



ECTEL NEWS

Eastern Caribbean Telecommunications Authority Quarterly Newsletter

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THE 700 MHZ DEBATE

Telecommunications providers have been for some time demanding additional bandwidth to offer Broadband Wireless Services (BWS) to consumers. The requests have been for faster speeds with greater mobility. The International Telecommunications Union (ITU) has allocated bands of spectrum for Broadband Wireless Services (BWS) but the demand is such that there is need for radio frequency spectrum bands for the exclusive use of WBS.

The 700 MHz band is the latest allocation for WiMAX service. The 700 MHz spectrum band was previously allocated for analog

television broadcasting. This was also called Ultra High Frequency (UHF) television broadcasting starting at channel 52 (698 MHz) to channel 69 (806) MHz

The use of the 700 MHz for WiMAX has the advantage over other radio frequencies used for the similar service because the propagation characteristics of the spectrum in this band and the allowable power limits make it conducive to serving consumers over a large area. As such, radio communication systems operating in this band can achieve similar coverage areas comparable to typical UHF, or over-the-air television broadcasters.

Trinidad and Tobago and Jamaica have already developed band plans for the use of the 700MHz band. Trinidad and Tobago followed USA FCC policies as guidelines to develop the 700 MHz band plan and is considering auctioning the upper part of the 700 MHz band.

ECTEL proposes to use the band plan policies developed by the FCC for 700 MHz as guidelines for 700 MHz band plan for the sub-region. This strategy is based on the fact that the ITU band plan is developed for use in ITU Region 2 which includes the ECTEL Member States and secondly most of the equipment which would be used by the



Broadband Wireless Service

Broadcasting stations in the ECTEL Member States would be FCC approved equipment that would be recognized by the Commission of the NTRCs.

DO SMALL BUSINESSES USE ICTs?

ECTEL conducted a study to determine the level of usage of Telecommunications and ICTs by Small and Medium Sized (SME) businesses in the ECTEL Member States. The study, which began in August 2008, is based on responses from 504 businesses in the five Member States.



Training of Enumerators in St. Kitts

The results revealed that 97.4 of the respondents considered telecommunications to be essential inputs for their businesses. Fixed-line telephone was the most popular form of telecommunications service utilized by the SMEs at 96.6 percent. Next in line was internet at 78.3 percent. Mobile phones were third at 73 percent. Some businesses (14.1 percent) also had mobile broadband. Private leased circuits were used by 11.3 percent of the firms.

Approximately 83.4 percent of the firms intended to keep the fixed line. More than half found fixed to fixed calls were

highly priced and even more (95.3 percent) considered fixed to mobile calls expensive. Only 4.9 percent were very likely to discontinue the fixed line largely because it was too costly and due to poor quality of service.

Mobile phones were considered useful for their mobile workforce by 45.1 percent of the firms, while 17.2 percent thought that mobiles were more accessible. Roughly 14.4 percent were better able to control expenditure, while 11.8 percent considered a mobile phone to be cheaper than a fixed line. Approximately 38.4 percent of the respondents were satisfied with the rate of calls to the same network,

between networks were high. Likewise, 87.2 percent believed that the rate of local mobile to fixed calls were too high.

International calling through fixed line phones was the main choice for 67.1 percent of the firms. This was followed by VOIP service at 14.3 percent and mobile phones at 10.6 percent. Approximately 78.7 percent of the respondents stated that fixed rates were high, while 83.9 found rates for mobiles to be high, while 41 percent indicated that VOIP was priced right.

Approximately 90 percent of the firms stated that they had some form of internet access and a further 2 percent planned to get access within the next twelve months. Firms with broadband indicated that the speed of service (61.5 percent), availability of service (17.9 percent) and quality

of service (10.3 percent) were the major reasons for choosing broadband service. More than 95 percent of the respondents who used the internet used emails and 48.7 percent had their own website.

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CHAIRMAN MEETS STAFF

Chairman of the ECTEL Council of Ministers has stated that the establishment of ECTEL was a costly exercise but ECTEL offers a lot to the people of the OECS region. Hon. Reginald Austrie said that the management of the sector is challenging but some of the obstacles can be overcome if the staff at ECTEL demonstrates strong leadership in their regulatory responsibilities.

Hon. Austrie made these remarks during an official visit and meeting with the staff of ECTEL on Monday December 1st 2008. While at the Office,

the chairman received briefings on the status of work of the various departments. These included Legal Affairs led by General Counsel David Cox, Technical Services led by Donnie Defreitas, Economics and Finance led by Cheryl Hector. Other reports were presented on the World Bank funded Telecommunications and Information Communications and Technology (TICT) project managed by Peter Norville, Information Systems, Human Resources and Administration.

The Chairman noted the increasing volume of work undertaken by ECTEL and the progress in new areas related to the implementation of the TICT projects. He expressed concern over the duplication of efforts in ICT programmes in the Caribbean.

Hon. Reginald Austrie will serve as Chairman of Council from November 2008 to October 2009. He has been a Member of the ECTEL Council of Ministers from



Hon. Austrie (center) with members of Staff

the establishment of the Authority in 2000 and previously served as Chairman from 2003 to 2004. In Dominica he holds the portfolio of Minister of Housing, Energy and Telecommunications.

THANK YOU! MICHAEL PIERRE

ECTEL paid tribute to Mr. Michael Pierre of Grenada for his sterling contribution to the work of the organization and to the process of telecommunications liberalization in the OECS countries. A small reception at the True Blue Resort in Grenada, jointly hosted by ECTEL and NTRC, Grenada, was the fitting occasion for colleagues and close friends to say thanks for Michel Pierre's service as Director of the Board of ECTEL from 2000 – 2008 with a stint as chairman from 2002 – 2003 and 2006-2007.



Mr. Pierre, Mr. Bowen and Mr. Gilbert

Former Minister for Telecommunications in Grenada Mr. Gregory Bowen recalled the sustained quiet and professional engagement of Mr. Pierre in the work of the Board and in his advice to the government of Grenada. Hon. Joseph Gilbert, current Minister and member

of the ECTEL Council of Ministers noted that the quality of Mr. Pierre's contribution to ECTEL was as a result, among other things, of his long professional career as an educator and public sector administrator.

The Managing Director of ECTEL Embert Charles presented a letter of thanks and a plaque to Mr. Pierre on behalf of the staff, Board and Council. In response Michael Pierre, expressed his gratitude for the opportunity provided to him to serve the people of the ECTEL Member States. He stated that the work of the organization was very important

to the current and future development of the sub-region.

Other persons present at the event included the chairman of NTRC Grenada, Dr. Spencer Thomas, present and past commissioners and staff of the NTRC, Mrs. Pierre, Permanent Secretary in the Ministry for Telecommunications (Grenada) Ms. Lana Mc. Phail, Director of Technical Services at ECTEL, Donnie Defreitas, Director of NTRC St. Vincent and the Grenadines, Mr. Apollo Knights and the Caribbean Representative of the International Telecommunications Union, Mr. Phillip Cross.

HARMONIZATION OF REGULATIONS AND ICT POLICIES

The Harmonization of ICT Policies, Legislation, and Regulatory Procedures (HIPCAR) project was developed by the International Telecommunications Union (ITU) in response to requests from the CARICOM states and other ICT stakeholders in response to a more harmonized approach to issues including ICT policy development and implementation, regulation, universal service, licensing, spectrum management number management and cyber security.

The meeting agreed that the three top priority areas for harmonization would be model ICT legislation,



Prime Minister of Grenada with ITU Officials

Legislative Frameworks and Regulatory Frameworks. There was consensus that there are numerous ICT related initiatives being implemented by the organs of CARICOM and other institutions. In this era of scarce resources, it is very important that there is coordination of efforts in order to maximize resources and benefits.

Consequently, the participants requested greater clarity of the HIPCAR Project, specifically the governance structure, the framework for implementation and the budgetary allocation for the respective components. The ITU agreed to consider the concerns of the participants and to advise on how the Project would be implemented.

Addresses were delivered by the Minister for Telecommunications of Grenada, Hon. Joseph Gilbert, the Caribbean representative of the ITU Mr. Phillip Cross and the CTU general Secretary Ms. Bernadette

Lewis and Ms. Jennifer Britton of CARICOM. During a brief visit to the meeting, the Prime Minister of Grenada Hon. Tillman Thomas stated that Grenada was committed to the expansion of the use of ICTS in all sectors of the society. He added that Grenada will establish an ICT Centre with assistance from the government of India.

Among the agencies represented at the HIPCAR meeting in Grenada were CARICAD, CIVIC, ECTEL, CANTO, telecommunications regulatory authorities of Jamaica, Suriname and Trinidad and Tobago, the NTRCs of Grenada and St. Vincent and the Grenadines.

PREPARING FOR UNIVERSAL SERVICE

Following the development of Universal Service Regulations and Guidelines through the TICT Project, the ECTEL Directorate is making arrangements with the NTRCs to commence implementation of Universal Service projects.

Through the TICT Project, World Bank funds will be used to implement the first set of projects in the Member States and a consultant is being hired to provide support to ECTEL and the NTRCs as they prepare to commence project implementation.

The Universal Service Projects to be funded by the World Bank will be selected by the NTRCs in collaboration with the Directorate, following which bidding documents will be prepared, bids will be solicited and evaluated, and contracts for project will be awarded. Project implementation should commence during the first half of 2009.

ICT PILOT PROJECT

Following up on its success in reforming its telecommunications sector and achieving significant reductions in cost for services, the ECTEL Member States have turned its' attention to expanding access to broadband telecommunications services. The fifty percent reduction in international calls; 70 % if the international calls are made from cell phones and 77 % reduction in rates for calls between Caribbean Countries with mobile penetration in excess of sixty two percent (62 %) must now be matched with a corresponding growth in the levels of Internet penetration. Internet penetration in the ECTEL Member States is lower than 10 % with only half of them having broadband access and this is not good enough.

In order to address this shortcoming ECTEL has embarked on a project for enabling Information and Communications Technology (ICT) development including the development of a Regional ICT Policy and accompanying National ICT Plan. The ICT Policy provides a coherent framework for ICT

development in the sub-region and addresses the needs of technology, industry, telecommunications and media. Specific attention is paid to the areas of Infrastructure, Government, Business and Civil Society. Sector policies for Education, Employment, Health and Welfare would be integrated in the ICT policy.

The Policy contains principles, targets and mechanisms. Policy principles express general goals and ideals. Targets set the general and specific outcomes to be achieved. Mechanisms are the tools, actions and resources to be utilized in achieving the stated principles and targets. The Policy has been subjected to Public consultation in Member States and is to be submitted to Member States for adoption in early February. The Policy with the ICT Plan would be used by countries in the restructuring of the ICT Sector and guiding the development of numerous initiatives in ICT.

Several ICT Pilot Projects that would serve as proof of the policy concepts will also be implemented along with the ICT Plan adoption. Projects include "live" educational training on line and "Lego Mind Storm Robotics". The adoption of the ICT Policy and Plan will greatly assist the countries in achieving the benefits of an affordable, modern, efficient, competitive, and universally available telecommunication services to the people of the Contracting States.

"The fifty percent reduction in international calls; 70 % if the international calls are made from cell phones and 77 % reduction in rates for calls between Caribbean Countries with mobile penetration in excess of sixty two percent (62 %) must now be matched with a corresponding growth in the levels of Internet penetration."

COST ORIENTED INTERCONNECTION RATES TO BE IMPLEMENTED IN THE ECTEL MEMBER STATES

The ECTEL Directorate has instituted a process to introduce cost oriented interconnection rates in its Member States. ECTEL has conducted two public consultation exercises inviting comments from interested parties on the models it proposes to use to determine the rates for interconnection services. The second consultation exercise was completed in September 2008. ECTEL is now finalizing its recommendation for cost oriented interconnection rates to be implemented in its Member States. It is expected that the introduction of cost-oriented rates will result in reductions to retail rates and savings to consumers.

Why is interconnection important?

Interconnection is essential for a vibrant and competitive telecommunications market. Interconnection is the physical connection of the networks of two telecommunications operators to

allow customers of different networks to communicate with each other. Once two operators are connected, they can then pass traffic between networks. One operator can receive calls from the other operator to pass on to one of its customers (call termination) or to pass on to another operator (call transit). Under the calling party pays system, the operator receiving the calls will charge the operator sending the call for call termination or call transit as appropriate. Call termination and call transit just two of a number of interconnection services that operators offer to each other to allow consumers to communicate across networks in a seamless manner.

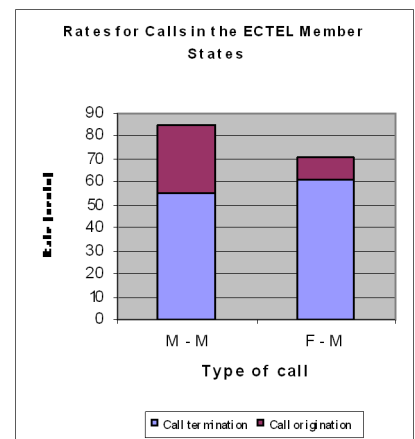
Why introduce cost oriented interconnection rates?

It is important that the rates that

operators charge each other for interconnection be regulated and the Telecommunications Acts in the ECTEL Member States require that these rates be cost oriented. This means that an operator should only be allowed to charge a rate that reflects the cost of providing the service. ECTEL has embarked on a process to determine the cost that an efficient operator would incur to provide interconnection services in its Member States.

Interconnection rates are important as they affect the rate that consumers pay for calls to persons using a different network. The retail rate for making a call to another network consist of the cost of interconnection (this is paid to the operator on the network being called) plus the cost to your provider for offering you his services. The graph below shows the composition of the retail rate for a

mobile to mobile and fixed to mobile call. The introduction of cost oriented interconnection rates is expected to result in a reduction in the retail rates for calls as reduced interconnection rates should mean a reduction in the total cost of calls and therefore reduced charges to consumers.



STAFF MOVEMENTS

Appointments

• **Ms Ro-Ann Wright**, a national of Tobago was appointed in December 2008 in the capacity of Legal Officer. She currently holds an LLB degree from the University of the West Indies and a Legal Education Certificate from the Hugh Wooding Law School in Trinidad.

Ms Wright's professional experience includes the position of Legal Officer in the Office of the Chief Secretary in Tobago and Tutor in Business and Commercial Law at the University of the West Indies.

In her time at ECTEL, Ms Wright hopes to play an integral role in the evolution of the telecommunications sector.

• **Mr. Isaac Mathurin**, a Saint Lucian national has been appointed in the post of Accountant. Mr. Mathurin who previously held the position of CEO at Southern Development Corporation, holds a BSc in Accounting from the University of the West Indies and is currently pursuing an MBA in Finance at the University of Leicester. He also holds certificates in Public Administration, and Teacher Education from the University of the West Indies.

• **Ms. Lana Phail** is the newly appointed Director for Grenada to the

ECTEL Board of Directors. She succeeded Mr. Michael Pierre who served on the ECTEL Board of Directors for the past eight years.

Ms. McPhail is a graduate of the University of the West Indies (St. Augustine Campus) and holds a BSc Degree in Management. She is presently the Permanent Secretary in the Ministry of Works, Physical Development and the Environment.

NTRC

• **Ms. Patricia Mourillion** is the newly appointed Director/Coordinator of the National Telecommunications Regulatory Commission Secretariat, in St. Kitts and Nevis with effect from December 22nd, 2008

ECTEL News welcomes Ms Wright, Mr. Isaac, Ms Phail and Ms Mourillion.

Continuing Professional Development

The following staff members attended and/or presented papers at the events listed below:

• **Mr. Embert Charles**, Managing Director: 6th Annual meeting OCCUR, 5-7 October 2008, Belize

• **Mr. Donnie DeFreitas**, Director of Technical Services—Caribbean Internet Forum, 29-31 October, Tobago

• **Mr. Embert Charles**, Managing Director and **Donnie DeFreitas**, Director of Technical Services: Launch of HIPCAR in Grenada, 15-16 December 2008.

UPCOMING

- **9th ECTEL/NTRC Forum - 22nd–23rd January 2008: Saint Lucia**
- **46th Board Meeting - 19th February 2008 : Saint Lucia**

OUR PIC OF THE QUARTER



Staff of ECTEL and NTRC Saint Lucia share in the Creole Cuisine - October 24, 2008

Our Mission

To create a fully liberalised telecommunications environment, by promoting competition amongst service providers for the delivery of efficient and affordable telecommunications services to the people of the ECTEL Member States, by implementing applicable laws, treaties and agreements through fair, transparent and independent processes.

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