
Office of Utilities Regulation

RECONSIDERATION OF THE OFFICE'S
DECISION: DETERMINATION NOTICE "COST
MODEL FOR FIXED TERMINATION RATES –
THE DECISION ON RATES"

FINAL DECISION – **ADDENDUM 1**

2017 NOVEMBER 6



OFFICE OF UTILITIES REGULATION

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DOCUMENT TITLE AND APPROVAL PAGE

1. DOCUMENT NUMBER: 2017/TEL/015/ADM.001

2. DOCUMENT TITLE: Reconsideration of the Office's Decision: Determination Notice "Cost Model for Fixed Termination Rates – The Decision on Rates" – Final Decision - Addendum 1

3. PURPOSE OF DOCUMENT

This document contains the Office's decision regarding an amendment of the timeline for the implementation of the Fixed Termination Rates as set out in the Office of Utilities Regulation's Reconsideration of its Decision: "Determination Notice "Cost Model for Fixed Termination Rates – The Decision on Rates" issued on 2017 September 8.

4. ANTECEDENT PUBLICATIONS

Publication Number	Publication Title	Publication Date
2017/TEL/013/APD.001	Approval of RIO 6 Revised Tariff Schedule	2017 September 29
2017/TEL/007/RCN.002	Reconsideration of the Office's Decision: Determination Notice (2017/TEL/003/DET.001) "Cost Model for Fixed Termination Rates - The Decision on Rates" – Public Version	2017 September 8
2017/TEL/007/RCN.001	Reconsideration of the Office's Decision: Determination Notice (2017/TEL/003/DET.001) "Cost Model for Fixed Termination Rates - The Decision on Rates" – Confidential Version	2017 September 8
2017/TEL/004/DET.002	Cost Model for Fixed Termination Rates – The Decision on Rates – Public Version	2017 June 07
2017/TEL/003/DET.001	Cost Model for Fixed Termination Rates – The Decision on Rates – Confidential Version	2017 June 07
2016/TEL/011/CON.003	Cost Model for Fixed Termination Rates – Draft Model Consultation Document – Public Version	2016 June 22
2016/TEL/010/CON.002	Cost Model for Fixed Termination Rates – Draft Model Consultation Document - Confidential Version	2016 June 22

2015/TEL/006/DET.002	Determination Notice - "Cost Model for Fixed Termination Rates – Principles and Methodology"	2015 July 1
2015/TEL001/CON.001	Cost Model for Fixed Termination Rates – Principles and Methodology Consultation	2015 January 19

5. Approval

This document is approved by the Office of Utilities Regulation and the decisions therein become effective on 2017 November 6.

On behalf of the Office:

**Ansord Hewitt
Director-General**

Date: 2017 November 6

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1. Background

Determination on Fixed Termination Rates

- 1.1. On 2017 June 7, the Office of Utilities Regulation (“OUR” or “Office”) issued a Determination Notice – *Cost Model for Fixed Termination Rates – The Decision on Rates* (Document No. 2017/TEL/003/DET.001 (Confidential Version) and (Document No. 2017/TEL/004/DET.002 (Public Version)) on fixed termination rates for the fixed market in Jamaica (together referred to as the “Determination Notice”). In the Determination Notice, the Office approved the interconnection rates associated to fixed networks, and determined that the rates should be implemented on a glide-path. The first rate change in the glide path was to be effective 2017 July 1 and the second and final step on 2018 January 1.

OUR’s Reconsideration of its Determinations

- 1.2. On 2017 June 21, Cable & Wireless Jamaica Limited (“C&WJ”), applied to the OUR for a reconsideration of some of its decisions set out in the Determination Notice. The OUR agreed to stay the effective date of the first step of the glide-path until it issued its final decision on C&WJ’s application. After review and industry consultation on the application for reconsideration, the OUR issued its *Reconsideration of the Office’s Decision: Determination Notice (2017/TEL/003/DET.001) “Cost Model for Fixed Termination Rates – The Decision on Rates”* (Document No. 2017/TEL/007/RCN.001 (Confidential Version) and Document No. 2017/TEL/007/RCN.002 (Public Version) (together called the “Reconsideration Decision”) on 2017 September 8. In the Reconsideration Decision, the OUR determined that the first rate change in the glide path would be effective 2017 October 1 and the second and final step on 2018 April 1. C&WJ was also given ten working days within which to file a revised RIO 6 Tariff Schedule reflecting the determined fixed termination rates and implementation schedule.

Approval of the Revised RIO 6 Tariff Schedule

- 1.3. C&WJ filed a revised RIO 6 Tariff Schedule in compliance with the

Reconsideration Decision, which was formally approved by the OUR on 2017 September 29 in its *Approval of RIO 6 Revised Tariff Schedule* (Document No. 2017/TEL/013/APD.001). The effective date of the revised rate schedule was 2017 October 1.

C&WJ Court Action

- 1.4. On 2017 September 28, C&WJ filed an application in the Supreme Court seeking leave to apply for judicial review of the OUR's Reconsideration Decision, and also seeking an interim injunction to stay the implementation of the Reconsideration Decision until the Court adjudicated on the matter (Claim No. 2017 HCV 03122). The application was served on the OUR on 2017 September 29.
- 1.5. At hearings of the court applications on 2017 September 29 and 2017 October 5, the OUR undertook not to implement the first step in the glide path for implementation of the approved fixed termination rates pending the Court's ruling on the application for injunction. This decision was communicated by way of industry notifications issued on 2017 September 29 and 2017 October 6.
- 1.6. On 2017 October 31, the Supreme Court delivered its judgement denying both applications of C&WJ for leave to apply for judicial review of the OUR's Reconsideration Decision and the interim injunction.
- 1.7. In light of the completion of the court matter, the OUR now sets out in this Addendum the revised date for implementation of the approved fixed termination rates.

2. Amended Determinations

RECONSIDERATION DECISION

2.1 Decision 1 of the Reconsideration Decision is hereby amended as follows:

Decision 1: The first step of the glide-path defined in the determination notice “Cost Model for Fixed Termination Rates – The Decision on Rates” (Document No. 2017/TEL/003/DET.001 & Document No. 2017/TEL/004/DET.001) should be applied on **2017 December 1** and the second step on **2018 April 1**.

2.2 Decision 2 of the Reconsideration Decision is hereby amended as follows:

Decision 2: C&WJ will have ten (10) working days from the effective date of this Addendum within which to submit to the Office, a revised RIO 6 Tariff Schedule which reflects the rates established in the Determination Notice “Cost Model for Fixed Termination Rates – The Decision on Rates” (Document No. 2017/TEL/003/DET.001 & Document No. 2017/TEL/004/DET.001) and which accords with the implementation dates specified in this Addendum.

APPROVAL OF RIO 6 REVISED TARIFF SCHEDULE

2.3 The OUR's *Approval of RIO 6 Revised Tariff Schedule* issued on 2017 September 29 is withdrawn.