

Karib Cable Comments On:

**Consultation on New Licence Templates and Revised Fee Schedule
in ECTEL States**

**Consultation Document
N0.01/2012**

November 28th 2011

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DOCUMENT - Consultation on New Licence Templates and Revised Fee Schedule in ECTEL States

Extract 1: Pre-Amble Point 3 - The initial comments period will run from Thursday 1st December 2011 to Wednesday January 12th 2012.

Karib Cable Comment 1: 12th January 2012 is a Thursday not a Wednesday.

Extract 2: BACKGROUND TO THE DEVELOPMENT OF NEW LICENCE TEMPLATES A principle benefit to recipients of the licences will be the ability to seek the intervention and protection of the NTRC, in cases where provision of their services is reliant on the cooperation, inputs, or services of other licensees.

Karib Cable Comment 2: The existing licensees have paid for the application of their licences and continue to pay licence fees on the basis that to do so makes commercial business sense. Any intervention by a third party that is not bound to take into consideration this commercial decision should not have the authority to impose any decision. Further that, when the licensee paid their application fees and made ongoing licence fee payments these were made on the understanding of the scope of their licence. Should a change to this scope be enforced upon the licensee and the licensee consider that it no longer be financially viable to continue then the third party must be required to pay levels of compensation to the licensee in line with the investments already made, the loss of business as a result of the change and the forecasted loss of business and profit in the future.

Extract 3: BACKGROUND TO THE DEVELOPMENT OF NEW LICENCE TEMPLATES The licences should also contribute to an increased level of regulatory certainty and promote a fairer playing field for all providers, by clearly establishing the rights, obligations and limitations placed on licence holders.

Karib Cable Comment 3: The licensees have paid for the application of their licences and continue to pay licence fees on the basis that to do so makes commercial business sense. Should any intervention by a third party that introduces new limitations to the licence holder that causes the licence holder to recognise that it is no longer financially viable to continue with the business then the third party must be required to pay levels of compensation to the licensee in line with the investments already made, the loss of business as a result of the change and the forecasted loss of business and profit in the future as a result of the change

Extract 4: BACKGROUND TO THE DEVELOPMENT OF NEW LICENCE TEMPLATES The introduction of these new licences and the clarification of the specific rights of certain licence holders are regarded as preferable to the legal uncertainty inherent in a situation in which certain telecommunications services remain unregulated.

Karib Cable Comment 4: It is understood that regulations will only be implemented and services only require regulation when an existing competitive environment does not provide for the best end results for the public. Therefore the need to introduce licences so that services can be regulated is contradictory.

Extract 5: MOBILE VIRTUAL NETWORK OPERATIONS (MVNO) LICENCE This licence is intended to enable a licensee to provide mobile call and subscription services to customers without an allocation of spectrum, using resources leased from a licenced public mobile telecommunications (PMT) provider assigned with spectrum.

Karib Cable Comment 5.1: The value that this licence brings nor the need for it is not understood. Should a new operator wish to start providing service then they can make applications as per normal.

Karib Cable Comment 5.2: Should the new service provider require access to above ground infrastructure then the outcome of the DRAFT TELECOMMUNICATIONS (ACCESS TO FACILITIES) REGULATIONS consultation that was considered in March 2009 and which should have been implemented some time after the 10th April 2009 should apply.

Karib Cable Comment 5.3: Should the new service provider require infrastructure underground then the According to the St. Vincent and the Grenadines Telecommunications Act No 1 of 2001, Section 48:

- Sub-section (1): *Where access to underground facilities is technically feasible, a telecommunications provider shall, upon request, give another telecommunications provider who so requests, access to an eligible underground facility owned or operated by the first carrier for the sole purpose of enabling the second carrier to install a facility for use in connection with the supply of a telecommunications service;*
- Sub-section (2): *A telecommunications providers in planning the provision of future telecommunications service, shall co-operate with other telecommunications providers to share eligible underground facilities.*

Extract 6: RESALE OF LEASED CIRCUITS (“RLC”) SERVICES LICENCE This licence will enable a licensee to resell leased circuit capacity to corporate customers for their own use or to other telecommunications licensees requiring that capacity as an input for their own services.

Karib Cable Comment 6: The definition of a Leased Circuit is a dedicated common-carrier facilities and channel equipment used by a network to furnish exclusive private line service to a specific user or group of users. The second category of use described in the draft licence contradicts this definition.

Extract 7: INTERNET EXCHANGE POINT (“IXP”) SERVICES LICENCE - This class licence is intended to enable an individual to establish, install and maintain an Internet Exchange facility to facilitate the exchange of internet data between licensed Internet Service Providers (“ISPs”) in ECTEL states.

Karib Cable Comment 7: In that this clause allows for exchange within ISP’s in ECTEL States only it is restrictive and not in the best interest of the ECTEL States.

Extract 8: INTERNET EXCHANGE POINT (“IXP”) SERVICES LICENCE The proposed licence authorizes the establishment of a physical interconnection site for licensed ISPs to exchange traffic between their networks and link to the global internet backbone that serves as a form of international transmission media.

Karib Cable Comment 8: This is in direct contradiction with the previous extract. The IXP will need to exchange data with ISP’s outside of the ECTEL states.

Extract 9: VALUE ADDED SERVICES (“VAS”) LICENCE This licence is intended to enable the licensee to establish, install and operate a Value Added Network (“VAN”) to provide a wide range of telecommunications services, over and above services constituting basic telecommunications services such as basic voice or data services

Karib Cable Comment 9: The definition of basic telecommunications services needs revision. Modern converged IP based systems provide a much wider range of services as standard and what could have been considered a Value Added Service in the legacy “telephone systems” are now integral to the delivery of services in the more modern “telecommunications system”

For completeness it is understood that the current definition is:

““Basic Telecommunications Services” means all telecommunication services, both public and private that involve end-to-end transmission of customer supplier information and includes but may not be limited to:

- (a) Voice telephone services;
- (b) Packet-switched data transmission services;
- (c) Circuit-switched data transmission services;
- (d) Telex services;
- (e) Telegraph services;
- (f) Facsimile services;
- (g) Private leased circuit services;

(o) Other services as may from time to time be determined by the Minister, acting on a recommendation of ECTEL.”

Extract 10: VALUE ADDED SERVICES (“VAS”) LICENCE The provision of authorized access to, and interaction with, processes for storing and retrieval of text and data;

Karib Cable Comment 10: This functionality is commonly known as “The World Wide Web” or “The internet” and is currently covered by an ISP licence. The reduced fees for this licence would be most attractive to current INS licence holders

Extract 11: VALUE ADDED SERVICES (“VAS”) LICENCE managed data network services

Karib Cable Comment 11: Getting a VAS Licence along with the Resale of Leased Circuits options would allow a service provider all the options to deliver fully converged IP based services thereby providing a fully converged solution with minimal licence and licence fee obligations

Extract 12: INTERNET PROTOCOL (“IP”) TELEPHONY LICENCE. The licence enables a licensee to convey voice or data, with or without added value, using internet protocol technology via means of a leased circuit connected to a public switched telecommunications network at both ends. The Licensee’s services to customers enable them to make and receive voice, data and/or video calls using telephone numbers assigned for such purposes. Given that licensees do not possess their own network and may rely on the traditional public switched telephone network to terminate calls, the licence obliges them to negotiate appropriate commercial arrangements with licensed providers to permit the provision of the service.

Karib Cable Comment 12: The proposition that licensees do not possess their own network may not always be the case. If this is the case then this licence covers all of the services that a converged service provider may wish to offer.

Extract 13: Classification and Fee Structure ECTEL proposes to classify all of the new licences as “Class Licences” and to adopt a standard fee structure for the same.

Karib Cable Comment 13: The introduction of Minimum Annual Fees for Individual And Submarine Cable Licences and some of the type Class Licences (Type A) are newly introduced and seemingly applied arbitrarily,

Extract 14: DISCONTINUATION OF SELECTED EXISTING LICENCES In keeping with a desire to ensure that the ECTEL licensing regime is relevant and effective, ECTEL has determined that the foregoing services should no longer be subject to the requirement of a licence from the Minister of Telecommunications or should no longer be subject to the payment of fees.

Karib Cable Comment 14: Why discontinue licences with the expectation of replacing them with other systems before the other systems have been put in place?

Extract 15: AMENDMENTS TO SCHEDULES OF TELECOMMUNICATIONS (FEES) REGULATIONS Fees for Individual Licences shall be maintained at the existing rate of 3% of Gross Annual Revenues

Karib Cable Comment 15: In the latest NTRC Annual Report, for 2009, it is recorded that Revenue received by Government rose by 308% over the previous 10 year period whilst Revenue growth for the Telecommunications providers only grew by 187%. This suggests that the current rate of 3% is too high and to maintain equity should be reduced to 1.5%.

Extract 16: AMENDMENTS TO SCHEDULES OF TELECOMMUNICATIONS (FEES) REGULATIONS Fees for Individual Licences shall be maintained at the existing rate of 3% of Gross Annual Revenues

Karib Cable Comment 16: The calculation of the fees based on the Gross Annual Revenue is erroneous and unfair to the Licensee. Gross Revenue includes that revenue not collected due to Customers defaulting on their commitments. It is clearly in the interest of the Licensee to collect this revenue however any uncollected amounts result in a negative impact on their business. To compound this by incurring an additional licence fee is unfair and burdensome. The Licence fee calculation should be based on Collected Revenue and not on Gross Revenue.

Extract 17: AMENDMENTS TO SCHEDULES OF TELECOMMUNICATIONS (FEES) REGULATIONS Minimum Licence Fees for Individual Licences will be adopted

Karib Cable Comment 17.1: To introduce this is burdensome on existing licence holders. Existing licences would require re-negotiation in line with Para 37 of the Telecomms Act of 2001.

Karib Cable Comment 17.2: Should the introduction of this fee result in the licensee determining that they no longer have a sustainable business then they will be compensated for expenses incurred in setting up the business and for estimated loss of profit as a result of closing their business down.

Karib Cable Comment 17.3: Minimum fees ignore the previous practice of scaled application of fees over a period of time, e.g. 1% of gross receipts in the first 5 years of the licence, 2% for the next 5 years of the licence and 3% for the remaining years of the licence.

Karib Cable Comment 17.4: The minimum annual licence fee should not be introduced and fee levels should be graduated in the first years of operation.

Extract 18: AMENDMENTS TO SCHEDULES OF TELECOMMUNICATIONS (FEES) REGULATIONS Minimum Fees shall be equal to Initial Fees payable by licensees upon grant of a licence

Karib Cable Comment 18.1: To introduce an annual licence fee set at the rate of the initial fee is burdensome on those existing licence holders whose business is still in the growth mode. Whilst the Initial Fee demonstrates that the licensee is serious in their intentions to start their business, the cost of this fee can be spread over the Initial growth period along with a graduated annual fee percentage assisting in the establishment of the business.

Karib Cable Comment 18.2: To introduce this annual licence fee set at the rate of the initial fee is burdensome on new entrants. Whilst the new entrant has the option to spread the cost of the Initial Fee over their growth period they have no option other than to pay a significant sum at their first financial year end. This will prevent new entrants entering the market place and is contradictory to the mission of the NTRC.

Karib Cable Comment 18.3: If a minimum annual licence fee is introduced it should be rated at 10% of the Initial Fee

Extract 19: AMENDMENTS TO SCHEDULES OF TELECOMMUNICATIONS (FEES) REGULATIONS Broadcast AM and FM Radio and TV services shall be re-categorized as subject to a “Class Licence;”

Karib Cable Comment 19.1: In the proposed new licences and existing licences there are the Subscriber Television Network/Services (Individual), the Broadcast Television Station (Class) and the Subscriber Television Broadcast Services (Class). This is confusing.

Karib Cable Comment 19.2: The definitions of the Subscriber Television Network/Services (Individual) Licence, the Broadcast Television Station (Class) Licence and the Subscriber Television Broadcast Services (Class) Licence are not available.

Karib Cable Comment 19.3: There is nowhere on the NTRC web site where typical Licences can be found so making the review of them and changes to them make accurate comments in consultations such as this more difficult.

Karib Cable Comment 19.4: The definition of a class licence is “class licence means a licence, as distinct from an individual licence, issued on the same terms to each applicant of a category of users in respect of the operation of a type of telecommunications network or Telecommunications service specified under section 5” and the definition of an Individual Licence is “individual licence means a licence granted to a particular person in accordance with section 28 on terms specific to that person;” The licence categories reflect this. We cannot see the type of applicant for a Subscriber Television Network/Services being any different to the applicant for a Subscriber Television Broadcast Services. Therefore they should hold the same type of licence.

Karib Cable Comment 19.5: The proposed difference in fees between the Subscriber Television Network/Services (Individual)) and the Subscriber Television Broadcast Services (Class) are anti-competitive and biased towards the Subscriber Television Broadcast Services. The fees should be the same as the Subscriber Television Broadcast Services Licence with the removal of any minimum fee.

Extract 20: AMENDMENTS TO SCHEDULES OF TELECOMMUNICATIONS (FEES) REGULATIONS In respect of the payment of Individual Licence fees, parties to the consultation should note that in respect of these licences, existing and prospective licence holders shall be required to pay a minimum fee equal to the Initial Fee prescribed, where no revenues have been recorded by the licence holder in the relevant year.

Karib Cable Comment 20.1: There should be no minimum fee.

Karib Cable Comment 20.2: Should a licence holder not post revenues for any relevant year then the fee for the particular year should be charged at the rate of 110% of the previous reported year with an additional 10% of this amount added to this amount for each full year since the last report.

DOCUMENT - THE PROVISION OF MOBILE VIRTUAL NETWORK OPERATOR SERVICES

Extract 21: Interpretation “Act” means the Telecommunications Act 2000 and Regulations made thereunder;

Karib Cable Comment 21: It is Telecommunications Act 2001 for St. Vincent

Extract 22: Interpretation “Universal Service Obligation” means the obligation to provide Universal Service as set out in Condition 3.1 of this Licence;

Karib Cable Comment 22.1: Condition 3.1 does not mention Universal Service Obligation

Karib Cable Comment 22.2: Should it be intended that the Universal Service Obligation fees be levied against the MVNO and that the PMT also be required to pay the Universal Service Obligation Fee, both against Gross Revenue, then the NTRC will be levying a fee twice for the same traffic which cannot be considered fair

Extract 23: Duration and Renewal Renewal of the Licence shall not take effect until the Licensee has paid the Renewal Fee and other fees owed under the Licence.

Karib Cable Comment 23: There are no renewal fees in the Revised Fees Schedule or in the Telecommunications (Fees) Regulations 2007.

Extract 24: Licensees Obligations In Relation To Customers The Licensee shall notify all customers of the terms and conditions of the Standard Customer Agreement in the manner specified in Regulations issued by the Minister and shall thereafter provide Licensed Services based upon the relevant Standard Customer Agreement

Karib Cable Comment 24 There are no specified regulations

Extract 25: Licenced Services The Licensee may provide mobile subscription and call services

Karib Cable Comment 25.1: From the definition “Numbering Plan” means the National Numbering Plan established and managed by the Commission in accordance with the Regional Numbering Plan established by ECTEL; Who’s numbers will the MVNO be using?

Karib Cable Comment 25.2 : Will it be expected that the MVNO be publically identified as a separate entity from the PMT.

Karib Cable Comment 25.3: Will it be required that the other Licensees of services that interconnect with the MVNO update their records to identify the MVNO both internally and publically

Karib Cable Comment 25.4: Will it be required that the numbering regulations be updated to include the numbers assigned to the MVNO

Karib Cable Comment 25.5: Will the MVNO be provided with their own numbering range(s) and will they be required to pay the appropriate Licence fees.

Extract 26 Licenced Services: The Licensee must use part of the networks of the PMT licensee to originate and deliver its customers' calls. The Licensee must pay the PMT licence holder for the use of the network and/or essential radio segment of the network(s).

Karib Cable Comment 26.1: Whilst this licence may obviate the need for a special agreement between licence holders it does not preclude the fact that the PMT is carrying traffic for the MVNO and that this would require an Interconnect Agreement between the two parties. For consistency against the other services the RIO must be mandatory.

Karib Cable Comment 26.2: The technical interface between the PMT and the MVNO and the MVNO and the PMT must allow for the transmission of signalling and information data including caller ID.

Extract 27 Licenced Services: Subject to the restrictions contained in paragraph 1 of this Annex, the Licensee may provide to its customers all of the services provided by a holder of a PMT Licence to the public, and may be required to provide certain additional or mandatory services as directed by the NTRC.

Karib Cable Comment 27: The extract is contradictory to the following consultation document extract - Subject to the requirement that the licensee may be required to provide certain services at the direction of the NTRC, the licensee shall be entitled to provide all of the services normally provided by a holder of a PMT licence.

DOCUMENT – The Resale of Leased Circuits

Extract 28 Interpretation: “Act” means the Telecommunications Act 2000 and Regulations made thereunder;

Karib Cable Comment 28: It is Telecommunications Act 2001 for St. Vincent

Extract 29 Interpretation “Universal Service Obligation” means the obligation to provide Universal Service as set out in Condition 3.1 of this Licence;

Karib Cable Comment 29.1 Condition 3.1 does not mention Universal Service Obligation

Karib Cable Comment 29.2 Should it be intended that the Universal Service Obligation fees be levied against both parties who are supplying the services and both parties are required to pay the Universal Service Obligation Fee, both against Gross Revenue, then the NTRC will be levying a fee twice for the same traffic which cannot be considered fair

Extract 30 Renewal Fee: “Renewal Fee” means a fee payable by the Licensee to the Commission on the renewal of this Licence.

Karib Cable Comment 30: There are no renewal fees in the Revised Fees Schedule or in the Telecommunications (Fees) Regulations 2007.

Extract 31 Duration and Renewal: Renewal of the Licence shall not take effect until the Licensee has paid the Renewal Fee and other fees owed under the Licence.

Karib Cable Comment 31: There are no renewal fees in the Revised Fees Schedule or in the Telecommunications (Fees) Regulations 2007.

Extract 32 Licensees Obligations In Relation To Customers: The Licensee shall notify all customers of the terms and conditions of the Standard Customer Agreement in the manner specified in Regulations issued by the Minister and shall thereafter provide Licensed Services based upon the relevant Standard Customer Agreement

Karib Cable Comment 32: There are no specified regulations

Extract 33 Licenced Services: The Licensee may resell leased circuit services to the following 2 categories of customers:

(i) Customers who are not holders of any Telecommunications licence in [Member State] – The Licensee shall ensure that such customers do not use the leased circuit services for the carriage of any third party traffic or to offer any form of public switched telecommunication services over the leased circuits. The leased circuits shall not be connected to any public switched networks at either or both ends of the circuit(s), whether in [Member State] or in other countries. Only direct, point-to-point leased circuit connections between [Member State] and the final destination for corporate communication of the customers is allowed.

Karib Cable Comment 33 The scenarios and use of this option of this licence is not understood. With the introduction of ICT and the explosion of IP based services and

the availability of optical fiber it will be common for large, medium and small business to be interconnected by networks elements that are not shared with others. To introduce a fee of \$5,000 per year to provide for a local IP based data connection would not make commercial sense for these customer types.

Extract 34 Licenced Services: The Licensee may resell leased circuit services to the following 2 categories of customers: Customers who are holders of any Telecommunications licences in [Member State] – Such customers may connect the leased circuits provided by the Licensee to any public switched networks at either or both ends of the circuit(s) for the provisioning of the Services such as international simple voice resale.

Karib Cable Comment 34.1: The scope of the licensee is not defined. We do not see dimensioning of usage by speed or volume on the services provided therefore the reseller could be a large telecommunications services provider using this class licence to avoid the need for an individual licence

Karib Cable Comment 34.2: The scenarios and use of this option of this licence is not understood. With the introduction of ICT and the explosion of IP based services and the availability of optical fiber it will be common for large, medium and small business to be interconnected by networks elements that are not shared with others. To introduce a fee of \$5,000 per year to provide for a local IP based telephony connection to allow flexibility of the business in inter-connecting to the local PSTN would not make commercial sense.

DOCUMENT - PROPOSED INTERNET EXCHANGE SERVICE TEMPLATE

Extract 35 Interpretation: “Act” means the Telecommunications Act 2000 and Regulations made thereunder;

Karib Cable Comment 35 It is Telecommunications Act 2001 for St. Vincent

Extract 36 Interpretation: “Universal Service Obligation” means the obligation to provide Universal Service as set out in Condition 3.1 of this Licence;

Karib Cable Comment 36.1 Condition 3.1 does not mention Universal Service Obligation

Karib Cable Comment 36.2 Should it be intended that the Universal Service Obligation fees be levied against both parties who are supplying the services and both parties are required to pay the Universal Service Obligation Fee, both against Gross Revenue, then the NTRC will be levying a fee twice for the same traffic which cannot be considered fair

Extract 37 Renewal Fee: “Renewal Fee” means a fee payable by the Licensee to the Commission on the renewal of this Licence.

Karib Cable Comment 37: There are no renewal fees in the Revised Fees Schedule or in the Telecommunications (Fees) Regulations 2007.

Extract 38 Scope: This Licence is non-exclusive and is not intended to convey proprietary rights.

Karib Cable Comment 38: Due to the nature of the service and the capacity and scale of our networks it is unreasonable to allow for more than one provider therefore exclusivity should be considered.

Extract 39 Duration and Renewal: This Licence is granted on the Effective Date for a period of five years

Karib Cable Comment 39: For the investment needed and the business model that would be required to support his a term of 5 years is insufficient. A term of 15 years would be more appropriate

Extract 40 Licensees Obligations In Relation To Customers: The Licensee shall notify all customers of the terms and conditions of the Standard Customer Agreement in the manner specified in Regulations issued by the Minister and shall thereafter provide Licensed Services based upon the relevant Standard Customer Agreement

Karib Cable Comment 40 There are no specified regulations

Extract 41 Licenced Services: The Licensee may establish a physical interconnection site for internet service providers (ISPs) licenced in [Member State] to exchange traffic between their networks and link to the global internet backbone that serves as a form of international transmission media. The exchange may aggregate a provider’s traffic before transferring it to the internet backbone in other countries, thereby reducing the need for ISPs to establish their own direct links.

Karib Cable Comment 41.1 The business needed to support this investment must be included in the licence. Operating costs and usage must be divided in equitable ratios to the ISP’s which use the service. Fees charged for the volume of usage should not be employed; better to charge usage fees based on the speed of connection to the IXP.

Karib Cable Comment 41.2 Set up fees for each port used could be considered for one time charges

Karib Cable Comment 41.3 The SLA between IXP and ISP must include penalties for poor performance by the IXP.

DOCUMENT – VALUE ADDED SERVICES

Extract 42 Interpretation: “Act” means the Telecommunications Act 2000 and Regulations made thereunder;

Karib Cable Comment 42 It is Telecommunications Act 2001 for St. Vincent

Extract 43 Renewal Fee: “Renewal Fee” means a fee payable by the Licensee to the Commission on the renewal of this Licence.

Karib Cable Comment 43 There are no renewal fees in the Revised Fees Schedule or in the Telecommunications (Fees) Regulations 2007.

Extract 44 Licensees Obligations In Relation To Customers: The Licensee shall notify all customers of the terms and conditions of the Standard Customer Agreement in the manner specified in Regulations issued by the Minister and shall thereafter provide Licensed Services based upon the relevant Standard Customer Agreement

Karib Cable Comment 44 There are no specified regulations

Extract 45 Licenced Services: The Licensee is authorized pursuant to the licence to provide to the public any of the following services, including inter alia

Karib Cable Comment 45.1: The services covered by this licence are extensive and unlimited. The amount of services provided by any service provider needs to be limited.

Karib Cable Comment 45.2: The scope of the licensee is not defined. We do not see dimensioning of usage by speed or volume on the services provided therefore the reseller could be a large telecommunications services provider using this class licence to avoid the need for an individual licences

Karib Cable Comment 45.3: The inclusion of Managed Date Network Services (MDNS) is also included in the Resale of Leased Services Licence. The inclusion of this service in this licence causes confusion with that of the Resale of Leased Services Licence.

Karib Cable Comment 45.4: The inclusion of Managed Data Network Services (MDNS) and the unlimited scope described for the use of this service allows the licensee to deliver an extensive range of voice and data services and could be used to preclude the need for an operator to apply for an individual licence or licences.

Karib Cable Comment 45.5: The inclusion of Public Switched Telecommunications Services in the services offered does not line up with the concept of Value Added Services. Of the six services listed under this heading at least three can be considered as Basic Service and not Value Added Services. Therefore Public Switched Telecommunications Services, Public Mobile Telecommunications Services and Public Switched Data Services should not be listed in this Licence.

Karib Cable Comment 45.6: Whilst the licence considers telex and excludes telegram it does not consider SMS or MMS and looking forward to the future does not include Siri or something similar. The scope needs reviewing and updating to include Value Added Services and exclude Basic Services.

Karib Cable Comment 45.7: The Licence does not include VOIP add on type services like Skype and Magic Jack. These can readily be considered as Value Added Services and their current unlicensed and unregulated use are both detrimental to Service Providers and the Government from the resulting reduced revenues.

DOCUMENT - PROVISION OF INTERNET PROTOCOL (IP) TELEPHONY SERVICES

Extract 46 Scope Of Licence: This Licence enables the Licensee to provide IP Telephony services using telephone numbers assigned for such purposes (referred to in this Licence as an “IP telephony number”) and to assign IP telephone numbers to the Licensee’s customers.

Karib Cable Comment 46.1: This licence does nothing to manage the problems associated with Magic Jack and Skype.

Karib Cable Comment 46.2: The use of IP telephony numbers in the manner described will result in the actual location of the use of the service for outgoing calls not being geographically fixed.

Karib Cable Comment 46.3: The use of IP telephony numbers in the manner described will result in the actual location of the use of the service for incoming calls not being geographically fixed

Karib Cable Comment 46.4: To enable this level of flexibility we will need a fixed IP address for each IP Telephony Number. These fixed IP addresses are limited

Extract 47 Scope Of Licence: Such services allow customers to make and receive voice, data and/or video calls using the same telephone number from any domestic or overseas location where broadband Internet access is available.

Karib Cable Comment 47.1: Should it occur that the international rates to a country code/central office code are lower than local rates to terminate a local call, the use of IP Telephony for a local call could circumvent the agreed local interconnect rate and be anti-competitive.

Karib Cable Comment 47.2: Calls to the IP Telephony number could be made from the PSTN and do not need broadband internet to make calls as stated

Karib Cable Comment 47.3: All service providers including international service providers must recognise the pool of IP addresses associated with IP Telephony Numbers as such and must not restrict calls to them

Karib Cable Comment 47.4: To allow data over the IP Telephony service conflicts with Resale of Leased Circuits and Value Added Service Licences. Data needs to be defined in this case

Extract 48 Duration and Renewal: Renewal of the Licence shall not take effect until the Licensee has paid the Renewal Fee and other fees owed under the Licence.

Karib Cable Comment 48: There are no renewal fees in the Revised Fees Schedule or in the Telecommunications (Fees) Regulations 2007.

Extract 49 Registration of Customer Information:

Karib Cable Comment 49: We are unsure why these requirements need to be included in the licence. This is not required in other licences. The information is typically help on the Licensees CRM data base.

Extract 50 Registration of Customer Information: The Licensee shall maintain a register containing records of its customers and their particulars, which shall be made available for inspection by the Commission. The records shall contain the following particulars of the customer:

- (a) Name, and address of the customer;
- (b) IP telephony number assigned to the customer; and
- (c) Date of activation of the customer's account

Karib Cable Comment 50: This data is confidential and is currently only released by direction of the Commissioner of Police. Would there not need to be a change of other law to provide for the commission requiring this information on demand

Extract 51 Registration of Customer Information: The Commission reserves the right to require the Licensee to record any other details as necessary in its register of customers.

Karib Cable Comment 51: The inclusion of this right is onerous and far to open ended to be included in a licence. It needs some boundaries that provide an understanding to the licensee of what demands they may expect.

Extract 52 Registration of Customer Information: Before recording the particulars referred to in Condition 2.2 the Licensee shall:

- (a) require the production of the subscriber's identify card or passport;
- (b) make and keep a photocopy of such evidence of identity
- (c) require the production of the subscriber's proof of address

Karib Cable Comment 52.1: The limitations of ID card or passport are restrictive and could prevent the licensee from providing a service requested. It is understood that it is not a legal requirement for an eligible member of the public to hold either an ID card or a passport therefore this requirement is restrictive on the Licensees Business.

Karib Cable Comment 52.2: It is onerous and impractical for the Licensee to have to make and keep photo copies of identities. Other methods of storage need to be considered including scans of any documents that may be required in the Customer Life Cycle

Karib Cable Comment 52.3: There is no mention in the licence that the subscriber has to provide proof of address. It is impractical and not cost effective for the licensee to have to confirm proof of address particularly considering that the scope of this service includes customers overseas.

Extract 53 Registration of Customer Information: The records in the register shall be kept at the Licensee's premises for a period of not less than 12 months from the date of termination of the Services to the customer or any other period that the Commission may require

Karib Cable Comment 53.1: The inclusion of an open ended undefined period makes the first part of the requirement misleading and unnecessary. The period should be stated and there should be no option to vary this other than that covered in general changes to the licence.

Extract 54 CONFIDENTIALITY OF CUSTOMER INFORMATION: (a) where sharing of subscriber information with other licensees is necessary to detect, prevent or investigate into fraud;
(b) where disclosure of customer information is deemed necessary by the Commission or such other relevant law enforcement or security agencies in order to carry out their respective functions or duties; and
(c) where use of customer information is in accordance with applicable codes of practice, guidelines and directions which the Commission may issue from time to time relating to the protection and confidentiality of consumer information.

Karib Cable Comment 54.1: Prevention or investigation into fraud is already covered in existing legislation and it is understood a matter for the Commissioner of Police to direct and manage and not the Commission

Karib Cable Comment 54.2: It is not clear why it would be necessary for the Commission to require individual Customer information. The circumstances require clarification

Karib Cable Comment 54.3: The inclusion of this clause negates any previous clause concerning Customer Information, is not defined and open ended and should not be included in the licence

Karib Cable Extract 55: Emergencies

Karib Cable Comment 55.1: It is not reasonable to expect that, considering the scope of this service that it may use any broadband service anywhere in the world, that the Licensee be accountable for the ability to terminate all calls offered to its service. This includes Emergency calls. It is agreed that the subscriber should be made aware of this during the application process.

Karib Cable Comment 55.2: It is agreed that this matter should be highlighted in the Customer Agreement. However it is not agreed that the Customer sign specifically on this matter – the existing application process covers this.

Karib Cable Comment 55.3: It is not agreed that the Licensee needs to prove to the Commission that the subscriber has been made aware of this matter and that the Licensee show signatures to support this proof.

Karib Cable Comment 55.4: It is not reasonable to expect that, considering the scope of this service that it may use any broadband service anywhere in the world and that the service can be provided from multiple types of CPE including lap tops, that the Licensee be required to provide labels concerning this matter.

Extract 56: PROVISION OF DIRECTORY ENQUIRY SERVICES: to provide directory enquiry services based on an integrated customer database upon request to any person to whom the Licensee provides the Services

Karib Cable Comment 56.1: This is not currently a requirement for mobile services. It should not be a requirement for this licence

Karib Cable Comment 56.2: This would preclude the option of the ex-directory service which would be uncompetitive with other services provided

Extract 57 PROVISION OF DIRECTORY ENQUIRY SERVICES: to provide directory enquiry services for subscribers of other licensees and the licensee shall comply with such requirements imposed

Karib Cable Comment 57.1: It is not reasonable to expect that, considering the scope of this service that it may use any broadband service anywhere in the world that the licensee would be able to do this.

Karib Cable Comment 57.2: The subscriber information for each licensee is commercially sensitive information and may not be something that the licensee wishes to share with other licensees

Extract 58 PROVISION OF INTEGRATED PRINTED DIRECTORIES

Karib Cable Comment 58.1: The subscriber information for each licensee is commercially sensitive information and may not be something that the licensee wishes to share with other licensees

Karib Cable Comment 58.2: Should this be implemented then the geographic area of the directory must be determined and all licenced service providers (including mobile operators) who operate in this area must provide this information

Extract 59 Licensee's Obligations to Customers: The Licensee shall notify all Customers of the terms and conditions of the Standard Customer Agreement in the manner specified by the Commission and shall thereafter provide Licensed Services based upon the relevant Standard Customer Agreement.

Karib Cable Comment 59: If the Commission wishes to direct the Licensee on how to communicate with its customers then the method should be specified.

Extract 60 Non-Discrimination and Fair Trading: The Licensee shall not discriminate against any Customer using Customer Equipment, in connection with

the Licensed Services, which are not sold or leased by the Licensee, provided that any such Customer Equipment is of a type approved under the Act.

Karib Cable Comment 60: The types of equipment that can be used to provide the services covered by this licence are wide and far ranging. This clause needs to be reworded to cater for this.

Extract 61 Annex A Licensed Services: The Licensee is entitled to convey voice or data, with or without added value, using internet protocol technology via means of a leased circuit connected to a public switched telecommunications network at both ends.

Karib Cable Comment 61.1: There are many methods of interfacing the IP telephony network with the PSTN so leased circuit should not be specified

Karib Cable Comment 61.2: There are two ends of the connection, one to the Customer and one to the PSTN therefore the service cannot be connected at both ends to the PSTN

Extract 62 Annex A Licensed Services: The Licensee's services to customers enable them to make and receive voice, data and/or video calls using telephone numbers assigned for such purposes.

Karib Cable Comment 62: For consistency and accuracy replace telephone numbers with IP Telephone Numbers

Extract 63 Annex A Licensed Services: The Licensee shall be required to negotiate the necessary commercial arrangements with an Individual Licensee in [Member State] to whom numbers may be assigned, to obtain necessary services to permit provision of the services, including but not limited to IP Telephony numbers as an input to its own services.

Karib Cable Comment 63.1: Numbers that are identified as IP Telephony numbers have not yet been assigned by ECTEL or the Commission so the Individual Licensee cannot provide these to the Licensee

Karib Cable Comment 63.2: Number ranges based on Central Office Codes of 1,000 numbers are allocated to Individual Licensees. These numbers will soon be exhausted if the Individual Licensee needs to request number ranges for its telephony customers and for prospective IP telephony customers

Karib Cable Comment 63.3: The COC identifies the local service provider and the switch that connects their traffic to the PSTN and the traffic type of either fixed line or mobile. Therefore should an IP Telephony number range be required then only an Individual Licensee can apply

Karib Cable Comment 63.4: How is number portability going to be managed between IP Telephony Numbers and Telephony Numbers?

Karib Cable Comment 63.5: Are IP Telephony numbers to be identified differently from Telephony numbers

Karib Cable Comment 63.6: Why differentiate IP Telephony numbers?

Karib Cable Comment 63.7: There should be no delays in the allocation of IP Telephony Numbers when the Individual Licensee makes application

Extract 64 Annex A Licensed Services: For the avoidance of doubt, the NTRC shall not allocate numbers to IP Telephony Licensees

Karib Cable Comment 64: Add “however the Commission will be allocating IP Telephony numbers to Individual Licensees”

DOCUMENT Revised Fee Schedule

Extract 65 INDIVIDUAL AND SUBMARINE CABLE LICENCES: 3.0% of Gross Annual Revenue, except that the minimum fee shall not be less than \$ 20,000

Karib Cable Comment 65.1: To re-enforce on comments already made the following are repeated comments

Karib Cable Comment 65.2: To introduce this is burdensome on existing licence holders. Existing licences would require re-negotiation in line with Para 37 of the Telecomms Act of 2001.

Karib Cable Comment 65.3: Should the introduction of this fee result in the licensee determining that they no longer have a sustainable business then they will be compensated for expenses incurred in setting up the business and for estimated loss of profit as a result of closing the business down.

Karib Cable Comment 65.4: Minimum fees ignore the previous practice of scaled application of fees over a period of time, e.g. 1% of gross receipts in the first 5 years of the licence, 2% for the next 5 years of the licence and 3% for the remaining years of the licence.

Karib Cable Comment 65.5: The minimum annual licence fee should not be introduced.

Extract 66 INDIVIDUAL AND SUBMARINE CABLE LICENCES: - SUB Subscriber Television Network/Services

Karib Cable Comment 66: If this licence is considered an Individual licence then the SCS Subscriber Television Broadcast Services must also be considered as an Individual licence. Only the transportation method is different.

Extract 67 INDIVIDUAL AND SUBMARINE CABLE LICENCES: - SUB Subscriber Television Network/Services and CLASS LICENCES (TYPE A) SCS Subscriber Television Broadcast Services

Karib Cable Comment 67: The Licence fees for these services must be the same. Only the transportation method is different.

Karib Cable General Comments

KCGEN 1: These Licences provide confusion rather than the aim of providing scope

KCGEN 2: These licences prolong the use of legacy telecommunications terminology.

KCGEN 3: These Licences prolong the concept of legacy telephony services, considering changes in the new data driven, IP based communications world to be “add on’s” to the existing legislation.

KCGEN 4: In contradiction to workshops held and the direction proposed by ECTEL, these Licences do not grasp the concept of converged telecommunications solutions and do not embrace the opportunity to consolidate existing licences rather they add further complication and confusion to an already complex situation.

KCGEN 5: In the areas of Data and IP these licences are contradictory within themselves and amongst each other.

KCGEN 6: These Licences provide an opportunity for Licensees to circumnavigate existing regulations including those concerned with the regulation of Interconnect Rates

KCGEN 7: These Licences do not address the core concern of the management of VOIP type services like Skype and Magic Jack. These services and similar ones are currently unlicensed and unregulated resulting in lost revenues for both the Service Providers and the Government.