



**Digicel's Comments on Comments to the consultation on**

**The Recommendation of the Eastern Caribbean Telecommunications Authority ("ECTEL") To the National Telecommunications Regulatory Commission to consult**

**on Draft Cost Models for Fixed and Mobile**

**Interconnection Rates**

9<sup>th</sup> August 2017

## Digicel's Comments on Comments

Digicel welcomes the opportunity to provide Comment on Comments on The Recommendation of the Eastern Caribbean Telecommunications Authority ("ECTEL") To the National Telecommunications Regulatory Commission to consult on Draft Cost Models for Fixed and Mobile Interconnection Rates. Digicel is of course available, and would be happy, to discuss our submission further.

The comments on comments as provided herein are not exhaustive and Digicel's decision not to respond to any particular issue(s) raised in the application document or any particular issue(s) raised by any party relating to the subject matter generally does not necessarily represent agreement, in whole or in part nor does any position taken by Digicel in this document represent a waiver or concession of any sort of Digicel's rights in any way. Digicel expressly reserves all its rights in this matter generally.

Please do not hesitate to refer any questions or remarks that may arise as a result of these comments by Digicel to: -

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## Digicel's Comments on Comments

### *Question 3*

*Digicel disagrees that growth rates should be higher. SMS is declining in use as data messaging is increasing, hence SMS volumes should be forecast to decline in the future.*

Digicel also disagrees with C&W's comment on higher data growth rates. Axon's projection of declining growth is consistent with other industry forecasts made by respected analysts (including those from Analysys Mason's Research Division). The declining growth forecast adopted in ECTEL's model reflects the limitations of existing technology. It is recognised that the inexorable growth in mobile data traffic needs repeated releases of additional mobile spectrum in more and more capacity expansion bands, beyond the spectrum amounts deployed in ECTEL's model.

### *Question 8*

Digicel reports population coverage to the GSMA of 94-96-98% in Dominica, St Lucia and St Vincent and the Grenadines.

However, Exhibit 2.54 shows significantly less than 90% coverage for these countries. Even with a  $\pm 10\%$  rounding, Digicel would expect to see much higher values. Digicel therefore disagrees with C&W that the coverage percentages are reasonable, and an understatement of the coverage is likely to lead to the understatement of required assets, as submitted by Digicel in its main response.

### *Question 13*

The backbone networks shown for Grenada and St Kitts and Nevis do not include resilient links: ring structures and resilient inter-island links would be reasonable to ensure the modelled network has a reasonable level of resilience to a single link point of failure between one of the islands. Digicel does not agree with C&W on this question, and recommends that additional microwave links will be needed to provide this resilience (as appears to have been done for the network linking St Vincent and the Grenadines).

### *Question 14*

We would reiterate that, based on our model review, that there is strong evidence that the modelled network resources are not sufficient, based on our analysis of the overcapacity factors and coverage calculations.

### *Question 19*

We reiterate our comment from the first consultation. Digicel has previously submitted that it is more accurate to apply a mobile market share of 33% or 50% reflecting the actual situation in each market.

## Digicel's Comments on Comments

Digicel disagrees with C&W that ECTEL should simply assume away one of the mobile operators, or assume that the markets should not support three players in the long-run. Stating that one of three players in the three-player markets is unsustainable is inconsistent with regulatory practice in most other countries, where the regulator applies the actual number of operators into the MTR costing model in some logical and justifiable way.

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