

**RECOMMENDED RETAIL PRICE REGULATION REGIME  
(RPRR)**

applicable to

**REGULATED SERVICES PROVIDED BY CABLE & WIRELESS  
LIMITED (“C&W”) IN [ECTEL MEMBER STATE]**

## **INTRODUCTION**

This document establishes the obligations, provisions and procedures constituting the Eastern Caribbean Telecommunications Authority's ("ECTEL") recommended retail price regulation regime ("RPRR") applicable to Regulated Services provided by Cable & Wireless [*ECTEL Member State*] (referred to herein as "C&W"), a company duly licensed in [*ECTEL Member State*] and having its registered office situated at the [*ECTEL Member State*].

In addition, in the case of **Grenada, Saint Lucia and St. Vincent and the Grenadines**, the RPRR also applies to C&W's affiliated company, Columbus Communications [*ECTEL Member State*] Limited, a company duly licensed in [*ECTEL Member State*] and having its registered office situated at the [*ECTEL Member State*].

The Automatic Adjustment Mechanism ("AAM") of the RPRR also relates to Digicel, a company duly licensed in [*ECTEL Member State*] (referred to herein as "Digicel") and having its registered office situated at the [*ECTEL Member State*].

The Regulated Services included in the RPRR are as follows: retail residential and business fixed voice access and domestic and international calling, broadband Internet access, domestic and international private leased circuits ("DPLC" and "IPLC", respectively) and data services.

The RPRR was developed pursuant to the relevant provisions included in the Telecommunications Act No. [XX] of 2001 (the "Act") and the Telecommunications (Retail Tariff) Regulations (the "Regulations"). For the avoidance of doubt, to the extent that there may be a conflict between the RPRR and the Regulations, the Regulations would take precedence. **Also, in the event that the new Electronic Communications (Retail Tariff) Regulations (the "EC Regulations") come into force in Grenada and to the extent that there may be a conflict with the RPRR, the EC Regulations will take precedence.**

This RPRR replaces any price cap plan previously approved and adopted by National Telecommunications Regulatory Commission (NTRC) of [*ECTEL Member State*] that may be in effect.

### **1.0 DURATION AND TERM OF RPRR**

This RPRR takes effect on 1<sup>st</sup> March, 2022 and has a term of four (4) years as follows:

- i) Partial Year 1: 1<sup>st</sup> March to 31<sup>st</sup> December, 2022
- ii) Year 2: 1<sup>st</sup> January to 31<sup>st</sup> December, 2023
- iii) Year 3: 1<sup>st</sup> January to 31<sup>st</sup> December, 2024
- iv) Year 4: 1<sup>st</sup> January to 31<sup>st</sup> December, 2025

The RPRR expires as of 31<sup>st</sup> December, 2025, unless ECTEL determines and recommends that it be either renewed or replaced.

## 2.0 **RPRR PROVISIONS BY REGULATED SERVICE CATEGORY**

### 2.1 **General Price Cap Index**

For those Regulated Services that are subject to a price cap index (“PCI”) constraint, the PCI is specified in the following form:

$$PCI = I - X +/- Z$$

where:

I = *Inflation Factor* (calculated as the previous year’s change in the Consumer Price Index for the applicable ECTEL Member State as calculated and published by the Eastern Caribbean Central Bank)

X = *Productivity Offset Factor*

Z = *Exogenous Factors* ( such changes in operating costs that are outside of C&W’s control and are material in magnitude)

### 2.2 **Fixed Voice Access from a Fixed Location**

Two (2) separately targeted PCIs apply to C&W’s retail residential and business standalone basic fixed voice access services:

- i) Residential standalone basic fixed voice access: PCI cap with X = 0.
- ii) Business standalone basic fixed voice access: PCI cap with X = 0.

*Associated RPRR Provisions:*

- a) C&W must provide “standalone” residential and business basic fixed voice access services.
- b) Unused PCI headroom may be carried forward and used in subsequent price cap periods.
- c) The maximum allowed residential or business standalone basic fixed price increase in any one price cap period is 5%.
- d) *Residential Service Free Minute Allowance:* Residential standalone basic fixed voice access must include a minimum of 100 free off-peak (i.e., evenings and weekends) on-net fixed-to- fixed (“FTF”) call minutes.
- e) *Residential Harmonisation Obligation:* The lowest monthly residential standalone basic access line rate must be equal to or more than 77% of the highest monthly residential standalone basic access line rate in any other ECTEL Member State.
- f) *Business Harmonisation Obligation:* The lowest monthly business standalone basic access line rate must be equal to or more than 90% of the highest monthly business standalone basic access line rate in any other ECTEL Member State.

Note that the PCI constraints and associated RPRR provisions set out in this Section 2.2 may be eliminated prior to the end of the RPRR term if the Automatic Adjustment Mechanism (“AAM”) is triggered. The AAM is described in Section 4.0 below.

### **2.3 Domestic and International Calling from a Fixed Location**

Two separately targeted PCIs apply to C&W’s retail domestic standalone basic fixed-to-fixed (“FTF”) and fixed-to-mobile (“FTM”) call services:

- i) Domestic standalone basic FTF calls: PCI cap with  $X = 0$ .
- ii) Domestic standalone basic FTM calls: PCI cap with  $X = 0$ .

*Associated RPRR Provisions:*

- a) C&W must provide “standalone” basic FTF and FTM call services.
- b) Unused PCI headroom may be carried forward and used in subsequent price cap periods.
- c) The maximum allowed FTF or FTM price increase in any one price cap period is 5%.
- d) *Domestic FTF Call Rate Harmonisation Obligation:* The lowest domestic FTF weekday/evening/weekend rate must be equal to or more than 65% of the corresponding highest FTF weekday/evening/weekend rate in any other ECTEL Member State.
- e) *Domestic FTM Call Rate Harmonisation Obligation:* The lowest domestic FTM weekday/evening/weekend rate must be equal to or more than 65% of the corresponding highest FTM weekday/evening/weekend rate in any other ECTEL Member State.
- f) *International Call Price Ceiling:* Each fixed international direct dial (“IDD”) per-minute call price must be equal to or less than the corresponding mobile IDD per-minute call price charged by C&W.

Note that the PCI constraints and associated RPRR provisions set out in this Section 2.3 may be eliminated prior to the end of the RPRR term if the AAM is triggered.

Note also that a Z-factor related to ECTEL-mandated interconnection rate reductions applies to C&W’s retail domestic standalone basic FTF and FTM service rates. The details of the associated interconnection rate reduction flow-through obligation are set out in Section 3.0 below.

### **2.4 Fixed Broadband Internet Access**

*[Dominica and St. Kitts and Nevis]*

There are no pricing constraints or provisions applicable to C&W’s retail fixed broadband Internet access services.

*[Grenada, Saint Lucia and St. Vincent and the Grenadines]*

C&W and Columbus Communications are obligated to make available a Basic Broadband Offer

(“BBO”) that satisfies the following minimum requirements:

- i) available on a standalone basis (i.e., available on an unbundled basis);
- ii) offered with unlimited monthly usage (i.e., without a monthly data usage cap);
- iii) minimum download / upload speeds of 10 Mbps / 1Mbps, respectively;
- iv) a monthly retail price of no greater than \$99 (VAT included);
- v) available to both new and existing customers; and
- vi) customers on other existing broadband plans who wish to switch to the BBO would not be subject to early termination fees.

*Associated RPRR Provisions:*

- a) *BBO Availability Harmonisation Obligation:* a basic fixed broadband service offer meeting the established BBO characteristics must be made available in all ECTEL Member States, where a BBO obligation applies.
- b) *BBO Price Harmonisation Obligation:* The highest monthly rate (VAT included) for the BBO must be no more than 10% higher than the lowest monthly rate standalone basic fixed broadband service in any other ECTEL Member State where a BBO obligation applies.

Note that the BBO obligation and associated RPRR provisions are not subject to the AAM and, therefore, remain in place for the full term of the RPRR regardless of whether the AAM is triggered.

## **2.5 DPLC, IPLC and Data Services**

There are no pricing constraints or provisions applicable to C&W’s retail DPLC, IPLC or Data services.

## **3.0 INTERCONNECTION RATE REDUCTION FLOW-THROUGH OBLIGATION**

ECTEL’s review of interconnection costs completed in 2018 resulted in significant reductions in interconnection rates – i.e., the mobile termination and fixed terminations rates (“MTR” and “FTR”, respectively) – in each MS over the three-year period, 2018 to 2020.<sup>1</sup> These mandated FTR and MTR rate reductions, which are cost-based, are eligible Z-factors in the case of C&W’s retail domestic standalone basic FTM and FTF call services. The flow-through rate reduction obligations with respect to C&W’s retail domestic standalone basic FTM and FTF services resulting from the mandated reductions in MTRs and FTRs are set out in Tables 1 and 2, respectively, for each MS.<sup>2</sup> As indicated in the tables, the required reductions are to be implemented in two steps, the first taking place on 1<sup>st</sup> March, 2022 and the second on the first day of the second year of the RPRR.

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<sup>1</sup> ECTEL, *Recommendation to National Telecommunications Regulatory Commissions on Cost Oriented Interconnection Rates in the ECTEL Member States*, April 2018.

<sup>2</sup> Note that the flow-through obligation does not require full flow-through the mandated MTR and FTR reductions, but rather 64% and 43%, respectively.

<b>Table 1 – C&amp;W MTR to FTM Flow-Through Obligation</b>				
<b>(¢/minute)</b>				
<b>ECTEL Member State</b>	<b>Current FTM</b>	<b>1<sup>st</sup> March, 2022 FTM</b>	<b>1<sup>st</sup> January, 2023 FTM</b>	<b>Total FTM Reduction</b>
<b>DOM</b>	40.0	30.0	25.0	-15.0
<b>GND</b>	40.0	30.0	25.0	-15.0
<b>SKN</b>	40.0	30.0	25.0	-15.0
<b>SLU</b>	40.0	30.0	25.0	-15.0
<b>SVG</b>	40.0	30.0	25.0	-15.0
<b>Average</b>	<b>40.0</b>	<b>30.0</b>	<b>25.0</b>	<b>-15.0</b>

<b>Table 2 – C&amp;W FTR to FTF Flow-Through Obligation</b>				
<b>(¢/minute)</b>				
<b>ECTEL Member State</b>	<b>Current Peak FTF</b>	<b>1<sup>st</sup> March, 2022 Peak FTF</b>	<b>1<sup>st</sup> January, 2023 Peak FTF</b>	<b>Total FTF Reduction</b>
<b>DOM</b>	7.0	6.0	5.5	-1.5
<b>GND</b>	7.0	6.0	5.5	-1.5
<b>SKN</b>	7.0	6.0	5.5	-1.5
<b>SLU</b>	7.0	6.0	5.5	-1.5
<b>SVG</b>	7.0	6.0	5.5	-1.5
<b>Average</b>	<b>7.0</b>	<b>6.0</b>	<b>5.5</b>	<b>-1.5</b>
	<b>Off-Peak FTF</b>	<b>Off-Peak FTF</b>	<b>Off-Peak FTF</b>	<b>Total FTF Reduction</b>
<b>DOM</b>	4.0	3.0	2.5	-1.5
<b>GND</b>	4.0	3.0	2.5	-1.5
<b>SKN</b>	4.0	3.0	2.5	-1.5
<b>SLU</b>	4.0	3.0	2.5	-1.5
<b>SVG</b>	4.0	3.0	2.5	-1.5
<b>Average</b>	<b>4.0</b>	<b>3.0</b>	<b>2.5</b>	<b>-1.5</b>

Note that the interconnection rate flow-through obligation is not subject to the AAM and, therefore, must be fully implemented regardless of whether the AAM is triggered.

#### **4.0 AUTOMATIC ADJUSTMENT MECHANISM (“AAM”)**

The purpose of the AAM is to determine if the PCI constraints and associated RPRR provisions applicable to C&W’s retail residential and business fixed voice access and calling services, as set out in Sections 2.2 and 2.3 may be eliminated as of the effective date or during the term of the RPRR.

##### **4.1 AAM Trigger Mechanisms**

The AAM trigger consists of two components – the Digicel and C&W Components – both of which will be considered simultaneously to determine whether or not the AAM is triggered. The Digicel and C&W Components are as follows:

**i) Digicel Component**

*Principle:* Direct quantitative evidence from Digicel that it has entered the residential and small business fixed voice service markets.

*Trigger Threshold:* Digicel residential and small business fixed voice service customer base equal to or greater than approximately **2%** of the population of the MS in question, as set out in Table 3.

<b>Table 3: Proposed “Digicel Component” Trigger Threshold</b>		
<b>ECTEL Member State</b>	<b>Population</b>	<b>Digicel Residential and Small Business Fixed Voice Subscriber Count</b>
DOM	72,000	1,450
GND	111,000	2,200
SKN	52,000	1,050
SLU	182,000	3,600
SVG	110,000	2,200

*Subscriber Data Definition:*

- a) Residential fixed services including (a) standalone fixed voice and (b) bundled fixed voice (e.g., with broadband Internet and/or pay TV) subscribers; and
- b) Small business fixed services including (a) standalone fixed voice, (b) bundled fixed voice (e.g., with broadband Internet and/or pay TV) subscribers.

**ii) C&W Component**

*Principle:* Indirect qualitative and quantitative evidence from C&W that Digicel has entered the residential and small business fixed voice service markets.

*Trigger Thresholds:*

- a) Observed Entry: Corroborating evidence either in the form of Digicel advertising or postings on Digicel’s website that Digicel offers residential and small business fixed voice services; and
- b) C&W Subscriber Loss: Evidence of a minimum 10% reduction in C&W’s residential and small business fixed voice service subscriber base relative to 31<sup>st</sup> December, 2021.

## 4.2 AAM Administration

The data required for the Digicel and C&W Components of the AAM shall be collected by the NTRCs on behalf ECTEL by **1<sup>st</sup> February, 2022** and every six months thereafter, as necessary. The results of the Digicel and C&W Components of the AAM shall be assessed by ECTEL simultaneously. In the event the Digicel and C&W Components generate contradictory results for a given MS, then ECTEL shall investigate the discrepancy, as necessary, and do its best to resolve or determine the reason(s) for the difference in results. Where no resolution is found, ECTEL shall place greater weight on the Digicel Component of the AAM. In other words, if the Digicel Component trigger is met, but not the C&W Component trigger, the AAM would be triggered. In the reverse instance, the AAM would not be triggered.

Practically, the AAM assessment process shall, as necessary, work as follows:

### One month before the RPRR takes effect i.e. on **1<sup>st</sup> February, 2022**:

- 1) The NTRC shall determine whether to trigger the AAM at the outset of the RPRR based on an ECTEL written determination of whether the AAM trigger conditions are met at the time the RPRR is to take effect.

### Biannually once the RPRR is in effect (for those MS where the AAM not yet triggered):

- 2) The NTRC shall not trigger the AAM if ECTEL has confirmed in writing that it has determined that the AAM trigger conditions are not met.
- 3) The NTRC shall trigger the AAM if ECTEL has confirmed to it in writing that it has determined that the AAM trigger conditions have been met.
- 4) The NTRC shall trigger the AAM if it has not received any confirmation in writing from ECTEL regarding the status of the AAM trigger conditions. However, in such an instance, should circumstances delay ECTEL's ability to assess the AAM trigger conditions, ECTEL shall inform the applicable NTRCs of this fact and, accordingly, pause the AAM process briefly, until the issue causing the delay is rectified.

To ensure full transparency as to the status of AAM assessment process, ECTEL shall keep both C&W and Digicel informed in writing of its biannual AAM trigger assessments, findings and related directions to the NTRCs, as applicable.

A summary of the AAM administrative procedures and timelines to be conducted for each MS, as necessary, is provided in Table 4.

<b>Table 4 –AAM Administrative Procedures and Timelines</b>	
<b>Date</b>	<b>Action</b>
<i>One Month Prior to the New RPRR taking effect 1<sup>st</sup> February 2022</i>	



Start of Month -1	<i>Initial Digicel and C&amp;W Component Data Collection:</i> ECTEL issues RFIs to Digicel and C&W for the specified AAM data. ECTEL assesses data received and follow-ups with Digicel and/or C&W.
Before end of Month -1	<i>Initial AAM Trigger Assessment:</i> Based on the RFI responses, ECTEL determines whether AAM trigger conditions are met, and issues written confirmation to the NTRCs as to whether the AAM should or should not be triggered.
<b>Day 1 of RPRR i.e. on 1<sup>st</sup> March, 2022</b>	RPRR takes effect with or without the AAM triggered as per ECTEL's Initial AAM Trigger Assessment.
<b><i>Biannual AAM Trigger Assessments during course of the RPRR (as necessary)</i></b>	
Start of Month 6	<i>Digicel and C&amp;W Component Data Collection (as necessary):</i> ECTEL issues RFIs to Digicel and C&W for the specified AAM data. ECTEL assesses data received and follow-ups with Digicel and/or C&W.
Before end of Month 6	<i>AAM Trigger Assessment (as necessary):</i> Based on the RFI responses, ECTEL determines whether AAM trigger conditions are met, and issues written confirmation to the NTRCs as to whether the AAM should or should not be triggered.
Month 7	AAM exercised in any MS where ECTEL has determined that the AAM trigger conditions are met or ECTEL has not issued written confirmation to the NTRC; otherwise, the AAM is not triggered.
Beginning of Month 12	ECTEL repeats the Digicel and C&W Component data collection, as necessary.
Before end of Month 12	ECTEL conducts AAM trigger assessment and provides written confirmation to the NTRCs as to whether the AAM should or should not be triggered, as necessary.
Following RPRR Years	Biannual process repeats, as necessary.

## **5.0 REPORTING REQUIREMENTS**

On 1<sup>st</sup> June, 2020 and on 1<sup>st</sup> December thereafter (or the closest business day in each case), for the duration of the RPRR, C&W is required to file an RPRR Compliance Report, that would include:

- i) an update of all applicable price cap indices, along with all underlying data used for the calculations;
- ii) a demonstration and confirmation of compliance with all PCI constraints and additional RPRR provisions, including harmonization requirements, relating to retail residential and business basic fixed voice access and calling services;
- iii) a demonstration and confirmation of compliance with the interconnection flow-through obligation;
- iv) [*Grenada, Saint Lucia and St. Vincent and the Grenadines*] a demonstration and confirmation of compliance with the BBO obligation and related harmonisation requirements; and
- v) provision of audited statutory annual financial statements covering C&W's own and, as applicable, subsidiary/affiliated operations.

