
Office of Utilities Regulation

Indirect Access: Two Stage Dialing

Determination Notice



OFFICE OF UTILITIES REGULATION

May 30, 2008

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Determination Notice

1. PURPOSE OF DOCUMENT

This document contains the main Decisions of the OUR regarding the issue of Two-Stage Dialing and its implementation. The document specifies C&WJ's regulatory obligation in this regard.

RECORD OF REVISIONS

Revision Number	Description	Date

APPROVAL

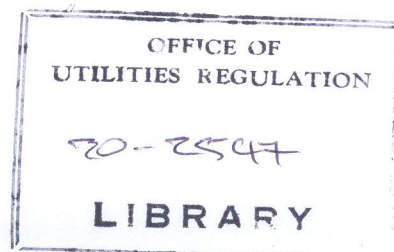
This document is approved by the Office of Utilities Regulation and the Decisions therein become effective **May 30, 2008**.

By Order of the Office:



J. Paul Morgan
Director General

May 30, 2008



Abstract

The Office of Utilities Regulation (herein after “the Office”) commenced the consultative process on Indirect Access in February of 2003 pursuant to Section 36 (1) of the Telecommunications Act 2000 (herein after “the Act”):

“The Office may make rules subject to affirmative resolution imposing on a dominant public voice carrier, the responsibility to offer a particular form of Indirect Access to its network to other interconnection seekers, if the Office is satisfied on reasonable grounds that such rules are necessary in the interest of customers and that:-

- a. the benefits likely to arise from the requirement to provide a particular form of Indirect Access outweigh the likely cost of implementing it; and*
- b. the requirement to provide the particular form of Indirect Access will not impose an unfair burden on any carrier or service provider.”*

The initial two Consultative Documents published by the Office focused on the traditional forms of Indirect Access, that is, Carrier Pre-selection (CPS), Call Selection (CS) and Carrier Pre-selection with call by call override. In July of 2007 however, the Office published a third consultative document which focused on Two-Stage Dialing (a form of Indirect Access) and discussed the results of a “cost-benefit study” and its assessment of “unfair burden” that could potentially result from the imposition of Two Stage Dialing as a mandated form of Indirect Access.

This Determination presents the Office’s Decisions following consultation on the matter of two stage dialing as a form of Indirect Access. It presents as well the results of the unfair burden test and cost-benefit assessment.

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Introduction

- 1.0 The Office issued its third consultative document on “Indirect Access” on Thursday 12, July 2007. The document focused primarily on Two-stage Dialing¹, a particular form of Indirect Access, and discussed the results of the cost-benefit analysis and the unfair burden assessment that was carried out pursuant to Section 36 of the Telecommunications Act.
- 1.1 The Office used a per-minute approach in conducting the analysis primarily because it was examining the cost-benefit of the application of direct exchange lines (DELs) as an example of the Two-stage Dialing (2SD) process (service). The analysis can, however, be extended to other 2SD applications such as toll-free access and access via direct carrier to carrier interconnection.
- 1.2 Effective competition in the provision of telecommunications services confers benefits to customers as well as carriers and service providers. For customers, such benefits usually take the form of improved service quality and reliability, increased choice of supplier, and lower prices. Competition can also give carriers and service providers incentives to make improvements in their efficiency and to exploit opportunities for growth and innovation.

Responses to Consultation

- 1.3 Responses were received from: Cable and Wireless Jamaica Limited (C&WJ) and Columbus Communications Jamaica Limited (Flow).
- 1.4 This Determination Notice summarises the main issues raised by these respondents and presents the Office’s considered judgement on these issues.

Legal Framework

- 1.5 The functions of the Office with regards to the regulation of the telecommunications sector are stipulated in Section 4 of the Telecommunications Act (2000), inter alia:

“The Office shall regulate telecommunications in accordance with this Act and for that purpose the Office shall,

(a). Regulate specified services and facilities

....

¹ Two-stage dialing is generally viewed as the use of a standard retail product by an indirect access operator (IAO) to allow the subscribers of another operator to access the IAO’s calling services.

(c). *Promote the interest of customers, while having due regard to the interest of carriers and service providers.*

(f). *Promote competition among carriers and service providers
....”*

1.6 In the general spirit of promoting competition by preventing and curtailing uncompetitive practices, the Office is particularly concerned about agreements with provisions that serve to substantially lessen competition. In this regard, the legal framework encompasses Section 17 of the Fair Competition Act which states that:

1) *“This section applies to agreements which contain provisions that have as their purpose the substantial lessening of competition, or have are likely to have the effect of substantially lessening in a market.*

2) *...*

3) *Subject to the provisions of subsection(4), no person shall give effect to any provision which has the purpose or effect referred to in subsection (1); and no such provision is enforceable”.*

1.7 Additionally, sections of the Telecommunications Act 2000 provide for the development of a competitive regime within Jamaica's telecommunications sector. These include provisions concerning Number Portability and Indirect Access. The requirements regarding the latter are set out at Section 36 of the Act. Sections 36(1) and (2), provide as follows:-

“(1) The Office may make rules subject to affirmative resolution imposing on a dominant public voice carrier, the responsibility to offer a particular form of Indirect Access to its network to other interconnection seekers, if the Office is satisfied on reasonable grounds that such rules are necessary in the interest of customers and that:-

a. the benefits likely to arise from the requirement to provide a particular form of Indirect Access outweigh the likely cost of implementing it; and

b. the requirement to provide the particular form of Indirect Access will not impose an unfair burden on any carrier or service provider.”

(2) In subsection (1) "*Indirect Access*" means the method whereby customers are able to select the services of any service provider who uses a public voice carrier's network to provide specified services".

- 1.8 Other provisions of the Act that are likely to have a bearing on the issue of Indirect Access are those at Sections 28, 29, 30, 31, 32, 33, and 34. Section 28 outlines the Office's powers to determine dominance of public voice carriers.
- 1.9 Section 8, which sets out the legislative framework for the management, assignment and use of numbering resources for telecommunications, is also relevant to the consultation on Indirect Access. The Office has issued its Determination Notice¹ on the management and allocation of numbering resources for various services. These include numbering resources that are required for the proper implementation of call-by-call carrier selection. However, this subject will receive no further consideration in this document as it is not pertinent to the introduction of 2SD.

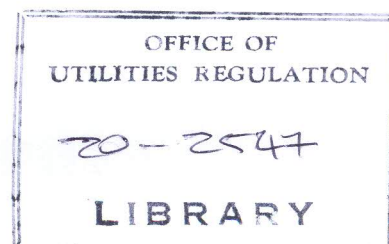
Limitations to the potential providers of 2SD

- 1.10 The Office notes that Section 36 (1) of the Act "the Office may make rules subject to affirmative resolution imposing on a dominant public voice carrier the responsibility to offer a *particular form of Indirect Access to its network to other **interconnection providers**...*", has placed a limit on those to whom the Office can actually mandate C&WJ to offer any form of Indirect Access. As such, the Office is only able to mandate C&WJ to offer 2SD to other carriers who are interconnection providers².

Implications of the legal authority for mandating 2SD

- 1.11 The legal authority noted above is consistent with the Office's position as expressed in previous documents that Indirect Access is not prohibited by the Act nor is dependent solely on whether the Office mandates it or not. The intent of the Act is to provide the Office with the power to mandate forms of Indirect Access in the wholesale interconnection market where special arrangements may have to be made by interconnection providers. The Office is strongly of the opinion that where retail services are used to provide Indirect Access, the provisions governing competitive behaviour applies and operators should conduct themselves in compliance with the Fair Competition Act. Operators should not block or restrict the use of

² The Telecommunications Act 2000 (Section 27) requires for Interconnection providers/ seekers to be carriers. To be a carrier under the Telecommunications Act 2000 the entity must obtain a Carrier License.



retail services because these services may be used to compete with them in other markets.

- 1.12 In this regard, CW&J's position that the Office has to mandate the use of DELs in providing Indirect Access before it can be allowed is flawed. This is so since the Office has no power to mandate Indirect Access for service providers and the Office has not mandated the use of toll-free line to provide Indirect Access, yet C&WJ has been offering this service as a means of facilitating outgoing international calls.

Potential Markets for 2SD

- 1.13 Following a market analysis conducted by the Office of Utilities, C&WJ was declared dominant in the markets for (1) fixed line access (2) fixed line domestic retail services (3) fixed line international retail services and (4) fixed network interconnection services³. However for the purpose of the cost-benefit analysis only the following markets were considered:

- Outgoing international calls from fixed lines;
- Local fixed - to mobile calls; and
- Calls from fixed lines to non-geographic numbers in Jamaica.

- 1.14 Given the probable use of 2SD, the Office did not consider it necessary to include national fixed - to - fixed calls in the cost-benefit analysis.

- 1.15 Indirect Access in the form of 2SD already exists in the outgoing international calls market, through the use of toll-free access lines and through the use of interconnection service links⁴. The Office notes however that there is no access via the use of DELs for service providers, unless access to these DELs is priced at a special rate and/or is governed by a particular routing relationship⁵. This arrangement represents a reselling arrangement that is not classified as Indirect Access since the C&WJ subscriber does not have the option of selecting an alternate carrier to take the call out of Jamaica.

³ See Determination Notice on Dominant Public Voice Carriers Doc Tel 2003/....., published in July 2003.

⁴ This is where the interconnection link between two carriers facilitates a call being placed to the international calling platform of the interconnected operator's network in order to complete an international call.

⁵ C&WJ does in fact provide wholesale international voice minutes to International Voice Service Providers (IVSPs) wishing to resell C&WJ's international voice service. The IVSP platform can be reached by the use of toll-free lines or may be reached by a regular telephone service (DEL). However since it is a resale service, such calls are routed via C&WJ's international network and, as such, the IVSP cannot by-pass C&WJ's international network. This provides only limited scope for competition and hence the potential for price reductions and benefits to consumers is also limited, as compared to the use of 2SD using DELs.

- 1.16 The cost-benefit study indicates the potential additional cost or benefit to society that will result from the introduction of 2SD via DELs. In this document the Office outlines the cost-benefit in respect of resulting from the introduction of any form of 2SD (toll-free access lines, DELs, and via wholesale interconnection links).

Purpose of Document

- 1.17 This document sets out the Office's decisions following the series of consultations, cost-benefit study (including a presentation of various scenarios of a cost-benefit analysis) and an assessment of unfair burden on the matter of introducing 2SD in the markets.

Two-Stage Dialing as a form of Indirect Access

- 2.0 In the first two consultations on Indirect Access the Office refrained from considering 2SD as a form of Indirect Access due to its keen interest in pursuing more traditional forms of Indirect Access such as Carrier Pre-Selection (CPS), Carrier Selection (CS) and CPS with call by call override. C&WJ however, argued that 2SD is a form of Indirect Access and that it should be treated as such. C&WJ, in its responses to the consultation, noted that "C&WJ has consistently asserted and continue to assert its position that 2SD is a form of Indirect Access...". The Office reviewed the Act and has reconsidered its earlier position and now accepts that 2SD can be reconciled with the definition for Indirect Access in the Act, viz:

"...indirect access means the method whereby customers are able to select the services of any service provider who uses the public voice carrier's network to provide service."

The Office however reiterates its position that not all forms of Indirect Access need to be mandated by the Office.

Determination 1

The Office has determined that Two-Stage Dialing is a form of Indirect Access based on the description of Indirect Access in the Telecommunications Act.

Access Rates

- 3.0 C&WJ has argued that it does in fact provide its competitors with a wholesale DEL access product, priced based upon the cost of providing the access (DEL) service which is inclusive of an access deficit charge

(ADC) on a per line basis⁶. The Office notes however that it has not mandated or approved any form of ADC and therefore does not sanction or recognise any pricing arrangement that includes an ADC.

- 3.1 The Office notes further that as a matter of principle, any DEL access rate that C&WJ charges itself, should be available to any interconnection provider wishing to access a DEL as well. Charging different rates for the same service would be discriminatory and may be a breach of the Fair Competition Act.

Determination 2

The Office determines that the rate that C&WJ charges to any interconnection provider wishing to access a DEL should be exactly the same as that which it charges itself.

Determination 3

The reaffirms that C&WJ must not include provisions in its contracts for retail services that contravene the provisions of the Fair Competition Act. This extends to the inclusion of any Access Deficit Charges in final prices charged to operators and/or service providers

The Voice Market Review

- 3.2 C&WJ, in June of 2007, requested a review of the voice market in Jamaica under Section 28 (3) of the Act. C&WJ has requested to be declared non-dominant in the provision of public voice telephony service. The Office has started the consultation process on the matter and is yet to issue a Determination on the matter. While the Office concurs with C&WJ that the outcome of the market review could potentially have marked implications on the obligation to allow the traditional forms of Indirect access (carrier pre-selection and call-by-call access) on its network, the Office believe that 2SD is a normal procedure in most telecommunications market and is applicable to both dominant and non-dominant carriers. The Office will therefore proceed as normal until a determination on the dominance issue is finalized.

⁶ Pg. 4, Legal Opinion, Charles Russell, June 5, 2006

- 3.3 In its response to the previous consultative document on 2SD (Tel 2007/12), C&WJ noted that the Office had given several indications in statements in previous publications that C&WJ could no longer hold a dominant position in the markets for international transit, switching facilities and the associated markets for international voice minutes. Notwithstanding C&WJ's assertions regarding its interpretations of statements attributed to the Office, it is clear that a formal review of the market, which includes, defining the relevant product and geographic markets are exercises that must be undertaken before any determination and declaration of non-dominance can be made. The Office reiterates that it has not made any such determination nor has it made any declaration of non-dominance regarding C&WJ's positions in the relevant markets. Given this situation there is nothing that precludes C&WJ from being mandated to offer 2SD or any other form of Indirect Access at this time.
- 3.4 As stated before, the Office does not have to specifically mandate 2SD as a form of Indirect Access. Indeed both dominant and non-dominant carriers have been using 2SD for Indirect Access without this form of Indirect Access being mandated by the Office. C&WJ customers can use toll-free services to access other international carriers while new entrants were forced by the provisions of the Act to use C&WJ's international facilities to provide international calling service to their customers. Even with the lifting of these provisions in Phase III, the service is still available to carriers.
- 3.5 No non-dominant carrier or service provider has objected to, or has restricted their customers by the terms and conditions of service, from the use of 2SD to access services of other operators. In fact, the Office is of the view that C&WJ's insistence on the restriction on the use of retail and standard interconnection services as an aberration in the market and may be at odds with the provision of the Fair Competition Act.

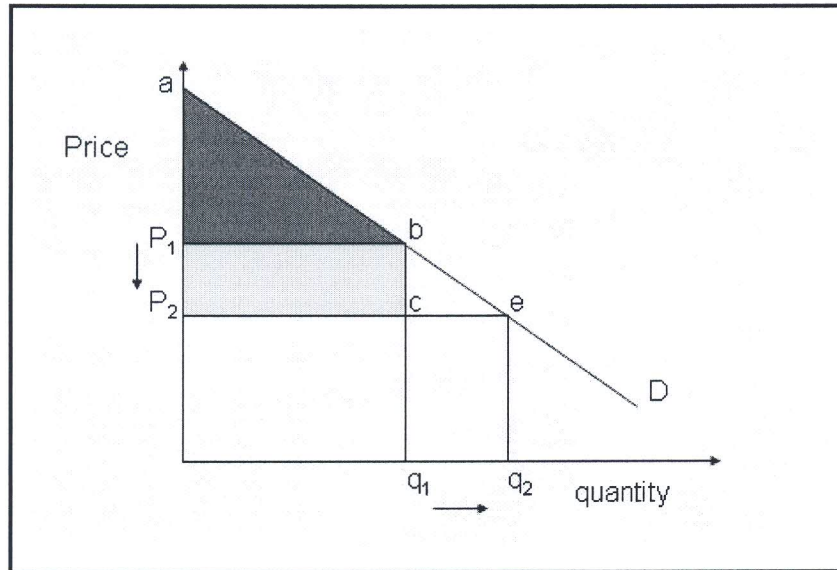
The Cost-benefit analysis discussed

- 4.0 In the previous consultation, document number three (TEL 2007/12), the Office showed in its cost-benefit analysis that the Jamaican public stands to benefit from the introduction of 2SD via the use of DELs. The Office took a different approach to the cost-benefit analysis. A cost benefit analysis generally looks at the net benefit or loss to society of introducing a product or service in a particular market for the first time. In the case of Jamaica, toll free access is presently available and is used for 2SD purposes to complete outgoing international calls. On that basis, the Office conducted the cost benefit analysis by looking at the incremental net benefit or cost of introducing 2SD using DELs. In the responses to the consultation no one disputed the findings of the cost-benefit analysis.

- 4.1 As mentioned in the previous consultation, the Office used the much simpler per-minute approach. The approach diverted from the traditional approach of estimating price elasticities of demand and conducting demand forecasts. The Office was able to use the per minute approach as the cost (network cost, software cost, etc) of introducing the service are already present in the market because operators and/or service providers are already providing service in the market using toll free access lines as part of a 2SD service. The Office is of the view therefore that if the existing service providers and/or operators were to use DELs instead of toll free access lines, consumers stand to benefit on a per minute basis. This to the extent of the difference between the per minute toll free access charge and the per minute DEL charge, on a per minute basis.
- 4.2 With toll free access charge per minute of J\$2.50, if operators switch to using DELs (at J\$0.99 peak), a savings of J\$1.51 (J\$2.50 – J\$0.99) can potentially be passed on to consumers on a per minute basis using the postpaid phone service. With a prepaid DEL access, potential savings of J\$1.15 (J\$2.50-J\$1.35) at peak rates exist⁷. The Office notes that even if consumers do not enjoy the total benefit of J\$1.51 postpaid or J\$1.15 prepaid, the Office still expects that a portion of the savings will be passed on to consumers, as operators and/or service providers try to increase market share through retail price cuts. Any reduction in prices could increase quantity demanded for services in the markets under consideration. With no additional cost imposed by switching, the impact of operators adopting DEL will result in a net benefit, i.e., a net welfare gain to the Jamaican society. This scenario is displayed graphically below in Figure 1.

⁷ C&WJ's domestic DELs rates were increased in August 2007. This therefore changed the figures in some of the analyses. The arguments remain the same however.

Figure 1: Change in consumer surplus resulting from a reduction in prices of access lines



- 4.3 If the cost savings ($P_1 - P_2$) from switching to DELs is passed on to consumers by way of lower retail prices then quantity demanded is likely to increase (but certainly not fall)⁸ and this could represent even higher overall benefits to consumers. At the present retail DEL rate which is less than toll free access rates, switching to the lower priced DELs will result in lower prices to consumers (represented by P_2) brought on by competition. Due to increased competition the cost savings will be passed on to consumers and so consumer surplus stand to increase from the shaded region bounded by **abP₁** to **abcP₂** (if quantity demanded remain the same) or **aeP₂** (if quantity demanded increases).

Comments on the per minute approach

- 4.4 Both Columbus Communications (Flow) Jamaica Limited and C&WJ disagreed with the Office’s per-minute approach for calculating the cost-benefit. Flow notes that the potential benefits on a per-minute basis of J\$1.90 highlighted in paragraph 3.5⁹ could not apply to them if a Flow number is dialled as the first stage of the 2SD. This, Flow argues, is so given that C&WJ currently charges \$3.00 (any time of day, from a post-paid line) to call Flow and \$4.25 (any time of day, from a prepaid C&WJ line) to call Flow on a per-minute basis. The Office notes however that the existence of that arrangement does not change the present analysis.

⁸ Phone calls are certainly a normal good based on what has been observed. Therefore when the price of the service falls, the quantity demanded of the service is expected to increase.

⁹ Paragraph 3.5 of the Third Consultative on Indirect Access (TEL 2007/12)

- 4.5 C&WJ posits the view that the per-minute approach is over-simplified and therefore is insufficient for the conduct of a proper cost-benefit analysis. The Office is of the view that even though the approach is simple, it is both effective and robust in the present scenario as quantity demanded of 2SD enabled services are likely to remain the same or increase if the its retail rate fall. As noted above there is an overall net benefit of operators switching from using toll-free access (at J\$2.50 per minute) to the use of retail DELs. Given that DEL is a cost element in the production of the retail call product, the direct benefit is realized on the cost side. The resulting reduction in the production cost of operators will provide room for operators to be more competitive in the market by being able to lower the retail price of calls to end users. Therefore the producers' surplus will be reduced, resulting in an even larger consumers' surplus due to the reduction in retail rates facilitated by switching form toll free access to a cheaper DEL access.
- 4.6 The above analysis is acceptable as the only cost consideration is the cost of the toll-free service versus the DEL service. As there are no additional cost considerations for the analysis the net benefit to the society is therefore the increase in consumer surplus which is expected from a reduction in the price of retail service.
- 4.7 C&WJ noted that the cost-benefit analysis must include an estimation of the likely costs that could result from an increase in C&WJ's access rates to cover lost revenues from 2SD. The Office considers C&WJ's position to be irrelevant as this does not represent a legitimate cost that is directly imposed by the introduction of 2SD by way of DELs. Furthermore, the Office is of the view that the service provider using 2SD will compete in the international outgoing calls market and as such will compete for revenue that is shared by all other service providers in the market inclusive of C&WJ. It is therefore difficult to ascertain what portion of any revenue loss by C&WJ that could be directly attributable to a 2SD service. It is unreasonable for C&WJ to expect compensation for market share losses resulting from a more competitive market environment.
- 4.8 C&WJ further argued that if 2SD via DELs is mandated, the company will be unable to cover the cost of the access line from Indirect Access Operators and hence will be unable to continue to subsidize access for its customers. The Office disagrees with this argument and reiterates that C&WJ is not restricted under price cap regime from adjusting access prices to cover the economic cost of providing the service. In any event, a shadow is cast on C&WJ's assertions by the fact that it currently offers among, if not the lowest priced international outgoing calling card in the market (C&WJ's **JusTalk** at J\$5.00 per minute). The Office also takes this opportunity to point out that subsidization in a liberalized market

environment by an entity with market power maybe viewed as anti-competitive and could serve to limit or lessen competition in the market.

An extension of the cost-benefit analysis

- 4.9 In addition to the above, the Office has considered the position where toll-free access line and DEL (through third party number dialing) are not present in the market, and conducts a cost-benefit analysis of that situation. This is an extension to the above analysis which focus was narrowed to the introduction of 2SD using only a normal DEL service.
- 4.10 A simple analysis on a per-minute basis shows that international outgoing calls at above J\$15.75 and above, provide significant room for price reductions. The analysis is conducted by comparing the prevailing rates for outgoing international call (using mobile and fixed line direct dialing) with the rates for making such calls using the 2SD mechanism. The present 2SD rates (C&WJ and Flow) stands at J\$5.00, a difference of J\$10.75 when compared with the minimum calling rate of J\$15.75 on a per-minute basis using direct dialing (mobile and fixed). At J\$5.00 the reduction represents a substantial reduced charge for international calls. If this service becomes widely available and a formal regime introduced then it could provide substantial competitive pressures on existing international outgoing rates regardless of network and technology used.
- 4.11 Given the potential price reductions of J\$10.75, the benefits largely outweighs the likely cost of implementation. 2SD represents an intrinsic feature of the telephone network and as such the supplementary cost of its introduction is minimal. The Office has estimated the annual cost to service providers of offering a 2SD dialing to be in the region of J\$10,000,000. With such potential for price reductions (J\$10.75) and given the total number of international outgoing minutes (whether originating from C&WJ's PSTN or by other means) since Phase III of the liberalization process to date, the likely gains that could have been passed on to society (consumer surplus) would have certainly outweighed the cost of its introduction. In addition, with minimal recurring costs going forward, the benefits are still quite substantial and will continue to outweigh the cost of operating the service.
- 4.12 The Office notes that society has benefited from the cheaper outgoing international rates provided by the availability of prepaid calling cards, which came at minimal supplementary costs, and which will continue to provide benefits going forward. The Office also notes that prepaid calling cards will have a much greater competitive influence on the retail price for outgoing international calls on regular PSTN (Public Switched Telephone Network).

direct dialing service of the kind that was established between, Flow and C&WJ, will still provide competitive pressures relative to the use of toll-free lines. C&WJ's current tariff for calling customers of interconnected fixed networks with a single point of interconnection is \$3.00¹⁰. This amount is shared between the C&WJ retention rate and Flow's termination rate [which is greater than J\$0.50 (J\$3.00 -J\$2.50¹¹)]. At the current retail rate of \$3.00, an operator could potentially provide outgoing international calls to end users at a lower price than if they were to use C&WJ toll-free line. The magnitude of the costs savings is equal to Flow's termination rate (\$) less J\$0.50.

- 4.14 In another way, if all operators used their standard interconnection links to offer service instead of toll-free access lines there will be room for further price reduction and competition if the net calling rate for the local call origination falls below the present toll-free charge of J\$2.50 per minute. The difference in the two charges (the toll free charge of J\$2.50 less C&WJ's origination charge on a per minute basis) represents the potential cost savings for the operator which can then be transferred to end users in the form of lower retail prices for outgoing international calls.

Determination 4

The Office has determined (based on the result of the cost-benefit analysis) that a net benefit will result to society if Two-Stage Dialing by way of Direct Exchange Lines (DELs), toll-free lines and/or standard interconnection service is introduced as a form of Indirect Access.

Unfair Burden

- 5.0 Flow notes that it agrees with "the Office's" assessment of unfair burden. C&WJ however expressed the view that an Unfair Burden may result if a determination mandating 2SD is made while the Office engages in the process of reviewing the voice market. The Office notes that it has no evidence of any other operator attempting to restrict the use of retail products in the provision of other service. Therefore C&WJ would not be placed in any position that is different from other operators if the Office mandates indirect access by way of Two-stage Dialing.

¹⁰ C&WJ's per minute postpaid rates to call JNAP, Flow, People's Telecom and Gotel, which became effective August 31, 2007

¹¹ This is the price per minute for calls via toll-free access lines.

- 5.1 Following up on an extensive discussion and assessment in the consultations, on probable unfair burden on C&WJ of introducing 2SD, the Office notes that allowing operators and/or service providers to use DEL to provide outgoing international calls will not impose any additional cost on C&WJ. This is in addition to the Office's rejection of C&WJ's arguments that DEL are priced below cost, and therefore allowing access to DEL for furthering outgoing international calls would be unfair to C&WJ because C&WJ would be subsidizing its competitor.

Determination 5

The Office has determined based on its findings that no unfair burden is likely to result from mandating Two-Stage Dialing via DELs, toll free lines and standard interconnection service on any carrier or service provider.

Basic Nature of Two-Stage Dialing

- 6.0 The Office remains of the view that 2SD is an intrinsic functionality of a robustly competitive marketplace and as such should not necessitate mandating by the Office. The Office therefore holds to the view that C&WJ should not refuse to contract with competitive carriers and service providers that wish to use DELs as a means of providing a call service of their own. This should not be viewed as bypass as there is full liberalization of all telecommunications market in Jamaica and competitive operators would be using a service that is available to any retail customer. Further, 2SD via DELs does not place any unfair burden on C&WJ or any other operator and therefore its use should not be restricted by operators imposing unfair terms and conditions of service.
- 6.1 For the avoidance of doubt and to remove any barriers that may impede competition in the market, the Office has decided to mandate 2SD as a means of Indirect Access.
- 6.2 The cost-benefit analysis and unfair burden test provide support, pursuant to Section 36 of the Telecommunications Act for mandating Indirect Access via 2SD in the form of DELs vis-à-vis the use of toll-free access lines. Other analysis shows that the use of interconnection services will provide an opportunity for additional cost savings and competition relative to toll-free lines once C&WJ's origination charge falls below the toll-free access charge of J\$2.50 on a per minute basis. These provide the support for the Office to mandate C&WJ to permit carriers to access a DEL or to use an interconnection service to provide an international

Determination

The Office mandates C&WJ to offer Two-Stage Dialing by way of Direct Exchange Lines (DELs), toll-free lines and through the use of an interconnection service to other interconnection providers to enable C&WJ subscribers to access services offered by those providers.