

## **PRESS RELEASE**

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**Contact:** Telecommunications Regulatory Commission

**Telephone:** 468-4165

### **TRC Declares LIME BVI dominant in the provision of international connectivity services**

**September 26, 2013** – The Telecommunications Regulatory Commission (“TRC”) has today published a Determination of Dominance designating LIME BVI as dominant in the markets for international private leased circuits (IPLC’s) and multi-protocol label switching (MPLS). The Determination of Dominance follows a consultation on the TRC’s Market Analysis of International Connectivity which was published on 13 December 2012. The deadline for the submission of comments was 18 January 2013.

The Market Analysis defined two relevant markets in international connectivity as:

- the market for international connectivity services provided via international private leased circuits (“IPLCs”)
- the market for international managed data services (“IMDS”)

The Market Analysis further noted the high costs of international bandwidth on and off the island and the fact that LIME BVI was the only public supplier of telecommunications services in the BVI with ownership in each of the four submarine cables in which IPLC’s are routed to provide international connectivity between the BVI and the rest of the world. LIME also has exclusive control of access to the cable landing station in the BVI. Upon conclusion of the consultation process, the TRC took into consideration all comments submitted by the public, including the suppliers of public telecommunications services in the BVI. Based on the comments received, the TRC has decided to determine LIME BVI as the dominant public supplier of services in both the markets for IPLC’s and IMDS.

Following this determination of dominance, the TRC can now apply a regulatory remedy under Section 26 of the Telecommunications Act, 2006. The TRC proposes to regulate the price of access to international connectivity services at cost to promote competition in the provision of international voice and data services with the expectation that such lower access prices will ultimately lead to lower prices for consumers.

The TRC will now embark on a thirty (30) day period of negotiation with LIME BVI over the access prices with a view to amending LIME BVI's Licence to give effect to regulated prices for international connectivity services. It is anticipated that this process, which will also include further consultation with licensed public suppliers and stakeholders and a public hearing will take a minimum of four months following the process set out in the Licence.

Sarah Hayes, Chief Economist of the TRC said "prices for international connectivity are very high in the BVI and the proposed regulation is long overdue. This determination of dominance will also then lead into the forthcoming broadband market analysis". Guy Malone, Chief Executive Officer of the TRC said "high prices for international connectivity services have fed into high prices for internet use for both residential and business users. We are declaring LIME BVI as dominant in these international connectivity markets and have proposed this regulation so that we may address the bottleneck that arises in the provision of international communication services in the BVI. Our primary concern is that end user prices should fall as a result."

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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.