



NATIONAL TELECOMMUNICATIONS
REGULATORY COMMISSION
ST. VINCENT & THE GRENADINES

Ref No.: Cor/ECTEL

October 7, 2020

Mr. Andrew Millet
Managing Director
ECTEL
5th Level, Baywalk
Rodney Bay
Gros Islet
Saint Lucia

Dear Mr. Millet,

RE: Consultation on Regulatory Instruments

Your email dated August 25, 2020 refers.

Having reviewed the Consultation document, our NTRC has the following comments.

1. Second paragraph on page 1 refers to Cable & Wireless. No mention is made of Columbus Communications, which was taken over by Cable & Wireless, and is still being run legally separate but practically part of Cable & Wireless(flow), and where fixed services, such as fixed broadband internet, have been mostly migrated to Columbus' network as well as all new customers for fixed broadband internet. Is it that ECTEL plans to regulate fixed internet offered by Cable & Wireless but not fixed internet offered by Columbus Communications?
2. Page 1 (paragraph 3) – Our NTRC is not aware of an existing Price Cap Plan(PCP) being in place for Cable & Wireless. When last was this PCP reviewed by ECTEL for compliance?
3. Page 3 (section 2.2)- What is the criteria used by ECTEL to assess if a service provider is dominant in a particular market? This is being asked in the context that in SVG, we have two mobile operators, and it seems from the consultation document none was found to be dominant.
4. What can mobile consumer safeguards do? Can it cap prices? Can it prevent price increases? Have we had price increases in the mobile sector since liberalization? What is

the objective of the new price cap plan on the regulated prices of Cable & Wireless? Should our objective in the mobile sector be different? How was Cable & Wireless deemed to be dominant in the fixed internet market? Were the criteria used by ECTEL different to what was used to assess the mobile market noting both markets have the same two players.

5. Our NTRC is of the view that Digicel Grenada Cable company Ltd should be included as a dominant provider of domestic private leased circuits. This is specifically applicable to the situation of their sole subsea fiber optic cable that serves the Grenadine islands market of both Grenada and St. Vincent and the Grenadines
6. How was the assessment done for #2 in Table 1? Our NTRC would appreciate seeing the data that shows Cable & Wireless is dominant in this market and not Digicel.
7. Our NTRC is not in agreement with the views expressed by ECTEL in the first paragraph of Section 3.2.2. If mobile was a complement, then we will see no drop in fixed subscriptions in the attached data for SVG's fixed subscriptions (Appendix A). Further the number of fixed subscriptions would have been even less if it was not a requirement to have a fixed line to get ADSL service. Also, persons need fixed lines to facilitate monitoring of their home burglar alarms. However, in recent years there are new devices on the market that allows old alarm systems to use a mobile connection for monitoring instead of the normal PSTN lines. This is a clear view that the mobile Service is a substitute for fixed PSTN lines. Our NTRC is familiar with many households that have now replaced their fixed lines used for monitoring alarms with a mobile service. Further, new alarm installations are using mobile service instead of fixed lines. This is clear evidence that the service are substitutes.
8. The comment is made in the consultation document (section 3.2.2) that mobile service plan prices generally tend to be higher than fixed prices. As a result, limit their substitutability. The question one should ask is what is the reason the prices are higher, is it due to actual costs being higher or is it due to lack of regulation and/or competition in the ECTEL mobile market? As a point to consider, the mobile service plans offered to customers (to link the alarms back to monitoring companies) with burglar alarm systems are lower than the fixed line service offered by the said companies.
9. There is clear evidence that our mobile market needs regulation if we are to look at mobile retail tariffs over the last 15 years compared to mobile termination rates (MTRs). MTRs have been regulated and can be easily taken as the wholesale rates for our mobile networks. MTRs have dropped continuously over the last 15 years which correlates to cost on our mobile networks dropping. This should clearly lead to a drop in the mobile

retail tariffs. However, this is clearly not the case as mobile retail tariffs have increased. There can be no other reason for an increase in mobile retail tariffs while MTRs are dropping than a lack of regulation and/or competition in the sector.

Figure 1 below shows data for SVG over the last 15 years. It covers tariffs for fixed to mobile calls, and mobile to mobile calls for our two mobile service providers (Digicel and Cable and Wireless/FLOW). Also seen on the graph is the mobile termination rate.

One would expect that any decrease in the mobile termination rate should see a direct impact on mobile retail tariffs. However, in looking at the graph this is not the case. We have seen mobile termination rates move from EC\$0.55 (US\$0.20) to EC\$0.04 (US\$0.015). However mobile retail tariffs for both operators have increased over the said period. This is a very serious issue affecting a wide cross section of our consumers across all member states and must be addressed by our regulatory system in any new regulatory pricing plan going forward.

Figure 1



Source : NTRC SVG

10. Second paragraph of section 3.2.2 - Can ECTEL provide the data used to compare the prices of fixed broadband and mobile broadband that was used to arrive at their position that “current prices of mobile broadband services generally far exceed fixed

broadband? Also, how many households has fixed broadband and how many has mobile broadband? Are homes with mobile broadband only not using the service as a substitute for fixed broadband? What about fixed wireless broadband? Was this considered? Is fixed wireless broadband being offered in the member states? Is fixed wireless broadband different to mobile broadband? Is it in the same market as fixed broadband?

11. Section 3.5 page 9- Our NTRC do not agree with all the statements made in relation to integration of Cable and Wireless and Columbus Communications in SVG. The company still operates distinct networks. Customers still have to make monthly payments to separate companies, either Cable and Wireless or Columbus Communications. If the companies are still separate legally and technically then we cannot see how a single price cap plan can be implemented.
12. Our NTRC is not clear on the first paragraph of section 3.6 as it relates to “imminent launch of Digicel extensive fiber networks ...” this consultation document is dated August 2020. Digicel has been offering services on its fiber networks since 2019 in SVG. However, such service is being operated by a subsidiary of Digicel called Digicel Grenada Cable Company Ltd and not Digicel SVG Ltd which offers other services(mobile, fixed wireless and fixed broadband , etc.) and has been operating in our market since 2003.
13. The consultation document makes no mention of Digicel’s fixed wireless broadband service that is being offered to business and residential homes in SVG for more than 5 years.
14. The main issue in our markets at this time is internet access. Be it either fixed or mobile. Once these services are available then customers can choose how they communicate their voice (normal or WhatsApp) and how they watch content (paid or free). We have two main providers of these services and this would mostly remain in the short and medium term. As seen our mobile voice service never reduced in price after the market was liberalized. Prices have actually risen. Prices has also risen after Cable & Wireless acquired Columbus/Karib cable. As such, even with Digicel now in the fixed internet business, as seen their prices are not lower than Cable & Wireless’.

In short, we have two dominant players in two markets. Our two markets are fixed internet and mobile internet. We must regulate both markets going forward if we are to protect the rights of our consumers and provide equitable and affordable access to our citizens .

15. Page 22 item iii) – Our NTRC propose that the basic broadband offer should be 50 Mbps / 20 Mbps (download / Upload). This is in line with our 2017 drafted national broadband plan document.
16. Page 31 – In bundle roaming – It has been noted that when a resident of SVG for instance goes to St. Lucia, there seems to be no roaming charges. We believe that it should be made clear to the traveler using an SMS message, once they have registered on a new network, then it should be made clear whether or not they are roaming.
17. Page 32, Element #2 (Access Regime for Roaming- With respect to accessing roaming services, are users automatically “defaulted” into roaming usage on “landing”; or given a choice to “opt-in” to roaming usage?)- There should be an opt-in approach for roaming. We do not agree to the default approach as some customers might mistakenly not turn off roaming when they travel. Additionally, customers might not be aware of the related roaming charges.
18. Page 33 – We agree with the consumer safeguard to formally opt-in, customers should also be able to choose their limit within the boundaries of their available credit or credit amount chosen.
19. Pages 37-38, Element #13 (relates to whether rollover allotment or the regular allotment is used first rollover consumption) - It makes more sense for the rolled over minutes to be used first than any new minutes. Therefore, there needs to be a safeguard in place for this.
20. Annex 4- draft NTRC’s Guidelines: There is a typo in the extract below. “onto” should be “into”.
 - a) 2. Commencement. *The Telecommunications (Mobile Consumer Safeguards) Guidelines is deemed to come **onto** force on [date]*
 - b) Section 3 is not clear. Doesn’t the consumer choose whether they want a bundle or not?
 - c) Section 4- This text should refer to sub clause (iv). This section should also indicate that the licensee should alert the retail customer of their roaming charges to date or give them some short code so that they can know what their current roaming charge is.

21. Proposed changes to Regulation 17(c) of the draft Electronic Communications (Consumer Protection) Regulations:

a) Section 22, Termination of Prepaid Subscription with outstanding credit balance:

b. (1) transfer the outstanding credit balance from a terminated prepaid subscription to another prepaid subscription on the licensee's network. This implies that another retail customer on the licensee's network can get the credit. Is this the case or is it to mean that the credit can be transferred to another account of the same customer?

b(2). If a prepaid subscription has been terminated by a licensee and the licensee has received no request from a retail customer for a refund or transfer of funds, the licensee shall, after a period of 3 months, deposit any outstanding credit balance to the Accountant General. It does not state the time frame in which the Licensee is required to deposit the unused credit to the AG. Also, how often?

b) Also, we believe the subscriber should be notified and given the option to collect their balances.

22. Page 15: Customer Interface: C&W and Columbus' network integration will be seamless from customers' perspective as they will be select among a "suite of solutions" (copper or HFC) based on whatever is most suitable for their needs.

a) This is not the case in SVG as customers on Copper are forced to migrate to HFC which is associated with increased cost.

b) Need considerations for the enabling consumers to disallow the automatic renewal of prepaid data plans.

23. Page 96- notify a retail customer by email, text message or other application, at least 5 days before a prepaid subscription expires- it is suggested that notification by both email and text be mandatory in the event the subscriber is overseas.

24. Consultation on Proposed changes to Regulation 17(c) of the draft Electronic Communications (Consumer Protection) Regulations (Specific Rules on Consumer Protection in the Electronic Communications Sector) please note below:

a. Page 1, there is a typo in the below the word "to" is missing.

These services are referred as "Reviewable Unregulated Services".

25. There is no meaning of MS (Member State) where it was first used on page 2 so that persons would be clear.

26. The following on page 3 seems contradicting:

As noted above, no operator in those markets has been deemed or found to be dominant and hence these services are not subject to ex ante price regulation. In this review ECTEL is not proposing to declare any operator as dominant in either of these markets and, as a consequence, consider the need for ex-ante retail price regulation for either retail mobile or retail pay TV services at this time.

27. "a" is missing from the below after "as" on page 7:

28. Mobile service plan prices generally tend to be higher than fixed service prices and, as result, limit their substitutability with fixed access and calling services.

29. Under the heading "20. Expiration of Prepaid Subscription" 1. A licensee shall not activate a prepaid subscription for an electronic communications service that has a life cycle of less than 3 months- (i) before the date that is 3 months after the date on which such card or service is first used" The 3-month proposal is too short. It should be at least 6-12 months.

30. For reference to Digicel prepaid terms and conditions, what is referred to as a voucher?

31. The document lacks page numbers in some sections. Kindly ensure that page numbers are included going forward so that sections can be easily referenced.

Sincerely yours,



Apollo Knights
Secretary / Director

CC: Executive Director – Mr. Craig Nesty, NTRC Dominica
Coordinator – Mr. Lawrence Samuel, NTRC Grenada
Director – Mr. Ervin Williams, NTRC St. Kitts
Officer in Charge – Mr. Alden St. Clair/ NTRC St. Lucia

Appendix A

