



CABLE & WIRELESS
JAMAICA

RESPONSE TO THE OUR's
CONSULTATIVE DOCUMENT
ON
QUALITY OF SERVICE STANDARDS FOR THE TELECOMMUNICATIONS
SECTOR

November 29, 2007

Introduction

Cable & Wireless Jamaica (C&WJ) is pleased to be afforded the opportunity to respond to the OUR's Consultative Document on '*Quality of Service Standards for the Telecommunications Sector*'.

C&WJ supports the establishment of service standards. We however are in favour of a voluntary quality reporting scheme whereby service providers would establish those standards, under the guidance of the OUR, that they are capable of meeting and that they would report on. We encourage the OUR to allow the industry to pursue such an approach. In 2001, when C&WJ issued its Customer Charter, it was an attempt at this type of self regulation. We however do acknowledge that we had not gone so far as to have voluntary reporting and this is a further measure to be contemplated.

Technology Neutrality

Fixed Line service is no longer a utility in the way that power or water is. In fact a public utility is defined as '*an organization supplying the community with electricity, gas, water or sewerage.*'¹ It has been demonstrated that competition in telecommunication is sustainable and that the industry is not a natural monopoly, which is a feature of utilities. Therefore comparing the proposed standards for telecommunications with the standards for water and light and power, as the OUR has done in Table 3, is not a useful comparison.

The consultation has made a clear difference between fixed line service and mobile service. This approach by the OUR is out of step with the embrace of technology neutrality. The draft Telecommunications Policy is based on technology neutrality, which means that the same services should be regulated in the same way irrespective of the technology used to deliver the service. Moreover C&WJ has applied to the OUR to review the domestic voice market. C&WJ posits that mobile is a substitute for fixed line service and that in fact there is not a domestic fixed voice or domestic mobile voice service but rather that there is one domestic voice market. The underlying technology becomes irrelevant. As such we believe that the extent of the standards established for the mobile network should be the same extent of standards applied to the fixed network.

Competition in the Local Telecommunications Industry

The OUR seeks to make the case that competition in Jamaica is not vibrant or mature and therefore it has become necessary for the OUR to step in to establish service standards. We disagree. The OUR makes reference to the fact that Companies who are under a price cap regime, as most of C&WJ's fixed line services are, can compromise quality and increase profitability unless penalties are established. The OUR mentions, that unlike other countries, competition in the Jamaican mobile and fixed line markets is not well established. As a Company significantly affected by competition we disagree. In a market of 2.6 million people it is questionable for the OUR to expect to see the same number of companies as in

¹ Concise Oxford English Dictionary , 10th edition, 2002
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developed markets serving a population of hundred of millions. Moreover the Jamaican mobile market is in fact a mature market, having grown phenomenally since 2001 and demonstrating a compression of time to maturity. The mobile penetration in Jamaica is greater than in the United States of America which has vibrant competition. Failure of the OUR to interpret the state of the market will result in anachronistic regulations.

It must be recognized that sufficient competition exist in both the fixed line and mobile market to encourage each service provider to offer the best quality service, Moreover C&WJ believes that the weight of the evidence indicates that fixed voice and mobile voice are substitutable and therefore discipline each other. We are not aware that either the water or light and power companies have the discipline of the competition that exists in the telecommunications market. We urge the OUR not to operate from a place in time when there was no market discipline in telecommunications. We fear that the OUR's experience with the true utilities (water and light and power) will cause it to forget that there is discipline in the telecommunications market which is far more powerful than any standards imposed by a regulator.

Reference is made by the OUR to the lack of high speed internet service purportedly because C&WJ's local loop is not unbundled. This presumption is in contrast to the acknowledgement of the OUR that the interest of Internet Service Providers (ISPs) in Local Loop Unbundling (LLU) is lacking². We trust that the OUR will withdraw this inaccurate statement.

Addressing Customer Concerns

The OUR mentions that the major areas of quality concern for customers are : i) wait time for installation of fixed line service ii) incidences of dropped calls on the mobile network iii) call set up failure on the mobile network.

With the passage of Hurricane Dean and the persistent and repeated theft of cable, C&WJ had found its resources to respond to faults overwhelmed by the dislocation caused by the Hurricane and vandalism. Such developments, the OUR has acknowledged, are force majeure conditions under which all service standards are liable for suspension until normalcy is restored. We trust that such force majeure conditions are not taken as evidence of the industry failing its customers.

Notwithstanding the foregoing we do believe that C&WJ must offer its customers a consistent quality of service. We however do not believe that service standards can be finalized through a response to a consultative document and we look forward to further engagement with the OUR. .

² Pg. 13 –14, OUR Management Plan for Fiscal Years 2007/08 – 2009/10 and Budget for Fiscal Year 2007/08, February 2007.

Force Majeure Conditions

C&WJ proposes that interruption of power supply, which interrupts the delivery of service, should also be classified as force majeure. As should circumstances where the customer is unavailable or access to the customer's premises is denied as well as where the interruption of the service has been caused by the customer or the customer's equipment. Although the OUR has recognized vandalism as a force majeure event, C&WJ has been so significantly affected by cable theft that the Company is proposing that it be classified as a separate force majeure event.

Conclusion

C&WJ advocates and urges the OUR to allow each service provider to establish the standards that it can meet, under the OUR's guidance, –and for which it will be accountable to its customers and the OUR. We believe that it is undoubtedly easier to hold a company to a standard that it has established rather than one which is imposed.

C&WJ is committed to providing quality service to its customers and in this regard will be submitting a draft Customer Charter to the OUR by the end of fiscal 2007/08, that is by March 31, 2008. It is expected that the service standards will be finalized and effective by September 30, 2008.

END DOCUMENT

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