



**OBLIGATIONS ON BAHAMAS TELECOMMUNICATIONS COMPANY  
LTD. UNDER S. 116(3) OF  
THE COMMUNICATIONS ACT, 2009**

**COMMENTS OF CABLE BAHAMAS LTD  
IN RESPONSE TO  
URCA'S CONSULTATION DOCUMENT ON BTC'S  
PROPOSED CHARGING FOR INTERCONNECTION  
JOINING SERVICES DRAFT  
(ECS 07/2011)**

May 4, 2011

## 1. INTRODUCTION

Cable Bahamas LTD (“CBL”) submits the following comments in response to the Consultation Document (ECS 07/2011) that was issued by URCA on 15 April 2011, concerning the charging arrangements for interconnection joining circuits proposed by the Bahamas Telecommunications Company Limited (“BTC”).

CBL commends URCA for its careful review of both the structure and level of BTC’s proposed charges for Interconnection Joining Services. CBL does not object, in general, to BTC’s proposals – as URCA proposes to modify them in the Consultation Document – based on the information that is currently available and CBL’s understanding of the way in which the proposed charges will be applied to Access Seekers.

However, BTC’s proposal and URCA’s proposed revisions raise a number of questions that should be considered and resolved before the final RAIO is approved. CBL identifies these issues below.

Regardless of the outcome of URCA’s final review at this stage of the process, URCA should closely monitor BTC’s application of these charges in actual practice. URCA should make clear that it will take prompt action to resolve any unforeseen issues that may arise as BTC implements the approved RAIO, particularly if there is a negative impact on the development of competition in the markets for voice services.

## 2. JOINING PATHS

CBL agrees with the principles articulated by URCA in its Final Decision on the RAIO and referenced in Section 2 of the Consultation Document (at page 4): *“Joining paths should be mutually planned and constructed, with each party paying for the whole or part which it constructs.”*

In this context, no costs related to the construction, operation or maintenance of the transmission equipment or physical transmission links constituting a Joining Path should be charged to the Access Seeker for the portion that it constructs.

With regard to ducts (and submarine cables), however, we believe it is important to distinguish the following potential situations:

- If one party constructs and operates the entire Joining Path, the costs of the ducts (and submarine links) should be supported equally by the two parties and therefore the costs split in half;
- If each party constructs its own Joining Path between the two network termination points, in order to have more robustness and resilience, each party should bear its own costs (including installation and maintenance); and

- If the Joining Path is mutually constructed – that is if each party constructs a share of the Joining Path up to a meeting point (e.g. a footway box), as in the case of in-span handover – then each party should support the installation and maintenance costs of its part of the Joining Path from its network termination point to the footway box at the meeting point.

### **3. JOINING CIRCUITS**

Joining Circuits correspond to the capacity available over a Joining Path. Joining Circuits can be bidirectional or unidirectional. CBL agrees with URCA that Joining Circuits should be measured and charged on the basis of T1 units, not OC3 or DS3 units as proposed by BTC. CBL also agrees with URCA that the charges for Joining Circuits should cover only installation and maintenance costs for T1 ports in the exchange and the cost of the T1 terminating card.

### **4. PROPOSED TARIFFS**

As a transitional measure, and without experience of how BTC's proposed tariffs will actually be applied in practice or how they will compare to BTC's corresponding retail charging arrangements and tariff levels, CBL has no overall objection to the proposed tariffs. However, we offer the following comments for URCA's consideration before approving the final RAIO.

#### **A. Joining Paths**

- (1) CBL expects that charges covering duct costs will only be incurred by Access Seekers that request BTC to install the entire Joining Path between the two operator's points of presence. Duct costs are by nature fixed costs, and CBL would expect duct maintenance costs to be minimal. That being the case, it would make sense for duct costs associated with Joining Paths in cases where BTC installs the entire Joining Path to be charged on a one-off basis rather than as a recurring monthly charge.
- (2) CBL would expect duct costs to differ depending on the location and the corresponding costs of civil works (for example, the costs are more likely to be comparatively higher in New Providence and Grand Bahama than in Abaco). Although BTC's proposed duct charge may be appropriate for the two points of interconnection that BTC has thus far proposed to offer in New Providence and Grand Bahama, duct charges should be estimated on a case-by-case basis in accordance with actual costs prior to the construction of a Joining Path on any of the other islands.
- (3) It is unclear whether BTC's costs in this regard take account of any outside plant that BTC plans to provide by means of aerial facilities.

If BTC's final RAIO specifies a duct cost per mile, the terms and conditions of the RAIO should make clear that the charging principles discussed in Section 2 above will apply.



## B. Joining Circuits

In the Consultation Document (Table 3, at page 11), URCA has proposed a revised tariff schedule for Joining Circuits using the annualised T1 costs (in place of BTC's proposed OC3 or DS3 prices) of installation and maintenance of T1 ports and terminating cards. CBL is not privy to the period over which URCA (and/or BTC) proposes to spread these costs; however, we note that a period of 5 years for ports and cards is considered best practice in Europe. URCA and/or BTC should provide at least this level of detail in respect of how the relevant charges have been calculated.

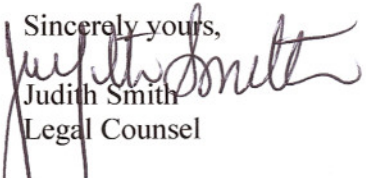
CBL also questions whether it is appropriate for BTC to impose a relatively high recurring monthly charge for footway boxes of US\$ 38.00 (as set forth in Table 3 of the Consultation Document). It is CBL's understanding that in Jamaica, the RAIO includes a *onetime* charge of US\$ 38.00 per box up-front, and a significantly lower recurring monthly charge of around US\$ 9.00<sup>1</sup>.

Finally, CBL understands that the footway boxes for which Access Seekers will be charged should include only those required for interconnection, *i.e.*, the footway box at BTC's termination point. This should be clarified in BTC's final RAIO.

## 4. CONCLUSION

CBL looks forward to working with BTC to implement these and other interconnection arrangements under the RAIO without further delay. However, given the long period of time that has elapsed since BTC first proposed its RAIO, CBL calls upon URCA to ensure that BTC adheres to a strict timetable (no more than one month following approval of the final RAIO) to finalise its contractual arrangements with CBL.

Furthermore, URCA should take whatever steps are necessary to ensure that BTC moves forward with the construction of requested Joining Paths as soon as possible following URCA's approval of the final RAIO. There is no justification for allowing BTC to delay the construction of Joining Paths simply because not every term and condition for terminating BTC's traffic on the Access Seeker's network has been agreed. If BTC understands that it can delay a competitor's provision of voice services simply by prolonging the negotiations, it will have every incentive to delay reaching an agreement *ad infinitum*. If the parties cannot agree on all of the terms and conditions that will apply to the termination of BTC's traffic, an interim solution can and should be put into place at URCA's direction pending final resolution. URCA should make clear in its final decision that it will not tolerate further delay by BTC in introducing true voice competition to The Bahamas.

Sincerely yours,  
  
Judith Smith  
Legal Counsel

<sup>1</sup> (See: <http://www.our.org.jm/images/stories/content/Telecommunications/Filings/RAIO/RAIO%20Tariff%20Schedule%20-%20RAIO%205A1%20May%202007.pdf>)