
Office of Utilities Regulation

Structure of Quarterly Telecommunications Report

Consultative Document



OFFICE OF UTILITIES REGULATION

July 9 2008

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ABSTRACT

Under the Telecommunications Act 2000 (The Act), the Office of Utilities Regulation (OUR) has been assigned the duty of regulating the Telecommunications market in Jamaica. In carrying out its functions, the Office is expected to make available to the public information concerning matters relating to the telecommunications industry. As such, the office has decided to commence publishing a Quarterly Telecommunications Report. This consultation outlines the format of the report and types of information to be published.

COMMENTS FROM INTERESTED PARTIES

Persons who wish to express opinions on this Consultative Document are invited to submit their comments in writing to the OUR. Responses to this Document should be sent by post, fax or email to:

Rohan Swaby
P.O Box 593
36 Trafalgar Road
Kingston 10
Fax: (876) 929-3635
Email: rswaby@our.org.jm

Responses are requested by August 7, 2008

Respondents are requested to limit their use of confidentiality markings as far as possible, and are encouraged to supply their responses in electronic form so that they can be posted to the OUR's website.

Comments on Responses

There will be a specific period for respondents to view other responses (non-confidential) and to make comments. The comments may take the form of either correcting a factual error or putting forward counter arguments.

Comments on responses are requested by August 21, 2008

Arrangement for viewing responses

The responses received by the OUR will also be made available to the public through the OUR's Information Centre (OURIC). Persons who wish to view the responses should make an appointment by contacting Gillian Henderson, Senior Information Officer by one of the following means:

Telephone: (876) 968 6053

Fax: (876) 929 3635

Email: ghenderson@our.org.jm

Individuals with appointments should visit the OUR's offices at:
3rd Floor, Petroleum Corporation of Jamaica (PCJ) Resource Centre,
36 Trafalgar Road, Kingston 10.

Photocopies of selected responses may be requested at a price which just reflects the cost to the OUR.

CONSULTATIVE TIMETABLE

The timetable for this consultation is summarized below:

<i>Event</i>	<i>Date</i>
Publish Consultative Document	July 9, 2008
Responses to this document	By August 7, 2008
Comments on Responses	By August 21, 2008
Determination Notice	By September 17, 2008

CHAPTER 1: REGULATORY FRAMEWORK

- 1.0 The primary legislation governing Jamaica's telecommunications sector is the Telecommunications Act 2000 (The Act). Under this Act, the Office of Utilities Regulation (The Office) has been assigned the duty of regulating the Telecommunications market in Jamaica.
- 1.1 Section 4 of The Act, states that “ The Office shall regulate telecommunications in accordance with this Act and for that purpose the Office shall –
- ... (c) promote the interests of customers, while having due regard to the interests of carriers and service providers;
 - (d) carry out, on its own initiative or at the request of any person, investigations in relation to a person’s conduct as will enable it to determine whether and to what extent that person is acting in contravention of this Act;
 - (e) make available to the public, information concerning matters relating to the telecommunications industry;
 - (f) promote competition among carriers and service providers;
 - (g) advise the Minister on such matters relating to the provision of telecommunications services as it thinks fit or as may be requested by the Minister;
- 1.2 For the Office to carryout the aforementioned functions it requires that carriers make available certain types of information. The necessary information was specified in the April 2004 determination titled Telecommunications Markets Information Requirement.
- 1.3 In keeping with its function to make available to the public information concerning matters relating to the telecommunications industry, the Office will be publishing a Quarterly Telecommunications Report. The information used in the report will be published in aggregated form except in those cases where there exists only a single supplier of the service. Additionally, the Office will not publish any confidential information unless it determines that in the interest of the public, access to such information outweighs the need for confidentiality.

PURPOSE OF THIS CONSULTATION

- 1.4 This Consultative Document presents the format of the Quarterly Telecommunications Report and the type of information to be published. In order to fulfill an assurance given to licensees in the Telecommunications Markets Information Requirements Determination, this consultation provides an opportunity for carriers and service providers to comment on the aggregation of information, format of the report, and the type of information to be published.

CHAPTER 2: SUBSCRIPTION, TRAFFIC AND REVENUE

PURPOSE AND METHOD

- 2.0 The overall purpose of the Quarterly Telecommunications report is to survey and assess the development of the Jamaican Telecommunications industry. The objectives of the Office of Utilities Regulation (OUR) in making this information available are, to monitor the development of the markets for telecommunications and to promote competition within the sector. A critical part of these objectives is that the public, operators and other organizations (including Government Ministries) gain access to statistics and market analyses in a timely manner.
- 2.1 The publication will focus on the reporting of market statistics as opposed to company statistics and will also contain an analysis with figures and diagrams that seek to clarify the numerical material as well as providing a description of the prevailing market situation. Importantly, in publishing these data, the OUR will minimize the publication of company specific data by aggregating all company specific information.
- 2.2 The quarterly report will provide basic data and analysis for retail fixed telecommunications, mobile telecommunications and the Internet access services segments of the industry. It will also provide market penetration data per hundred population and where possible, on a household basis. The degree of market concentration will also be assessed using the Herfindahl-Hirschman Index. Each quarter's report will conclude with the OUR's commentary on regulatory and other issues.

KEY DATA: SUBSCRIBER MOBILE, FIXED & INTERNET

	Q3 2006	Q2 2007	Q3 2007	% Change Q3'07/Q2'07	% Change Q3'07/Q3'06%
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Fixed call services

Subscriptions for fixed telephony (thousands)

Household

Business

Revenues from fixed call services

Average Revenue Per User (ARPU)

Mobile call services

Mobile subscriptions (thousands)

Revenues from mobile subscriptions, calling

SMS and other services

ARPU

Number of SMS sent (millions)

Revenues from SMS

Data communications services

Revenues from data communications

services to end-user

Frame Relay

Leased lines

International leased lines

Internet services

Internet-access customers (thousands)

Dial-up connection

Fixed connection

Revenues from Internet access

ARPU

Source: Office of Utilities Regulation February 2008

FIXED CALL SERVICES

	Q3 2006	Q2 2007	Q3 2007	% Change Q3'07/Q2'07	% Change Q3'07/Q3'06
Subscriptions ('000)					
National calls ('000 minutes)					
Calls from fixed networks to mobile networks ('000 minutes)					
International calls					
Outgoing ('000 minutes)					
Incoming ('000 minutes)					
Revenue (J\$'million)					

MOBILE SERVICES

	Q3 2006	Q2 2007	Q3 2007	% Change Q3'07/Q2'07	% Change Q3'07/Q3'06
Subscriptions ('000)					
On-Net calls ('000 minutes)					
Off-Net Calls ('000 minutes)					
International calls					
Outgoing ('000 minutes)					
Incoming ('000 minutes)					
SMS, and other mobile data traffic					
Revenue (J\$'million)					

INTERNET SERVICES

	Q3 2006	Q2 2007	Q3 2007	% Change Q3'07/Q2'07	% Change Q3'07/Q3'06
Subscriptions ('000)					
Broadband (≥ 256K)					
Dial-up					
Pay-as-you-go					
Other (< 256K not Dial-up)					
On-Net calls ('000 minutes)					
Off-Net Calls ('000 minutes)					
Licensed Service Providers					
Active Service Providers					
Revenue (J\$'million)					

CHAPTER 3: MARKET PENETRATION AND CONCENTRATION

MARKET PENETRATION AND CONCENTRATION

Table 1: Penetration Rates for Mobile, Fixed line and Broadband Based on Subscription

Year

Population

Mobile

Fixed

Broadband

PENETRATION

Mobile

Fixed

Broadband

P = Preliminary

Table 2: Fixed Line Market HHI Calculation Based on Subscription

	Q1-06	Q2-06	Q3-06	Q4-06	Q1-07	Q2-07	Q3-07	Q4-07
Fixed Subscriber HHI								

Table 3: Cellular Mobile Market HHI Calculation Based on Subscription

	Q1-06	Q2-06	Q3-06	Q4-06	Q1-07	Q2-07	Q3-07	Q4-07
Mobile Subscriber HHI								

Table 4: Broadband Market HHI Calculation Based on Subscription

	Q1-06	Q2-06	Q3-06	Q4-06	Q1-07	Q2-07	Q3-07	Q4-07
Broadband Subscriber HHI								

Source: OUR estimates

3.1 *“HHI means the Herfindahl-Hirschman Index, a commonly accepted measure of market concentration. It is calculated by squaring the market share of each firm competing in the market and then summing the resulting numbers. For example, for a market consisting of four firms with shares of thirty, thirty, twenty and twenty percent, the HHI is 2600 ($30^2 + 30^2 + 20^2 + 20^2 = 2600$).*

The HHI takes into account the relative size and distribution of the firms in a market and approaches zero when a market consists of a large number of firms of relatively equal size. The HHI increases both as the number of firms in the market decreases and as the disparity in size between those firms increases.

Markets in which the HHI is between 1000 and 1800 points are considered to be moderately concentrated, and those in which the HHI is in excess of 1800 points are considered to be concentrated.”¹

¹ <http://www.usdoj.gov/atr/public/testimony/hhi.htm>

CHAPTER 4: INDUSTRY REVIEW

DOMESTIC

- 4.0 This segment will cover domestic issues that arose during the quarter or became public during the quarter. These issues may relate to the concerns of various stakeholders, example, legislative development, regulatory concerns, market structure, operator and consumer issues and affairs.

INTERNATIONAL

- 4.1.1 This segment will cover international issues that arise during the quarter or became public during the quarter. These issues may relate to the concerns of various stakeholders, example, legislative development, regulatory concerns, market structure, operator and consumer issues and affairs.

CHAPTER 5: CONCLUSION

5.0 This Consultative Document presents the format of the Quarterly Telecommunications Report and the type of information to be published. It is intended to give industry stakeholders an opportunity to express their views on the level of aggregation of information to be published in the forthcoming Quarterly Telecommunications Reports. Interested parties also have a chance to comment on the format and structure of the report.

<p>Question: Do you agree with the proposed format and contents of the Quarterly Report? If you do not agree, please explain in detail.</p>
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