

PRESS RELEASE

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TRC determines all operators as dominant in the termination of calls and SMS to their own networks

22nd September, 2011 – The Telecommunications Regulatory Commission (“TRC”) has today published a Determination of Dominance and a Set of Interconnection Requirements in the Official Gazette. As a result of its Market Analysis of Wholesale Call and SMS Termination on Individual Fixed and Mobile Networks, published on June 1 2011, the TRC has received responses from the operators and has published a short report on this stage of the consultation on its website www.trc.vg.

Each operator is designated as dominant with respect to the termination of calls and SMS to their own network. This now means that CCT, Digicel and LIME are all classified as dominant in the termination of voice calls and SMS to their mobile networks and LIME is also declared dominant in the termination of voice calls to its fixed line network. This Determination of Dominance recognises that there is no other way of reaching a mobile or fixed subscriber other than via that customer’s network as the call must ultimately terminate on the customer’s network.

The determination follows regulatory precedents across Europe and the Caribbean and is line with international regulatory best practice. The determination now allows the TRC to impose termination rate regulation which is a form of wholesale price regulation. The next stage of the consultation will propose the recommended methodology for setting the appropriate fixed and mobile termination rates in the BVI. Operators pay fixed and mobile termination rates to each other in order for consumers to call from one network to another.

“Designating operators as dominant in call termination is common regulatory practice across the world. What differs is the appropriate rate for each country. In the next stage of the consultation we will seek to ensure that the appropriate rate is set for the BVI which ensures that operators can interconnect without issue and that these payments between operators do not represent any barriers to further reductions in the retail price to call other networks.” Said Sarah Hayes, Chief Economist of the TRC. “This regulation applies to agreements between operators but ultimately we have an eye on the end result for consumers.”

Collin Scatliffe, Chairman of the TRC said, “This determination of dominance marks a very important step for the TRC in taking regulatory action to prevent any future abuse of a dominant position. The TRC can now monitor and regulate the termination rate to ensure that the BVI is in line with international best practice. This sets the tone for further regulatory intervention to ensure that the telecoms market functions competitively.”

The relevant consultation documents are published on the TRC website www.trc.vg.

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Note to Editors:

The Telecommunications Regulatory Commission (TRC) is a statutory body responsible for regulating the telecommunications sector of the Virgin Islands, protecting interests of users of telecommunications services, ensuring fair competition among operators of telecommunications networks and providers of telecommunications services, promoting the development of telecommunications throughout the Virgin Islands and advising the Minister of Communications and Works on telecommunications policies.