



WICOM Bahamas Ltd.

#10 Montrose Avenue,
P. O. Box CB12273, Nassau, N.P., Bahamas.
Telephone: +1-242-676-8618 | +1-242-457-4588
www.wicombahamas.com

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Dear Chief Executive Officer,

We are pleased to see URCA's effort to address unfair competition in the recent release of Preliminary Determination ECS 04/2020 titled **"Review of Wholesale Broadband Access Services under Section 39 and 40 of the Communications Act, 2009."**

Our role as an ISP reseller in The Bahamas has been an extremely daunting and formidable one. We are hopeful; however, our analytics reflects a 99% decline in Dedicated Internet Access (DIA) rates in the USA between 1998 and 2015. This made clear the nearly indistinguishable pricing of Cable Bahamas Limited and the Bahamas Telecommunications Company (who share significantly different legacy costs), that there has been no reasonable consideration for smaller ISP's or OLO's. With that in mind, it would be a great benefit to our business if the SMP's provided some structured bandwidth packages that speak to the wholesale needs of OLO's within the retail sector.

Historically, we OLO's have been grouped with commercial retail consumers at an enterprise sales level with no preferred pricing or consideration. It would be of great value to the long-term sustainability of our resale business if SMP's provide packaged pricing sized at 250 Mbps, 500Mbps, 1Gbps and 10Gbps. This revision in SMP and OLO relations would allow our Management Teams to strengthen our business models while ensuring that we can confidently plan for the constantly increasing bandwidth usage in our country and around the world.

As a small startup ISP, monthly recurring cost dictate the success and failure of the business month to month. Because of that fact, early on we sought out DIA pricing locally, regionally and internationally. That research led us to confirm that the cost of purchasing DIA between New York and Japan some 5600 miles away, is less costly by 10 times in comparison to purchasing DIA for resale in the Bahamas. Furthermore, the cost of purchasing DIA from the Network Access Point of the Americas (NAPS) in Miami varies between \$0.22 per Mbps for a 10,000 Mbps (10Gigabit) and \$0.30 per Mbps for a 1000 Mbps (1Gigabit) link. Currently CBL and BTC's DIA internet rates stand at a whopping \$52 per Mbps and \$48.50 per Mbps, which is in excess of 150 times the cost provided to

us from providers at the NAPS and other Data Center Interconnect Facilities in Florida. With these facts in mind, there is little rationale for these elevated costs even when subsea fiber operations, and maintenance are considered.

Given this, we would like for URCA to consider a fixed per megabit rate benched marked at no more than 10 times the cost for small ISP resellers. This would yield a per megabit rate of approximately \$3.0 per megabit up to a 1Gigabit link and \$2.20 per megabit on any link in excess of 1Gigabit. These parameters would provide a reasonable margin for sustained operation as our current DIA pricing is consistently proving to suffocate our financial flexibility on a monthly basis.

We are of the view that there has been no significant reduction in data cost within the last 10-15 years when compared to reduction in bandwidth prices within the data centers directly connected to the Bahamas subsea fiber cables. Such a lengthy period without a price revision has left a vast disparity in the telecommunications sector. In a 2017 report published by the London-based Commonwealth Secretariat on the "State of Digital Economy in the Commonwealth", The Bahamas boasts 85-90% internet penetration. This high adoption rate leads us to believe that the country is primed and ready for new options for fixed internet service providers. To fill such voids within this sector, pricing for wholesale bandwidth resellers from both SMP's should reflect similarities to the per megabit rate of the Interconnect Facilities in which their respective cables connect to. In all fairness on comparisons, even the gas stations and utilities companies have revised and reduced consumer costing year to year based on technological advancements and/or supply and demand.

In conclusion, we at WiCom Bahamas Limited feel that we deserve a reasonable chance to provide the Bahamian public with reliable internet service. Unfortunately to achieve that we would first need to secure a cost effective wholesale bandwidth agreement that would ensure that we can establish and sustain our market share for many years to come; while supporting the Significant Market Power we interconnect to.

Thank you for your time and consideration on this matter.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Theofanis'.

Theofanis Cochinamogulos
Chief Executive Officer