

**RELIANT ENTERPRISE COMMUNICATIONS LTD. RESPONSE TO  
COMPETITIVE SAFEGUARDS – DRAFT RULES**

**NOTICE OF PROPOSED RULE MAKING: 2006/7**

**Stephen P. Twomey  
President/CEO  
24, January 2007**

Reliant Enterprise Communications Ltd. would like to thank the OUR for providing the opportunity to respond to this document. We feel the OUR has done excellent work in establishing Competitive Safeguards but believe further steps are required to make the rules binding and encompassing of all dominant carriers to assure fairness in the marketplace.

### **3.2.2**

We appreciate the need for reconsideration and following the rules as detailed in the Telecommunications Act 2000. If we look at the amount of minutes incoming/outgoing the mobile operators have far surpassed CW, the dominant landline carrier.

Currently there is no “insight” or regulation of cost based pricing for termination of mobile calls which has an impact on incoming/outgoing call rates locally and domestically. Regulators in Canada, Europe and the US are uniformly of the opinion that mobile termination rates are too high and “gouging” consumers. Steps are being taken to review rates and in some manner have them reduced to provide the consumer with better cost benefits.

Since the mobile market is so large in Jamaica, the operators have the ability to engage in anti-competitive pricing practices to limit competition. We are seeing instances of this on the Arbinet exchange where at least one mobile carrier per minute rate is significantly below cost charged to local carriers who compete in the International termination market.

We feel the OUR must develop a process within the Competitive Safeguards to allow for review, complaint process and penalties for anti-competitive practices by mobile carriers.

### **4.4**

As with 3.2.2, we believe that mobile markets have to be included in the Determination of Essential Facilities given their market power, ability to manipulate pricing/access, lack of economic alternative for competitors and supply/demand issues.

### **4.8**

There are various methods of price discrimination that are not readily visible to regulators or competitors. For example: minute swaps between carriers, reciprocal contracts, Arbinet exchange, “special deals”, artificial cost structure, limiting facilities and bypass. The OUR needs to have a methodology to uncover or investigate instances of the above behavior.

### **4.13**

It appears that the OUR has overlooked the entity most affected, particularly economically, by such actions, and that is competitors. There needs to be a mechanism whereby a competitor who has been adversely affected by actions can receive compensation from the offending carrier either by arbitration, OUR or court ordered. This is critical to having a successful competitive environment and assures equality. It also is a strong motivator for deterrence.