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# **Columbus Communications Jamaica limited**

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Response to the OUR's Assessment  
of RIO 6 – Determination Notice and  
Lime's application for reconsideration  
of The Decision Notice



## **OPENING REMARKS**

Flow welcomes the publication of the Assessment of RIO 6 Determination Notice which is required to streamline the interconnection offers impacting the fixed line business operation in Jamaica.

The views expressed herein are not exhaustive, and any issues cited in the document which are not specifically addressed in our response, do not in any way indicate acceptance, agreement or relinquishing of Flow’s rights. Therefore, Flow expressly reserves all its rights in relation to feedback provided on RIO 6.

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## **Executive Summary**

Flow welcomes the OUR’s efforts to arrive at a new Reference Interconnection Offer (RIO 6) albeit the process has taken much longer than anticipated considering that the first draft was made available to the OUR in June 2009. Nevertheless, the new RIO is more reflective of the current realities of the market and has sought to reaffirm anomalies and excesses especially with respect to transit charges which Flow has consistently highlighted as unnecessary and burdensome.

These additional costs have only made the market less competitive and acted as an impediment to growth in the fixed line business which has negatively impacted Flow’s original business plan. Further, the Interconnect Specific Charge is still being retained based on the Tariff Schedule Lime has developed arising out of the determination of RIO 6.

With respect to the matter of a Single National Rate, Flow remains disappointed and concerned that this has not been addressed in this RIO 6 although the OUR has indicated willingness to review this when the LRIC model for fixed networks is developed. The efficiency that would be derived with having a single national rate outweighs



any concerns about any carrier interconnecting at Local and Regional points paying a higher tariff compared with a carrier at the National level. In fact a single interconnection point except for diversity is desirable.

## **Specific Response to the Determination Notice and Lime’s request for reconsideration of the Notice**

**1. Effective Date, December 24, 2013:** – Flow acknowledges the effect that implementing major changes during the billing cycle can have on billing as well as reconciliation. However, it is not uncommon for carriers to resolve any billing disputes arising from such an implementation and Flow is committed to working closely with Lime in this case to resolve any issues that may arise. As a consequence, the implementation of RIO 6 and the associated rate changes on December 24, 2012, should have very little impact on the operation of both companies that cannot be easily resolved. Our recommendation therefore is that the implementation date remains December 24, 2012.



**2. Determination 15:** - Unless there are technical reasons on the part of the interconnecting operator that prevents it from obtaining direct interconnection with LIME’s mobile switch, there should be no transit or other cost of connection for the interconnecting operator other than the tariffs listed in the Tariff Schedule.

a. Lime has consistently maintained a transit cost for terminating traffic to their mobile switch without enabling direct interconnection to their mobile switch as is the norm in the telecoms industry where a carrier operates both a mobile and fixed network. Although Lime has sought to be less stringent on this matter within the last year in anticipation of the OUR’s determination, our view remains that there has never been any plausible justification for charging transit fees for terminating traffic to Lime’s mobile network. We agree with the OUR on this determination in relation to this unnecessary imposition of fees to access Lime’s mobile network. Lime should unreservedly comply with this determination or immediately grant direct interconnection to their mobile switch without further delay.

**3. Determination 39:** - The tariffs for Termination, Special Access, and Transit Services contained in the draft RIO 6 are not approved. The approved RIO 6 tariff for PSTN Termination, Retention rate, Incoming International Call Termination, Transit,



National Directory Enquiry, 119 and 110 Emergency Services are as indicated in Table 4. The tariff for Weather Warning, 1-888-Call CWJ Access, National Freephone, International Freephone, and Home Country Direct Collect Service shall remain unchanged at the level previously approved in the RIO 5A Tariff schedule.

a. Flow is in general agreement with this determination particularly in relation to the non-approval of the proposed draft RIO 6 rates.

b. ***Absence of an Interconnect Specific Charge (Lime’s interpretation)*** – Our interpretation of the document specifically Determination 39, is that the interconnection specific charge is being retained by the OUR although it would appear that Lime’s interpretation is that this charge is being removed based on their response to the OUR on this matter. Lime’s argument for wanting to retain the Interconnect Specific Charges is without merit. Carriers cannot bear the unnecessary cost that Lime might incur for maintaining its ‘separate’ Carrier Services Division. The termination rates are already cost based which should cover the entire cost involved in providing the interconnection service. Padding the rate with numerous charges can only impact customers negatively as well as hinder competition in this industry. Flow has consistently questioned the rationale



for the imposition of this additional charge and we ask that this is removed as rightfully perceived by Lime.

**C. Use of RIO 5A Rates instead of RIO 5A1 Rates in the absence of acceptable Benchmark** – Flow disagrees with Lime in relation to this as the OUR in keeping with the legislation has sought to determine the rates based on the cost of providing the service. We have no issue using RIO 5 as part of the benchmarking.

**d. Single Termination rate** – Having a single termination rate irrespective of origin of a call is desirable as the cost structure for terminating calls should be the same regardless of the origin of the call. We believe that the methodology used by the OUR in RIO 5 of averaging the national rates in determining the tariff for incoming international termination rate is acceptable.

4. **Single National Rate** – Again, Flow wants to advocate that the OUR accelerates the process to introduce a Single National Rate regime when the LRIC model for fixed networks is developed. This will not only simplify the rate structure, but will allow for greater efficiencies in interconnection billing. Further with respect to the matter of Local, Regional and National calls being rated in terms of Peak, Off-Peak, and Weekends, this is a dated concept which has no place in the operation of a modern telecom organization. This is



highly inefficient especially for billing purposes, and we ask that this be removed from the tariff schedule.

5. **Interconnection at local switches (Sec 4.19)** – While the office in February 2001 Determination Notice (Determination 3.3) made it clear that Lime upon bona fide request, make direct connections available to any end office for the purpose of originating and terminating traffic at that office within six months, our most recent experience in making such interconnection took close to 1 year to complete. To ensure that Lime complies in relation to this, there should be consideration for sanction for non-compliance given the negative impact delays can have on the performance of business in this competitive environment.

## **Conclusion**

While we believe that RIO 6 will help to advance the industry, we urge the OUR to be bolder and move swiftly to further simplify the rate structure for fixed which we were hoping to have been accomplished with the determination of RIO 6. The rate structure remains far too complicated for such a small but dynamic market where a single national rate is desirable. There is no justification for the continued maintenance of Setup Charges and Interconnection Specific Charges.





We look forward to the OUR playing its role in ensuring compliance with the RIO especially with respect to the removal of transit charges for termination of traffic to Lime’s mobile network.