Response to

Liberalizing Telecommunications Directory Information
Cost and Benefits Questions

Prepared

By

Digicel

INTRODUCTION

Digicel welcomes the opportunity to further participate in the consultative process on the liberalisation of Telecommunications Directory Information services. We note that the OUR is in the process of garnering additional information on one of the previously proposed market structures, that of a single comprehensive database. As previously stated in our response to the first consultative document issued, there are inherent benefits and disadvantages in having a single database.

Of great concern to us is the methodology, which will be used to establish such a database. Having begun the process of liberalisation in the wider telecommunications market, one would not like to see a monopoly provider being created, or the extension of an existing monopoly. Care should therefore be taken to ensure, that should this be the option chosen, that all providers are on an equal footing in terms of access. No one provider should have first mover advantage once the market is liberalised. With that said, in the interest of creating a level playing field, Digicel categorically states that we will not support Cable and Wireless being the sole owner or administrator of the comprehensive database.

Our responses to the questions posed by the OUR are given below. We reserve the right to comment further on these questions in future submissions.

RESPONSES TO QUESTIONS
1. Identify and quantify the cost elements associated with the provision of real time access to a single DQ database.

There would be a cost to set up and maintain the database, which would consist of hardware and software elements. Added to this would be the cost for the provision of real time access. This would involve a cost for a dedicated lease line, or 512 KB frame relay plus switches and routers.

Cost to set up a single database	(US$)
Hardware	250,000
Software	1,250,000
Data Modeling & Implementation	100,000
Total set up cost	**1,600,000**
On-going Maintenance(annually)	*400,000*

Cost to access Database	(US$)
Network Infrastructure	**50,000**
Dedicated Access Line (monthly)	*2,000*

All figures based on quotations received from vendors and are not guaranteed to remain at this level

2. Itemize and quantify the benefits that are likely to accrue from the provision of real time access to a single DQ database.

<u>**Benefits of a single DQ database**</u>

Establishes a level playing field for all providers:
Having an independently hosted database, which offers equal access, ensures that all providers are able to supply the same core service to consumers. No one provider will have a first mover advantage by virtue of having a larger pool of numbers in its database.

Lower cost of maintaining the database:
There will only be one database to maintain as opposed to numerous databases. Should there be multiple databases, then the cost would far out way that of maintaining a single comprehensive database. These cost saving would be reflected in the price consumers would have to pay for the DQ service.

Standardised data for customers irrespective of the DQ service provider:
Providers will not need to access several databases on a daily basis for the delivery of their DQ service. This single source will ensure that irrespective of the provider the information will be consistent and standardised. The differentiator will be in the value added services that each provider will offer to complement the core data available.

<u>**Real time access benefits**</u>

Consumers will be able to receive information quickly:
With sub-second interrogation of a database being possible, consumers will be able to receive their information promptly. Consumers would know how long an enquiry would take to be processed and by extension, how they would spend on the phone. The length of time to deliver this information would be increased if the provider did not have real time access.

Better network utilisation:
Having real time access in place would assist providers in planning network utilisation. This would facilitate better allocation of resources, which will impact positively on the delivery of service to consumers.

3. Identify and quantify (where possible) the costs associated with a change in the access codes from 114 to 114x.
The change from the existing 114 access code to 114x would not be a costly undertaking. It would just involve the man hour cost of reprogramming the switch. This is not a technically challenging exercise and would take a few minutes per switch to actually complete.

In addition to making the changes in the switches, public awareness and advertising campaigns would have to be undertaken to notify the public about the new codes. The public awareness campaign would deal with the general change over to the new codes and the transition period. Each provider would also engage in their individual marketing campaign to actively promote their respective numbers. The budgets allocated to such an undertaking would be determined by each provider and could be as small, or as large as they decide.

4. Identify and quantify (where possible) the cost associated with a change in the access code from 114 to X11

Similar to the previous scenario, this is not a technically challenging exercise and would only take a few minutes per switch to complete. The only cost involved would be for the man hour involved. Public awareness and marketing campaigns would also need to be undertaken. Each provider would determine the cost and magnitude of such campaigns.

5. In what ways, if any, will the change of the access code from 114 benefit consumers?

The main benefit to consumers is that they will now have a choice of which Service Provider to use for DQ services. Each provider will strive to use differentiators, be it price or service based, for their respective product. As a result, consumers will be able to make informed choices about which product best suits their needs. They will not be locked into any providers permanently and can move easily between the different providers of DQ based on their needs.

6. What social factors, if any, should be taken into account when assessing the effect of changes in the DQ access code?

The primary effect of changing the DQ access code, and introducing provider specific codes, will be to improve the choice of DQ services that consumers will have. This improvement in choice and the implied benefits as stated above, are key social factors that should be taken into account in any assessment. Consumers only stand to benefit from such a change.

7. What additional services are likely to be offered subsequent to entry in the DQ market? What were the results of any market survey conducted to justify the marketing of these services?

There are numerous services that are likely to be offered and some are listed below. They are all value added products to the basic DQ service and this is by no means an exhaustive list. Examples include:
- ? Preferred listings
- ? Listings to SMS (assumes inter-standard SMS)
- ? Call completion
- ? Fax numbers
- ? Preferential searching (i.e. Business category searching)
- ? Locality searching

? International DQ

8. What improvements in quality of service, if any, are likely to result from the removal of entry barriers to the market for DQ services?

The main improvements likely to result are:
Greater choice in types of services available:
Consumers will be able to choose the service that exactly meets their needs. They will not have to pay for what they do not need.

Greater focus on consumer needs:
The introduction of competition will result on greater focus on consumer needs. Providers will actively seek to tailor their services to cater to the tastes of consumers

9. Can the DQ database be expanded to include more subscribers' directory information without compromising subscriber privacy? If so, how?

Digicel believes that the database can be expanded to include more subscribers' information without compromising subscriber privacy. Existing customers could be contacted to ascertain if they would like to be included in the database. We could confirm with them if they wanted to be a "listed" or an "ex-directory" number. Further all new customers would be asked at the point of taking out service with us, if they wanted to be listed or ex-directory.