agree that BTC must include a service for terminating calls from OLOs to premium rate numbers in its RAIO? Please detail your response in full.

BTC rejects SRG's arguments that it should be required to provide a service for the termination of international premium rate or freephone numbers. BTC has no control over the termination of these calls, which takes place on a network controlled by an operator in another country. Hence it has no market power over the international termination market, and URCA cannot impose any remedies on it.

Furthermore, as SRG properly points out in its response to Consultation Question 6, an OLO is at complete liberty to make its own arrangements for the termination of calls either directly with the terminating operator or through an international transit operator. SRG should apply the same logic to its answer to this Consultation Question.

As BTC points out in its Response, this Consultation Question does not clearly distinguish between domestic and international premium rate services. BTC has included a termination service to premium rate numbers in its Commercial Wholesale Offer.

Page 9, Consultation Question 10

Do you agree that BTC should offer both direct accounting arrangements and cascading account arrangements for its call transit service? Please detail your response in full.

BTC considers that SRG has not put forward any good reasons why cascade accounting should be provided by BTC.

Page 9, Consultation Question 11

Do you agree that BTC should remove any call handover requirements from the RAIO and that BTC should amend the RAIO to the wording proposed by URCA? Please detail your response in full.

BTC has agreed to URCA's proposal, subject to two qualifications. However it notes that SRG is not aware that its point of interconnection with BTC is no longer in operation, presumably because BTC has undertaken the change to New Providence seamlessly.

BTC fully agrees that re-routing to an alternative point of interconnection should be permissible in the event of congestion, irrespective of the direction of traffic. As this is clearly permitted under Clause D.3.1, SRG is not making a useful point here.

Clauses G.1 makes it clear that there are two categories of charges for termination, one for calls between numbers on the same island, and another to numbers on a different island, irrespective of the actual routing of the call. SRG appears not to have read this part of the RAIO.

Page 10, Consultation Question 12

Do you agree that the following terms should be incorporated in BTC's RAIO:

- *Joining Circuit, meaning the T1 capacity provided over a PoI;*
- *Joining Path, meaning the higher level transmission bearer; and*
- *Interconnect Traffic Route, meaning the group of 64kbit/s channels over which a given type of interconnect traffic is directed. A Traffic Route will usually be carried over two diverse Joining Paths for security and may even have an overflow via another PoI to cope with unusual traffic flows?*

Please detail your response in full.

BTC considers that the past charging arrangements between SRG and BTC, which were agreed in a very different market and regulatory environment, are not relevant to the RAIO, where charging arrangements are based on the more economically efficient principle of cost causation that is the operator creating the cost should bear the costs associated with meeting its requirements.

Page 10, Consultation Question 13

Do you agree that further details need to be included in the RAIO on how decisions relating to the planning, construction and provision of the Joining Path are achieved and Annex G should reflect the appropriate charges of the chosen cost-recovery system? Please detail your response in full.

BTC has proposed a number of changes to the draft RAIO in order to take URCA's distinction between Joining Paths and Joining Circuits into account.

Page 10, Consultation Question 14

Do you agree that the current number of PoIs provided by BTC and its proposed approach to review interconnection requests at new PoIs are feasible? Please detail your response in full.

From its comments, SRG is not aware that the point of interconnection in Abaco was closed in July 2009 as part of the migration to BTC's next generation network. Hence it is not technically suitable as a point of interconnection. BTC comments that the RAI0 is entirely consistent with this position.

SRG makes a comment about inflated costs of reaching the two points of interconnection on New Providence or Grand Bahama. As the price of inter-island joining circuits has to be cost based and approved by URCA, it is unlikely to be inflated. BTC is under no obligation to provide points of interconnection on every island of The Bahamas, and if an OLO decides to provide service on a particular island, it should bear all the costs associated with providing that service, including the costs of carrying traffic to the points of interconnection. BTC is in exactly the same position.

As stated in our comments on Consultation Question 11, SRG appears not to have read Clause G.1, which identifies two categories of charges for termination, one for calls between numbers on the same island, and another to numbers on a different island, irrespective of the actual routing of the call.

Page 10, Consultation Question 15

Do you agree with the following recommendations by URCA:

- (i) BTC should, in responding to this consultation document, provide an appropriate forecasting and capacity planning system, reflecting the scale of local operations.*
 - (ii) The agreed forecasting and capacity planning system should be reflected in BTC's RAI0 which, before being concluded, must be reviewed and approved by URCA.*
- Please detail your response in full.*

BTC is pleased to see SRG's comment that the planning and forecasting system proposed by URCA is too onerous for new operators. It hopes that URCA will bear this in mind when it evaluates BTC's proposals for an appropriate planning and forecasting system.

Page 11, Consultation Question 16

Do you agree that BTC should continue to offer free local calls given the non-zero RAI0 charge for intra-island interconnection? Please detail your response in full.

BTC recommends that SRG should familiarise itself with the distinction between a free service and a service which attracts no incremental charges when used, but which is bundled in with another service for tariffing purposes. BTC has not 'set the local call charge to zero', BTC has historically bundled local calls with the line rental and other services into one monthly subscription. This is an important distinction which undermines SRG's entire position on this question.

As pointed out BTC also fully refutes any relevance of any IA documents previously signed between BTC and SRG in relation to this consultation. The RAIO has been developed in accordance with the Act and based on detailed guidelines provided by URCA. One of the key requirements of these guidelines is to ensure that RAIO tariffs are based on underlying costs. SRG's suggestion would result in BTC being in breach of such guidelines and would result in BTC providing an inefficient cross-subsidy to other operators, to the detriment of consumers in the Bahamas.

BTC notes that its current retail pricing approaches are in line with pricing approaches elsewhere at this stage of the liberalisation cycle. We would welcome a detailed discussion on any concerns by the industry in the context of the introduction of retail price caps for BTC, as long as such discussions also address the interests of vulnerable consumer groups that have historically benefited from BTC's retail pricing approaches.

Page 14, Consultation Question 17:

Do you agree that BTC should be able to charge a cost oriented tariff in the RAIO for terminating calls to emergency services, and that each licensed operator should recover the costs of providing free emergency call services to their retail customers from their general revenues? Please detail your response in full

BTC believes that SRG's position on this question is reflective of simple opportunism rather than a position that is in any way constructive. Moreover it is not based on a professional understanding of best practice service costing.

SRG states that 'BTC has a historical sunk cost of any necessary equipment or circuits to interconnect with the emergency services'. Does SRG suggest here that an investment that has been made in the past no longer has relevance for the determination of relevant service costs today? If that is so, BTC would love to eavesdrop in any meetings between SRG's management and its shareholders where such notions are expressed in relation to its own business. SRG also states that there is no 'greater burden on BTC' as a consequence of the call originating on an OLO's network. As it happens, the 'burden' to BTC of these emergency calls is actually lower, because BTC does not provide the origination leg on such calls. However, this is not relevant for the determination of a suitable tariff for the termination service to emergency calls. BTC is quite astounded that SRG does not feel any obligation, morally or otherwise, to contribute to a service that is essential to the well-being and safety of the citizens of the Bahamas. BTC expects that the vast majority of calls to emergency services will continue to originate on its networks for the foreseeable future and BTC is happy to absorb the costs of such calls, as a responsible stakeholder in the industry. BTC suggests that SRG does the same.

Page 15, Consultation Question 18

Do you agree with URCA's requirement for BTC to submit retail proposals for calls to DQ enquiries and automated ancillary services given BTC's non-zero RAIO charges for equivalent wholesale inputs? Please detail your response in full.

BTC refers here to its own answer to question 18 in its submission document.

Page 15, Consultation Question 19

Do you agree that mobile termination charges should not be included in the final RAIO except for incoming international calls to mobiles (delivered via an OLO)? Please detail your response in full.

We note again that SRG insists on introducing elements of non-relevant documents into the discussion as if URCA can somehow ignore its legal obligations under the Act as a consequence of their existence. As noted in our own response the level of the mobile termination rates should be set at cost in such a way that signals are placed in the market for efficient market entry and investment, in the interest of citizens of the Bahamas. SRG's proposals would result in a simple subsidy being provided by BTC to SRG and other operators, to the detriment of these important principles.

Page 16, Consultation Question 20

Do you agree that it is appropriate for BTC to set a single rate in the RAIO across all times of the day for its fixed voice products? Please detail your response in full.

BTC agrees with SRG on its answer.

Page 16, Consultation Question 21

Do you agree that BTC should publish charges for joining services for all available links in its RAIO? Please detail your response in full.

BTC refers to its own answer to Question 21. We note that most of SRG's answer has absolutely nothing to do with the actual question.

Page 17, Consultation Question 22

Do you agree that for its final RAIO, BTC should develop revised charges based on the amendments to its Accounting Separation model? Please detail your response in full.

BTC notes that SRG position is that 'it is difficult for any OLO to comment on URCA's analysis' and BTC believes that SRG's approach to service costing as expressed in its answer to Question 17 certainly supports that view. Again most of the text in the submission to this question bears no relevance to the actual question and should be ignored.

Page 17, Consultation Question 23

Do you agree with URCA's approach that where BTC has used the AS model for developing interconnection tariffs, these tariffs be used for 2010 (with appropriate adjustments for the cost allocation issues highlighted by URCA) and adjustments for efficiency be incorporated, in parallel with production of the AS model based on 2010 financials, from Summer 2011 onwards? Please detail your response in full.

BTC would welcome an explanation by SRG on how URCA could ignore the Act, its own guidelines and the results of extensive industry consultation and follow SRG's advice in its answer to this question. SRG's position is so blatantly self-serving that it undermines its credibility in this consultation process.

Page 18, Consultation Question 24

Do you agree with URCA's proposal:

(i) Not to require BTC to change its draft RAIO charge for its calls to Directory Services for this year's RAIO; but

(ii) To develop revised charges for this service, based on its AS unit cost results, in subsequent years.

Please detail your response in full.

BTC refers here to its own answer to question 24 in its submission document.

Page 18, Consultation Question 25

Do you agree with the revised approach and resulting RAIO charges for BTC's Automated Ancillary charges (as set out in Table 2)? Please detail your response in full.

BTC refers here to its own answer to question 25 in its submission document.

Page 18, Consultation Question 26

Do you agree with the revised approach and resulting RAIO charges for BTC's international transit charges (as set out in Table 3)? Please detail your response in full.

BTC refers here to its own answer to question 26 in its submission document.

Page 18, Consultation Question 27

Do you agree with URCA's proposition:

(i) not to require any changes to BTC's draft RAIO charges for its Operator Assistance service, but

(ii) to require BTC to remove minimum call duration (of three minutes) from this service?

Please detail your response in full.

BTC refers here to its own answer to question 27 in its submission document.

Page 18, Consultation Question 28

Do you agree that, in absence of further evidence on cost-reflectivity of its current charge, BTC should reduce the RAIO charge to \$1.91 per data entry? Please detail your response in full.

BTC is pleased to clarify SRG's questions:

- the charge is per data entry
- the data entry charge includes publication in the white pages
- in the future, information about an OLO's customer will be supplied solely by the OLO
- all subscribers who have telephone service are allowed one free entry into the white pages in the telephone directory;
- any other entry in the white page will cost \$3.00 per entry per month

- an entry in ‘**Bold**’ will cost \$4.00 per entry per month
- an entry in “*Super & Blue*” will cost \$13.00 per entry per month
- an entry in **Red** or **Green** will cost \$18.00 per entry per month
- yellow pages ads begin from \$14.00 per month (1/16 page) to \$560.00 (full page).

Page 19, Consultation Question 29

Do you agree that BTC should:

(i) prepare, and publish, separate charges for its two PoI facilities in New Providence and Grand Bahama; and

(ii) that these charges should contain location-specific accommodation cost estimates, which are reflective of the current utilisation of the relevant facilities (i.e., an average cost per square foot charge, weighted by the share of commercial and office space).? Please detail your response in full.

BTC notes that the provision of physical co-location space on towers is not a regulatory obligation and should therefore not be included in the RAIO. BTC would also like to make it clear that co-location facilities are provided for interconnection between itself as an SMP operator and other operators. BTC does not, and need not provide facilities for interconnection between other operators on its premises under the RAIO.

Page 19, Consultation Question 30

SRG has only included comments where it does not agree with URCA. BTC has therefore only commented on these specific matters. For all other comments, BTC refers URCA to the full BTC response.

3.2 - Available interconnection services

As BTC comments on SRG’s section entitled “Anomalies in BTC’s Offered Interconnection Services” show, the services described by SRG are already covered by the existing RAIO services, or have not been identified as RAIO services by URCA.

4.3 – Minimum term for interconnection services

BTC considers that a minimum term of one year is reasonable so that BTC can recoup some of the upfront costs involved in negotiating and setting up the provision of an interconnection service. BTC notes that URCA has not objected to this term in its comments.

11 - New services

BTC considers that the wording of this clause does not need any change.

13.2 Equipment approval

BTC shares SRG’s concern that URCA has not thought through the implications of its proposed amendment.

14.2 Calling line identity

The points raised by SRG are not germane to this clause, and are already covered by Clause C.5.

16.1 Retail customer relationships

In the view of BTC, recent history shows the value of this clause. Ill founded public comment has worsened the public's opinion of the electronic communications industry and relationships between operators, and it would be much better if the operators can develop better working relationships and ways of resolving issues between themselves. As this Clause makes clear, it is concerned with matters arising from the "operation of the Interconnection Agreement", not policy matters which are the subject of URCA's public consultations.

18 Breach and suspension

In its comments SRG has failed to distinguish between a dispute (where the operators cannot agree over a matter) and a breach (where one operator has failed to comply with the contractual requirements of the interconnection agreement). Both remedies are required. BTC considers that all the causes listed in Clause 18.2 of the RAIO are valid grounds for suspension, and that in particular suspension is necessary as a remedy against a continual breach of the interconnection agreement.

19 Termination

BTC considers that all the causes listed in Clause 19.2 of the RAIO are valid grounds for termination, and especially in the case of a continual breach of the interconnection agreement.

20.6 Force majeure

BTC notes that this is a standard force majeure clause, and that URCA has not commented on its provisions. BTC sees no need to change its wording.

21.4 Review

BTC has identified Annex C - Technical Specifications, Annex D - Operations and Maintenance, Annex E - Billing, and Annex G – Price List as the Annexes where BTC, as the main operator on The Bahamas, sets the standards (or in the case of Annex G, the prices). It may need to amend these in order to reflect change in operating practices, and this Clause enables BTC to initiate a review at any time. The review then follows the process set out in the subsequent clauses. BTC considers that this provision is entirely reasonable.

21.7 Dispute timescales

In its response, BTC proposed that a period of one month should be substituted for the period of three months. It considers that the period of four months is too long, but notes that SRG is correct in stating that this is the period stipulated by URCA in the Access and Interconnection Guidelines.

23 Confidentiality

BTC considers that a Non Disclosure Agreement, which covers the confidentiality of information while the operators are negotiating the interconnection agreement, is not

relevant to Clause 23, which covers confidentiality and related matters during the course of the interconnection agreement, once it has been signed.

24 Bank guarantee

BTC notes that in response to SRG's specific points:

- in "extreme circumstances" a bank is unlikely to give a guarantee to an operator that is in financial difficulties
- a bank guarantee clause is found in many reference offers
- by making the imposition of a bank guarantee discretionary, BTC can take into account past history (if any)
- the right of suspension for non payment is not a substitute for a bank guarantee, under which BTC will be able to gain the money owed to it

BTC considers that a credit limit, as proposed by SRG, is not an adequate substitute for a bank guarantee, which ensures that BTC obtains the money due to it. A credit limit does not achieve this.

BTC also notes that SRG argues here for reciprocity. In this case BTC considers that this is not necessary as BTC is a well established and well capitalised organisation.

27 Limitation of liability

SRG fails to explain what problems it finds with the clause as drafted, and hence BTC cannot see any reason to amend it. BTC does not consider that Clause 13 of the SRG – BTC agreement is a suitable replacement.

Annex A Service Definitions

As BTC's comments on SRG's section entitled "Anomalies in BTC's Offered Interconnection Services" show, the services described by SRG are already covered by the existing RAIO services, or have not been identified as RAIO services by URCA.

Annex A.1.1 International termination

BTC has commented extensively on this issue in its Response to Consultation Question 5. BTC accepts that international inbound calls should be terminated as part of the call termination service, provided that a different termination rate can be charged for international incoming calls.

Annex A.1.2 Call handover

BTC has agreed to URCA's proposals for call handover.

Annex A 1.7 CLI

BTC notes that this clause refers to Terminating Calls, which at the time the RAIO was prepared, excluded international inbound calls. There should be no reason why the CLI for domestically originated calls should be suppressed. If international inbound calls are included in the Call Termination Service to Geographic Numbers, it would be sensible to make Clause A.1.7 (along with the equivalent clauses for other services) subject to Clause C.5.

A.2 Call Termination Service to Non Geographic Numbers

BTC refers SRG and URCA to its comments on non-geographic numbers above.

A.6 Directory Number Inclusion Service

As BTC commented in its Response, the process for including numbers in this service is a matter of detail rather than policy, and hence not suitable for inclusion in a RAIO, with its protracted processes for changing the RAIO.

A.8.10 Emergency calls

While BTC agrees that calls to emergency numbers should be free to retail customers, it agrees with URCA that there should be a charge to wholesale customers.

A.9 Freephone service

BTC has agreed to remove the call origination service to freephone numbers and replace it with a call termination service.

A.10 International call transit

BTC is pleased to see that SRG agrees with BTC's position, that international outgoing call termination should be available as a commercial wholesale service, not a regulated service.

A.11 National call transit

As BTC explains in its comments on National Transit Call Conveyance above, SRG does not understand the difference between an access network (for which a termination charge is made) and a transit network (for which a transit charge is made). BTC incurs a cost for the transit of all calls between its fixed and mobile networks, and so should be able to recover these costs from other operators.

A.11.7 Fault rectification

BTC agrees with SRG that this clause is a repeat of Clause A.11.5, and can be deleted.

A.11.10 Direct accounting

Cascade accounting would only be relevant for transit between an originating operator and a terminating operator where the three operators (originating, transit and terminating) are different. It is not relevant where there are only two operators involved, as with transit across BTC's fixed network to BTC's mobile network. In any case BTC does not see the need for cascade accounting at the present time.

A.12.2 Joining circuits

BTC agrees that higher capacity joining circuits should be available when demanded by the market.

A.13.4 Physical co-location

If an OLO decides to use a microwave link to provide a joining circuit, it will be able to negotiate access to any tower space at the point of interconnection through BTC's Commercial Wholesale Agreement. As the OLO has a choice of using a microwave

link or a fixed link, BTC does not agree that the provision of tower space should become a regulated service.

Schedule 1 to Annex A

As BTC comments on SRG's section entitled "Anomalies in BTC's Offered Interconnection Services" show, the services described by SRG are already covered by the existing RAIO services, or have not been identified as RAIO services by URCA.

B.1 Request for service

Bearing in mind SRG's comments on BTC's Development of its draft RAIO, BTC is very concerned that SRG wants to roll over the arrangements in its existing interconnection agreement to the new basis. If SRG is allowed to do this, it would result in arrangements that are discriminatory and incompatible with other interconnection agreements. Hence the arrangements with SRG must be brought on to the terms and conditions of the RAIO.

B.5.1 Provisioning of services

As BTC's comments above show, the additional services specified by SRG are already covered by the existing RAIO services, or have not been identified as RAIO services by URCA.

BTC considers that SRG's argument for "grandfathering" aims to ensure that it can continue its beneficial arrangements for call termination, directory and emergency services. These would be discriminatory and incompatible with other interconnection agreements if allowed to continue. BTC therefore rejects SRG's proposals.

B.6.1 Facilities services

See BTC's comments on Clause B.5.1 above. SRG appears to be unaware that the Abaco point of interconnection was closed in July 2009.

B.6.7 Joining circuits

BTC agrees that this clause can be deleted.

B.6.15 Payment of advance rental

The Firm Estimate will include the annual rental to be paid for the facility, and 25% of this amount becomes payable when the Order Acknowledgement is issued. This is a critical part of the planning and ordering system because it ensures that the Access Seeker is committed financially to the order when it is placed.

B.7.1 Joining circuits

In response to the specific issues raised by SRG:

- the circuits from Abaco have already been relocated
- migration to SS7 can be agreed between BTC and SRG as part of the interconnection negotiations
- the change to RAIO charging principles for joining circuits will be implemented once the new interconnection agreement has been completed

As these are matters specific to SRG, it is not appropriate to include them in the RAIO.

B.7.3 Charges for joining circuits

BTC considers that URCA's requirement for an explanation of cost sharing is met by Clause B.7.3. There is no need for a separate tariff schedule to illustrate this.

B.7.4 Access seeker to provide joining circuits

If an OLO decides to use a microwave link to provide a joining circuit, it will be able to negotiate access to any tower space at the point of interconnection through BTC's Commercial Wholesale Agreement. As the OLO has a choice of using a microwave link or a fixed link, BTC does not agree that the provision of tower space should become a regulated service.

B.7.6 Connection charge

Any connection or installation charge will be set out in the Firm Estimate. There is no need to include a separate line in Table H.3 for issuing an invoice as this takes place at the same time as the Firm Estimate is received.

C.1.1 Recommendations

BTC considers that the ITU Recommendations are sufficiently well known in the telecommunications industry as not to need any further explanation or definition.

C.1.3 Safety

BTC considers that it is not necessary to define dangerous or excessive voltages as the terms will be well understood by technical staff of the operators.

C.3.4 Joining circuits

BTC considers that the terms "Calling Party Number" and "Redirected Number" are sufficiently well understood as not to need any specific definition.

C.5.1 CLI

BTC does not accept SRG's proposal. It would be easy for an operator based in The Bahamas to agree with a foreign operator that it (the foreign operator) should suppress CLI, thus enabling the Bahamian operator to present an international incoming call as a domestic call.

BTC is seriously concerned that if its proposal to charge different termination rates for calls that are originated domestically compared to those that are originated in another country is implemented, some domestic operators may try to undermine the system by presenting internationally originated calls as domestic calls by suppressing CLI. Hence the clauses in the RAIO, such as Clause C.5.1, are of considerable importance not just to BTC but to the electronic communications industry as a whole. It is therefore critical that this Clause does not provide an OLO wishing to undermine the system with an easy escape.

C.5.4 CLI

Nature of Address is a term specific to SS7 signalling. BTC does not consider that the dispute process is suitable for preventing misuse of CLI because of the long

timescales involved. Where CLI is being blocked without good reason, this is probably being undertaken for fraudulent purposes, and should be stopped as soon as possible.

Schedule 2 C-2.2 Transmission

BTC refers to its comments on SRG's response to Consultation Question 3. It is appropriate for an interconnection agreement to specify the format of CDRs so any disputes over billing information can be resolved efficiently. BTC sees no need to amend the other standards in this Clause in the light of SRG's comments.

Schedule 3 C-3.3.6 Resilience criteria

These criteria will be agreed between the operators during the testing programme.

Schedule 4 points of interconnection

BTC refers to its comments on SRG's response to Consultation Question 14.

D.1.1 Meeting of interconnection managers

BTC expects that a responsible Interconnection Manager will appoint a deputy to act on his or her behalf whilst away on holiday or for sickness. Hence the five day period for a meeting should remain in the RAIO.

D.1.2 Joint Working Group

This Clause places a maximum of four members from each operator, and so allows for fewer members of the group if the operators so agree.

D.2.3 (b) Call handover

As BTC's comments on SRG's section entitled "Anomalies in BTC's Offered Interconnection Services" show, the services described by SRG are already covered by the existing RAIO services, or have not been identified as RAIO services by URCA.

D.2.4 Abnormal conditions

As with the rest of the interconnection agreement, the operation of this clause should be in the spirit of Clause 9. BTC therefore considers that SRG's suggestions for additional wording are unnecessary.

D.5.1 Malicious call tracing

In BTC's view, SRG's comments make no difference to this Clause.

D.7.7 Fault priority

While appreciating the intention behind SRG's suggestion that priority should be given to outages that affect access to emergency services, BTC considers that outages that affect emergency services would affect other services as well, and hence it is not possible to give specific priority to the emergency services.

D.9.1 Maintenance procedures

BTC does not consider that SRG's suggestion adds anything to the meaning of this Clause.

D.14 Decommissioning

As noted above, the Abaco point of interconnection has already been decommissioned.

Schedule 1 D-1.2.2 Emergency maintenance

BTC considers that a procedure for an emergency is best **not** provided, so that the specific need can be met at the time, with the operators' staff acting in the spirit of Clause 9.

E.2 Services

As BTC's comments on SRG's section entitled "Anomalies in BTC's Offered Interconnection Services" show, the services described by SRG are already covered by the existing RAIO services, or have not been identified as RAIO services by URCA.

E.2.2 CDR

As BTC has commented in its observations on Consultation Question 3, BTC is surprised by SRG's comments here. The formats described in this Clause are standard in the telecommunications industry, and are the minimum necessary to ensure that any disputes can be resolved efficiently.

E.2.9 Billing time limit

BTC considers that the time limit is a matter that can be discussed between the operators during the interconnection negotiations, depending on the services being provided between the operators.

E.2.10 Clock synchronisation

This Clause provides for agreement between the operators on the method of synchronisation. No doubt SRG will make its proposals during any interconnection negotiations.

E.4.1 Payment process

BTC considers that a period expressed in working days is more appropriate than calendar days for the payment of invoices as working days exclude public holidays when financial institutions are not working.

E.4.2 Action on unpaid invoice

As BTC commented in its Response, it believes that a period of 7 working days is quite sufficient before action may be taken on unpaid invoices. BTC is concerned that if a longer period is used, as proposed by SRG, this will become the standard period for payment, with financial consequences for the invoicing party.

E.7.1 Notice of dispute

The period of ten working days is sufficient for invoiced party to check its invoice and to initiate a dispute if necessary. This period has nothing to do with the six month period proposed for late charges in Clause E.6.3.

E.7.7 Meeting of CEOs

SRG has not read the phrase “or appointed delegates” in this Clause. BTC considers that it is reasonable for a CEO to appoint a delegate for a meeting within five days if the dispute process has failed. BTC considers that a firm timetable must be stated in the RAIO so that dispute can be resolved rapidly and efficiently.

E.7.11 Expert’s report

BTC would have no objection if the Expert wishes to deliver the report by email as well as by the other modes described in this Clause. However it does not consider that the Clause needs any amendment.

E.7.16 Payment of third party fees

BTC has proposed a revision to this Clause in its Response.

Schedules 1 and 2 to Annex E

These schedules show the minimum data needed to ensure efficient verification of bills. SRG appears not to have noticed that the forms are described as “samples”, so that a different format can be used if the operators so agree.

F.2.1 Escalation procedure

Clause D.8 deals with fault reporting, and Clause D.8.5 requires the operators to agree a fault escalation process which is appropriate to their organisational structures. BTC does not consider it appropriate for a RAIO, which is for inter-operator arrangements, to include provisions for consumer and media announcements.

F.4 Continued performance of obligations

BTC considers that SRG’s suggestion is unnecessary. The interconnection agreement, along with the rights and obligations described in it, continue until the agreement is terminated.

F.4.1 Time period for reference to third party

BTC believes that calendar days are more appropriate here in order to maintain consistency with the rest of this annex.

F.4.2 Mediator

BTC agrees with SRG’s suggestion here.

F.4.3 Number of arbitrators

As this Clause refers to the Arbitration Act, there is no need to change the wording of this clause in the light of SRG’s comment.

F.5.1 Referral to URCA

BTC considers that SRG’s suggestion is already covered by the last sentence of Clause 4.1. The reference to “Step 3” is clearly to Table F.1 in this annex.

F.5.2 URCA decision

In its Response, BTC agreed to the deletion of this Clause.

Annex G Service definitions

As BTC's comments on SRG's section entitled "Anomalies in BTC's Offered Interconnection Services" show, the services described by SRG are already covered by the existing RAIO services, or have not been identified as RAIO services by URCA.

G.1 Geographic numbers

As detailed in the comments on SRG's response to Consultation Question 16, BTC rejects SRG's proposal for bill and keep for intra-island calls as contrary to URCA's Access and Interconnection Guidelines and the Communications Act 2009.

As stated in its Response, BTC distinguishes in its charges for call termination between:

- calls from numbers in The Bahamas National Numbering Plan to numbers on the same island
- calls from numbers in The Bahamas National Numbering Plan to numbers on another island
- calls from all other numbers

These charge categories are irrespective of the call routing, hence covering SRG's point.

BTC has put forward extensive arguments why the termination of international inbound calls should not be cost oriented in its Response to Consultation Question 5.

G.2 Non geographic numbers

BTC refers SRG to its comments on non-geographic numbers above.

G.3 Mobile numbers

As commented above, BTC does not accept SRG's proposal for bill and keep for fixed to mobile traffic as this would be contrary to URCA's Access and Interconnection Guidelines and the Communications Act 2009.

G.6 Directory number inclusion service

The billing arrangements for this service are described in Clause E.3 of the RAIO.

G.8 Emergency services

While BTC agrees that calls to emergency numbers should be free to retail customers, it agrees with URCA that there should be a charge to wholesale customers.

G.9 Freephone numbers

BTC has agreed to remove the call origination service to freephone numbers and replace it with a call termination service.

G.10 International call transit

BTC is pleased to see that SRG agrees with BTC's position, that international outgoing call termination should be available as a commercial wholesale service, not a regulated service.

G.11 National call transit

As BTC explains in its comments on National Transit Call Conveyance above, SRG does not understand the difference between an access network (for which a termination charge is made) and a transit network (for which a transit charge is made). BTC incurs a cost for the transit of all calls between its fixed and mobile networks, and so should be able to recover these costs from other operators.

BTC does not accept that there should be direct interconnection to its mobile network given the low levels of traffic likely from the networks of individual OLOs to BTC's mobile network.

As stated elsewhere, BTC does not see the need to provide cascade billing.

G.12 Joining circuits

In its Response, BTC has included a schedule of charges for joining paths.

G.13 Points of interconnection

As explained in its comments on SRG's response to Clause A.13.4 of the RAIO, BTC considers that access to any towers should be on a commercial basis.

Table H.2

BTC agrees that table should be amended to show the issue of first invoice as coinciding with the acknowledgement of the firm facilities order.

Clause H.3.1 Joining circuit congestion

BTC is pleased to note SRG's support for the grade of service proposed in this Clause.

H.3.2 Joining circuit availability

BTC notes that the target it proposes in the RAIO of 99.5% is also used in Barbados and Trinidad, and considers that this target should remain while it gains more experience of operating joining circuits in a competitive environment.

H.4 Standards for network availability

This Clause deals with network availability, and the previous clause with joining circuits' availability. The two should not be confused, as suggested by SRG.

H.4.1 Availability measurement

BTC notes that SRG puts forward no reason why the answer/seize ratio should be preferred to the unsuccessful calls ratio.

H.5.3 Joining circuit availability

See BTC comments on Clause H.3.2 above.

H.5.4 Priority levels

While appreciating the intention behind SRG's suggestion that priority should be given to outages that affect access to emergency services, BTC considers that outages that affect emergency services would affect other services as well, and hence it is not possible to give specific priority to the emergency services.

H.6.1 Penalty payments

The first sentence of this clause should be reworded as:

“The Access Provider shall be liable for penalty payments if it fails to meet the targets for ordering, testing (as set out in Tables H.2, H.3 and H.4 above) and service restoration (as set out in Table H.5 above).”

H.6.1 Table H.9

As Table H.7 refers to repairs in the network of each operator, it is not appropriate for penalty payments to be made to the other operator, which may not be affected by the faults.

Annex I

As SRG provides no examples of where capitalisation is necessary, it is not possible to respond to this comment.

Breach Notice

As BTC notes in its comments on Clause 18 above, a Breach Notice is a necessary and valuable feature of an interconnection agreement, and must therefore be retained.

Data Management Amendment

As BTC has commented in its observations on Consultation Question 3, BTC is surprised by SRG's comments here. The formats described in this Clause are standard in the telecommunications industry, and are the minimum necessary to ensure that any disputes can be resolved efficiently.

Joining circuit

BTC does not see a need to change this definition at present.

Partial failure

BTC considers that the term “Partial Failure” can be removed from the list of definitions as it is not used as a term in the RAIO.

SIP

BTC considers that this abbreviation is sufficiently well known as not to require a separate definition.

3. BTC’s Comments on the Response from LIME

BTC notes the non-confidential response to the Public Consultation submitted by LIME. BTC’s only comment on the submission is that essentially for the most part LIME and BTC are in agreement on the responses to questions addressed by LIME.

4. Reservation of Rights

BTC has addressed the issues but reserves the right to comment at any time on all issues and states categorically that the decision not to respond to any issue raised in this Consultation in whole or in part does not necessarily represent agreement in whole or in part with URCA’s position, nor does any position taken by BTC in this consultation mean a waiver of any of BTC’s rights in any way. BTC expressly reserves all its rights.

Legal, Regulatory & Interconnection
November 10th 2010

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