

# The Bahamas Telecommunications Company Ltd.

P. O. BOX N-3048 NASSAU, BAHAMAS

TEL: (242) 302-7000



October 24, 2011

Mrs. Kathleen Riviere- Smith  
Director of Policy and Regulation  
Utilities Regulation and Competition Authority  
UBS Annex Building, East Bay Street  
Nassau, The Bahamas

Dear Mrs. Riviere-Smith,

**Re: BTC's Response to Public Consultation on the Company's Application for Permanent Price Change for Calls to Local Directory Services (ECS 18/2011)**

Attached, is a copy of BTC's Response to the Utilities Regulation and Competition Authority's (URCA) Public Consultation on the Company's Application for Permanent Price Change for Calls to Local Directory Services (ECS 18/2011).

Yours sincerely,

A handwritten signature in black ink, appearing to be 'F. Johnson', written over a circular scribble.

(w) Felicity L. Johnson  
Senior Vice President Legal, Regulatory & Carrier Services  
& Company Secretary

**Attachment**



The Bahamas Telecommunications Company Limited:

Response To

**Public Consultation Paper on Application for  
Permanent Price Change for Calls to Local Directory  
Services  
ECS 18/2011**

Legal, Regulatory and  
Interconnection Division  
**24 October, 2011**

## **Executive Summary**

The Bahamas Telecommunications Company Limited (BTC) welcomes the opportunity to respond to this Public Consultation on its Application for Permanent Price Change for Calls to Directory Enquiry Services.

The Utilities Regulation and Competition Authority (URCA) in its Response to Public Consultation and Final Decision on BTC's Reference Offer (RAIO) issued January 11, 2011 (ECS 01/2011) stated that BTC is required to<sup>1</sup>:

- i. retain non-zero RAIO charges for calls to directory enquiries (DQ) and automated ancillary services; and
- ii. submit retail proposals for calls to DQ and automated ancillary services to URCA within thirty (30) business days from the date of publication of this Final Decision Document.

For the avoidance of doubt, the retail charges proposed by BTC for calls to Directory Enquiry Services is an outcome (as outlined in this Public Consultation Paper) of URCA's assessment of BTC's draft Reference Access Interconnection Offer (RAIO) and URCA's engagement with BTC and third parties on BTC's Reference Offer (RAIO) and the related wholesale services.

As part of its Reference Offer (RAIO), BTC set out the wholesale prices and terms and conditions for Other Licensed Operators (OLOs) to access BTC's Directory Enquiry Services and automated ancillary services. There is a cost associated with BTC providing of these wholesale inputs (i.e. calls to DQ and automated ancillary services) to Other Licensed Operators (OLOs). BTC's Reference Offer therefore (RAIO) takes into account the cost of providing DQ services to Other Licensed Operators.

BTC's proposal to impose a **retail** charge for calls to Directory Enquiry Services is driven by the following:

- i. Concerns expressed by Other Licensed Operators (OLOs) relative to their ability to replicate BTC's service bundle consisting of access and calls to Directory Enquiry. Cable Bahamas in its Response to BTC's Draft Reference Offer (RAIO) expressed its concern with the ability of the company to replicate BTC's service offering, in this case, calls to Directory Enquiry, in the absence of BTC imposing a retail charge on its customers.
- ii. BTC's proposal to introduce a retail charge for calls to Directory Enquiry satisfies one of URCA's mandates of facilitating competition, in this instance, the retail charge facilitates competition in the provision of Directory Enquiry Services, given the wholesale charge imposed on Other Licensed Operators wishing to access this service.
- iii. Compliance with URCA's Retail Pricing Rules (ECS 15/2010).

---

<sup>1</sup> Obligations imposed on Bahamas Telecommunications Company Limited (BTC) UNDER Section 116 (3) of the Communications Act, 2009: Draft Reference Access and Interconnection Offer (RAIO), Response to Public Consultation and Final Decision, ECS 01/2011, January 11, 2011

- iv. BTC has to impose a charge on Other Licensed Operators (OLOs) for accessing its Directory Enquiry Services, because there is a cost associated with providing this service to OLOs that the company cannot subsidize. The company is thus forced to impose a retail charge for calls to DQ to ensure that it remains compliant with the Utilities Regulation and Competition Authority's Retail Pricing Rules imposed on entities with Significant Market Power (SMP) in the relevant market.

To ensure that retail customers receive value for money, BTC as part of its retail price proposal of 35 cents per call to Directory Enquiry service intends to introduce the following value adds when the service is implemented:

- i. Customers will be given the option of having their call completed after requesting the number. This added service usually comes at a premium in other jurisdictions, BTC will provide this feature at no added cost.
- ii. The first three (3) calls per month from a fixed or a mobile phone to Directory Enquiry will be free (\$0.00). Calls thereafter will be assessed at \$0.35 per call.
- iii. Calls from payphones (originating calls) will be for free (\$0.00).

In addition to the above, the company will take preparatory steps to ensure that its database is kept current as well as to improve the overall customer experience when a customer calls Directory Enquiry Service.

**Calls to automated ancillary services (i.e. weather and time of day) provided free of charge (\$0.00)**

While BTC was forced to impose a retail charge for calls to Directory Enquiry Services in light of its wholesale charges to Other Licensed Operators and to allow these operators to compete with BTC and in the process facilitating competition in the provision of calls to DQ, the company made a conscious decision not to impose a retail charge to its customers as well as Other Licensed Operators (OLOs) for accessing BTC's automated ancillary services (calls to weather (915) and time of day/temperature (917)). BTC will continue to provide these services free of charge.

**Consistent with international best practice...**

BTC in presenting its proposal to URCA for a retail charge for calls to Directory Enquiry Service, researched the practice in other countries. There are a number of countries in North America, Europe and the Caribbean, where charges are imposed on calls to Directory Enquiry. BTC in its application to URCA benchmarked its retail price to a sample of countries in the English speaking Caribbean, i.e. Cayman Islands, Anguilla and Trinidad and Tobago.

*Table I: Comparison of retail tariffs for calls to Directory Enquiry*

<b>Country/Carrier</b>	<b>Retail Tariff per call (in U.S. cents)<sup>2</sup></b>
Cayman Islands	59.0 cents
Anguilla (Eastern Caribbean)	18.5 cents
Trinidad and Tobago/TSTT	16.7 cents
United Kingdom - Vodafone	130.0 cents (min.)
The Bahamas - BTC	35.0 cents
Barbados	50.0 cents <sup>3</sup>
Turks and Caicos	100.0 cents

Based on a larger sample compared to that presented to URCA as part of BTC's application, the sampled group in Table I above shows an average of 58.5 cents (approximately)<sup>4</sup>.

In conclusion, it is useful to note that before a retail charge for calls to Directory Enquiry as per its compliance under URCA's Retail Pricing Rules (ECS 15/2010) is implemented, the company will have to secure the necessary approval from URCA pursuant to this Public Consultation process. Following the Public Consultation (and if approved), BTC as per the Retail Pricing Rules will be required to give the public adequate notice before implementation of the charges. Finally, in providing the service to the public at a charge, BTC will ensure that it delivers value for money.

### **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.

**Prepared by:  
Legal, Regulatory and Interconnection Division  
24 October, 2011**

<sup>2</sup> Prices in this table are denominated in U.S. Dollars.

<sup>3</sup> In 2005, the Government of Barbados implemented a Directory Enquiry Fee – October 6, 2005

<sup>4</sup> In the case of the U.K., assumed that the rate per minute was a reasonable price for a price per call.