

PRESS RELEASE

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TRC sets the wholesale price to call other networks

30th September, 2011 – The Telecommunications Regulatory Commission (“TRC”) has today published its second phase consultation document concerning interconnection, “Market Analysis of Wholesale Call and SMS Termination on Individual Fixed and Mobile Networks, Part II: Assessment of Regulatory Remedies”. In this document the TRC proposes the wholesale price of termination, the termination rate, which shall apply to operators designated as dominant.

On the 22nd September, 2011, the TRC designated CCT, Digicel and LIME as dominant in the termination of calls to mobile numbers and LIME as also dominant in the termination of calls to fixed numbers. The TRC now has the authority to regulate the wholesale price which the operators charge each other to terminate calls. When a customer makes a call to a mobile number or to a fixed line number, the customer’s network operator must pay a wholesale termination charge to the network of the customer receiving the call. This is common practice across the Caribbean and Europe and in most countries these rates are regulated.

The TRC proposes to set a per minute fixed termination rate of \$0.01 and a per minute mobile termination rate of \$0.05. This means that when a VI mobile customer calls a fixed line customer, their network must pay \$0.01 per minute to the fixed line operator. Similarly, when a VI mobile customer calls another VI mobile customer on another network, their mobile network operator must pay \$0.05 per minute to the terminating network. These rates are set on the basis of benchmarks from across the Caribbean. The TRC is reducing the fixed termination rate from \$0.03 per minute to \$0.01 per minute but is keeping the mobile termination rate at \$0.05 per minute for the period from 1 November 2011 to 31 October 2013. The TRC will continue to reduce the rates based on the average reduction across the Caribbean from 2013 onwards.

“It is important to set a regulated termination rate so that operators have greater certainty over projected costs and revenues. The mobile termination rate is relatively low for the region but the TRC does not see any rationale to increase this rate.” Said Sarah Hayes, Chief Economist at the TRC.

“We are concerned by the high prices to call fixed lines in the VI.” said Collin Scatliffe, Chairman of the TRC, “Depending upon the calling plan, it can be cheaper to call the US or the UK than a fixed line in the VI. We want to create the right regulatory environment so that there are no barriers to operators lowering prices for consumers.”

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.