



# Guiding Principles

## For Regulatory Decision Making

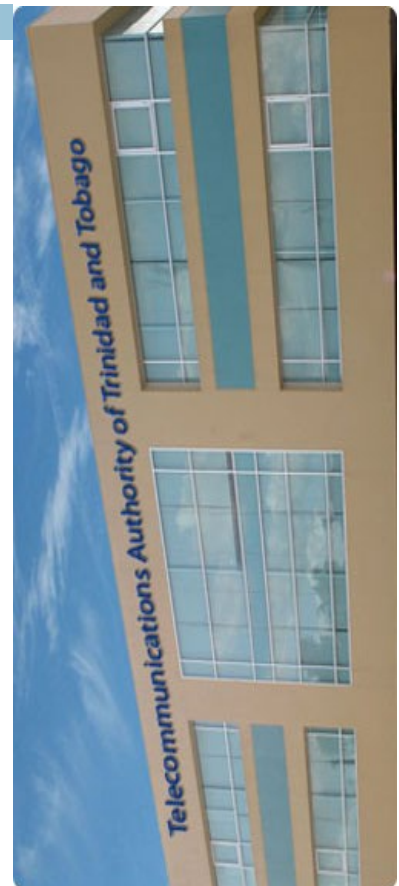
The Authority, in its strategic and operational duties, is governed by its legal and regulatory framework which is comprised of the following instruments:

- The Telecommunications Act Chap 47:31
- Relevant Regulations made pursuant to the Act
- The Concession Agreement
- Relevant guidelines and methodologies made pursuant to the Act.

In accordance with the above legal framework, the Authority is seeking to provide guidance to its stakeholders on the issues which are considered by the Authority, when making decisions on regulatory matters.

The Authority proposes the adoption of seven (7) principles which have informed, and will continue to inform the Authority's decision-making on telecommunications regulatory matters, as follows:

1. Promoting fair, effective and sustainable competition in Trinidad and Tobago's telecommunications and broadcasting markets;
2. Encouraging investment, building-out of facilities and infrastructure-sharing in the provision of telecommunications and broadcasting services;
3. Facilitating market development through proportionate regulation, as far as practicable;
4. Promoting and protecting the interests of consumers and ensuring ubiquitous access to telecommunications and broadcasting services;
5. Upholding technology neutrality and progressively transitioning to service neutrality;
6. Providing open, fair, transparent and non-discriminatory processes;
7. Ensuring efficient use, and effective allocation of scarce resources.



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- Fair competition
  - Infrastructure Investment
  - Market Development
  - Consumer Interest
  - Technology Neutrality
  - Transparent Processes
  - Effective Resource Allocation

## Principle 1

### Promoting fair, effective and sustainable competition in telecommunications and broadcasting markets.



The Authority continues to monitor for anticompetitive pricing and acts of unfair competition pursuant to its Legislative mandate, including the following:

Sections 25 (2), Section 26 and Section 29, of Telecommunications Act Chap 47:31

Concession Conditions A21, A22, C5, C6, C15 of Concession Agreement

Interconnection Regulations (2006), Access to Facilities Regulations (2006)

In a liberalized market, prices are determined by market demand and supply. However there may be instances in which market distortions can occur such that markets may not function optimally, resulting in inefficient pricing, and loss in consumer welfare.

The Authority therefore seeks to promote fair, effective and sustainable competition through active market monitoring, along with the development and implementation of robust regulatory regimes and policies.

The Authority shall uphold its obligation to intervene in the market where potential anticompetitive practices are identi

fied. In this respect, the Authority considers that the following practices would constitute anti-competitive pricing and acts of unfair competition when practiced by authorised providers, inter alia:

- Unauthorised Cross Subsidization
- Price and non-price discrimination
- Below-Cost Pricing/Predatory Pricing
- Margin/Price Squeezing
- Unauthorised Tied Selling
- Anti-Competitive price-fixing agreements
- Retail price and quantity restrictions
- Exclusive dealing agreements that are anticompetitive
- Price gouging

The following is a selection of the Authority's frameworks and regulatory instruments which advance Principle 1:

- Draft Price Regulation Framework and Draft Telecommunications (*Pricing*) Regulations
- Telecommunications (*Access to Facilities*) Regulations
- Telecommunications (*Accounting Separation*) Regulations and Guidelines
- The Costing Methodology for the Telecommunications Sector:
  - Long Run Average Incremental Cost (LRAIC) Specification Paper
  - Current Cost Accounting (CCA) Reference Paper
  - The Cost of Capital for Communications Companies in Trinidad and Tobago for LRAIC model
  - Methodology for an Efficiency Study for the long run average incremental cost (LRAIC) model
- Framework for the Implementation of Indirect Access
- Draft Framework for the Implementation of Local Loop Unbundling
- Interconnection and Access Policy
- Telecommunications (*Interconnection*) Regulations
- Draft Standards and Guidelines for Interconnection and the Development of Reference Interconnection Offers
- Number Portability Implementation Plan

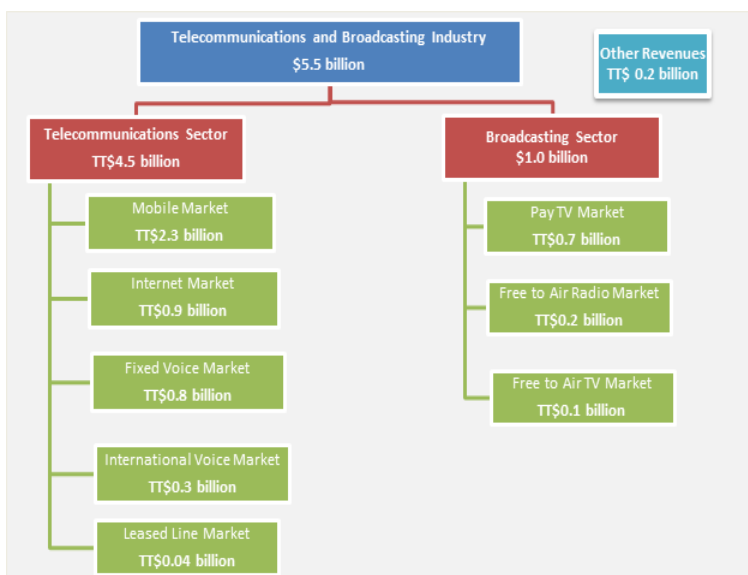
## Principle 2

### Encouraging investment, building-out of facilities and infrastructure sharing in the provision of telecommunications and broadcasting services

Whilst the local telecommunications and broadcasting markets continue to contribute significantly to Gross Domestic Product, the Authority is ever mindful of its role to encourage investment and infrastructure sharing which will further stimulate competition and improved quality of services.

The following is a selection of the Authority's frameworks and regulatory instruments which advance Principle 2:

- Telecommunications (*Access to Facilities*) Regulations
- Draft Digital Terrestrial Television Broadcasting in Trinidad and Tobago Framework
- Framework for the Implementation of Indirect Access
- Draft Framework for the Implementation of Local Loop Unbundling
- Interconnection and Access Policy
- Telecommunications (*Interconnection*) Regulations
- Draft Standards and Guidelines for Interconnection and the Development of Reference Interconnection Offers
- Number Portability Implementation Plan
- Universal Service Framework
- Telecommunications (*Universal Service*) Regulations
- Authorisation Framework
- Draft Standards and Guidelines for Access Offers
- Trinidad and Tobago Frequency Allocation Table (9KHz to 1000GHz)
- Spectrum Plan for the Accommodation of Public Mobile Telecommunications Services



The Authority continues to advance this principle, which is set as one of the objects of the Telecommunications Act Chap 47:31. Section 3 (f) posits that one of the objects of the Act are for -

*“promoting the telecommunications industry in Trinidad and Tobago by **encouraging investment in, and the use of, infrastructure** to provide telecommunications services”*

#### Investment—Mobile

The Authority's first thrust at promoting mobile investment started with the restructuring of the 850 MHz and 1900 MHz bands, followed by the first auction and subsequent introduction of competition in the mobile market. Additional spectrum for mobile services has also been allocated, such as the 700 MHz band for the delivery of enhanced mobile broadband services and state-of-the-art technologies such as Long Term Evolution (LTE).

The Authority will continue to consider more frequency bands in fostering further growth in mobile investment, such as additional International Mobile Telecommunications (IMT) bands.

#### Investment—Broadband

ICTs contribute to the diversification of the national economy and are key to strengthening the country's competitiveness and viability in the global market. In this respect, the Authority has developed and reviewed a national broadband strategy which proposes a public private partnership to the investment in developing the infrastructure backbone, and thereby promoting facilities-based competition and a redounding impact on national competitiveness.

## Principle 3

The Authority's mandate promotes the advancement and development of markets and the sector at large. Two of the objects of the Telecommunications Act Chap 47:31; Section 3 (a) and Section 3 (b), are based on such provisions for market development and are respectively stated as follows:

*"an open market for telecommunications services, including conditions for fair competition, at the national and international levels;*

*"the facilitation of the orderly development of a telecommunications system that serves to safeguard, enrich and strengthen the national, social, cultural and economic well-being of the society."*

### **Facilitating Market development through proportionate regulation, as far as practicable.**

The Authority will act via proportionate regulation, to encourage market development through natural market forces, as far as practicable.

Whilst the Authority must intervene in situations of market distortions, acts of unfair competition and anticompetitive pricing, the Authority will seek to minimise any regulatory burden of its intervention.

The following is a selection of the Authority's frameworks and regulatory instruments which advance Principle 3:

- Accounting Separation

- Guidelines and Telecommunications (*Accounting Separation*) Regulations
- Draft Price Regulation Framework
- Draft Telecommunications (*Pricing*) Regulations
- Telecommunications (*Interconnection*) Regulations
- Draft Broadcasting Code

#### *Proportionate Regulation:*

*"As regulators, their interventions and tools should deliver desired outcomes in the least burdensome way, based on the established best practice for designing regulation. This means imposing requirements only where necessary, considering alternatives to regulation and minimising the risk of unintended consequences. Competition in the market, or for the market, and consumer empowerment are usually the most efficient and effective ways of delivering benefits for consumers. Where this is not possible, regulation needs to be a cost-effective alternative."*

*Principles for Economic Regulation – April 2011*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/31623/11-795-principles-for-economic-regulation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31623/11-795-principles-for-economic-regulation.pdf)

## Principle 4

### Promoting and protecting the interests of consumers and ensuring ubiquitous access to telecommunications and broadcasting services

The Authority continues to promote and protect the interests of consumers whilst ensuring ubiquitous access. This mandate is enshrined in the Telecommunications Act Chap 47:31 and includes the following Sections:

#### Consumers:

Sections 3 (c) , Section 18 (1) (q), Section 18 (3) of the Telecommunications Act Chap 47:31

#### Ubiquitous Access:

Section 3(d), Section 28 of Telecommunications Act Chap 47:31



The consumer plays an important role in the sustainability of telecommunications markets due to the nexus that exists between the empowered consumer and a competitive market. The consumer who is well-informed can shape the market through his demand signals, which require a response from a competitive market to meet those signals. The consumer can thus drive competition in a market by demanding lower prices, demanding a variety of choices and pushing for innovativeness in new and improved product offerings.

The broadcasting sector is also subject to unique standards in the context of consumers' rights to quality service, including suitable programming content and access to services.

In accordance with its statutory duties under Section 18(1)(m) of the Act, the Authority has implemented a process to deal with complaints received from users of broadcasting and telecommunications services. These procedures are outlined in the "Broadcast Content Complaint Handling Procedures" and the "Consumer Complaints Handling Procedures" found on the Authority's website.

In order to ensure sustainability of the consumer's effective presence in the market, and their access to telecommunications and broadcasting services, the Authority must continue to champion its role in promoting and protecting the interests of consumers. Where there is a non-competitive gap in service provision, the Authority's universal service initiatives will succeed in promoting ubiquitous access to those consumers.

#### Universal Service at a Glance

**The Digital Divide:** The Digital Divide refers to the gap that exists between persons who have access to basic telecommunications and broadcasting services and those who do not.

A Digital Divide Survey is aimed at identifying the extent of such a gap and identifies where underserved communities and underserved population groups, inclusive of persons with disabilities, exist. The results of such a Digital Divide Survey will assist the Authority in planning its Universal Service initiatives.

The following is a selection of the Authority's frameworks, reports and regulatory instruments which advance Principle 4:

- Digital Divide Survey Report, 2013
- Results of the Digital Divide Survey, 2013
- Universal Service Framework
- Telecommunications (Universal Service) Regulations
- Consumer Rights and Obligations Policy
- Draft Broadcasting Code
- Broadcast Complaints Handling Procedures

#### Consumer Interests at a Glance

- Consumer Advocacy Initiative
- ICT fora
- 800 Toll Free Hotline
- CROP Consultations in Various Communities

The Telecommunications Act Chap 47:31 also adopts a technology neutral approach to its service definitions. An example is given in the following:

*“public telecommunications service” means a telecommunications service, including a public telephone service, offered to members of the general public, whereby one user can communicate with any other user in real time, regardless of the technology used to provide such service.*



## Principle 5

### **Upholding Technology neutrality and progressively transitioning to service neutrality**

The Authority proposes to uphold service and technology neutrality in its regulatory functions.

In so doing, the Authority encourages investment by reducing barriers to entry on matters relating to the authorisation of telecommunications networks and public telecommunications and broadcasting services. The Authority’s technology neutral approach in regulatory decision-making also reduces any regulatory burden by ensuring consistency and continuity in regulatory application, even as markets evolve and technologies and services transition, develop and advance.

The following is a selection of the Authority’s frameworks and regulatory instruments which advance this Principle:

- Authorisation Framework
- Draft Telecommunications (Network QOS) Regulations
- Telecommunications Network QOS Policy
- Consumer Rights and Obligations Policy

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*“The Authority shall facilitate the Government in ensuring minimal barriers to entry and competition in converged telecommunications markets by adopting, as far as practicable, a service- and technology-neutral approach to authorizing telecommunications networks, and public telecommunications and broadcasting services” –*

*TATT’s Authorisation Framework, 2005*

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## Principle 6

### Providing open, fair, transparent and non-discriminatory processes

The Authority is mandated to carry out its functions in a fair and transparent manner. Such an approach ensures that there is no discrimination in the Authority's treatment of its stakeholders. In addition, transparency enhances the confidence of all interested parties in the actions of the Authority, particularly as it relates to policies and regulatory instruments which impact stakeholders and the local telecommunications sector at large. For these reasons, the Authority must ensure that its policies and regulatory instruments are clear, understandable and publicly available at all times and that it utilises an open and public process for consultation on proposals for policies and regulatory instruments.

#### The Authority further proposes to uphold this principle, inter alia, by:

- Ensuring all inspections, investigations and regulatory enforcement proceedings are conducted pursuant to established regulatory standards and guidelines and that there is no arbitrary discrimination based on improper or other extraneous criteria.
- Publishing its regulatory decisions especially where the Authority finds that an explanation of its decision may provide guidance on compliance.
- Ensuring access to administrative or judicial review of the decisions of the Authority.
- Ensuring that information regarding the authorisation process and methods for the granting of licences and concessions is clearly articulated and accessible.

The following is a selection of the Authority's frameworks and regulatory instruments which advance this Principle:

- Procedures for Consultation in the Telecommunications and Broadcasting Sectors of Trinidad and Tobago
- Authorisation Framework
- Authorisation Framework for Amateur Radio Services
- Draft Authorisation Framework for Aeronautical Radio Services
- Draft Authorisation framework for citizen band radio communications devices
- Authorisation Framework for Maritime Radio Services
- Fee Methodology

Section 18 (4) of the Telecommunications Act Chap 47:31 describes the functions and powers of the Authority in its adoption of fair processes with stakeholders and all interested parties, when carrying out its functions. The Authority continues to uphold this requirement for fair and transparent processes in its operations.



## Principle 7

### Ensuring efficient use, and effective allocation of scarce resources

One of the basic economic problems is “scarcity” as unlimited wants compete for limited resources. For this reason, firms must make production choices, and decide on what to produce, how to produce and for whom to produce. In like manner, frequency spectrum and numbering are scarce resources and the Authority must make allocation decisions for their optimal, and economically efficient usage.

*“Frequency spectrum is used for a plethora of economic, social, cultural, scientific and development purposes with an enormous number of end-user services. In the face of increasing demands for such a resource, it brings to light the fundamental economic problem of scarcity, on a very large scale. It is therefore necessary that the Authority be innovative in managing and monitoring the efficient use of this resource. One such initiative includes the effective monitoring of frequency spectrum.” TATT’s Annual Report, 2013*



The Authority continues to promote effective regulation in the use of spectrum and numbering resources in order to encourage efficient utilization of scarce economic resources. This mandate is enshrined in the Telecommunications Act Chap 47:31 and includes the following Sections:

**Numbering:** Section 18 (1) (j) and Section 44 of the Telecommunications Act Chap 47:31

**Spectrum:** Section 18 (1) (i), Sections 41, 42 and 43 of Telecommunications Act Chap 47:31

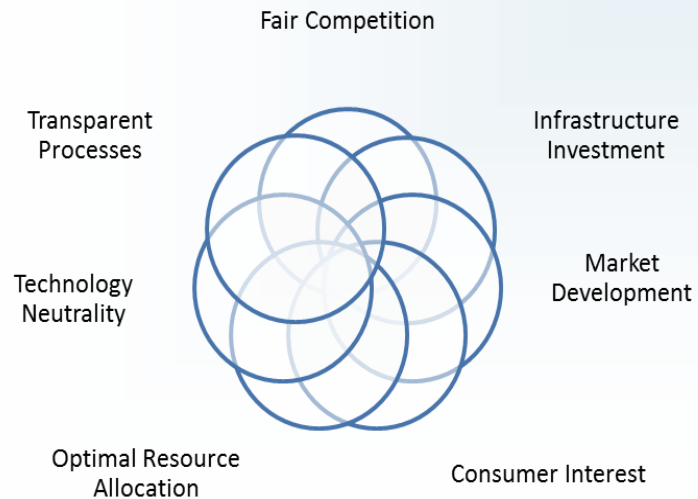


The following is a selection of the Authority’s frameworks and regulatory instruments which advance this Principle:

- Spectrum Management Policy
- Draft Telecommunication (Spectrum Management) Regulations
- Spectrum Plan for the Accommodation of Broadband Wireless Access Services
- Spectrum Plan for the Accommodation of Land Mobile Radio communications Systems
- Spectrum Plan for the Accommodation of Point-to-Point Radio communications Systems
- Spectrum Plan for the Accommodation of Public Mobile Telecommunications Services
- Trinidad and Tobago Frequency Allocation Table (9KHz to 1000GHz)
- Authorisation Framework for Amateur Radio Services
- Authorisation Framework for Aeronautical Radio Services
- Authorisation Framework for Maritime Radio Services
- National Numbering Plan: Central Office (CO) Codes and Home Network Identifiers (HNIs)
- Draft Telecommunications (Numbering) Regulations
- CO Code Exhaust Methodology and Report



## TATT's Guiding Principles



## What Other Regulators are saying?

Other Regulators from time to time have undertaken similar initiatives of publishing principles of operation, to reduce any uncertainties in regulatory actions and reduce regulatory burdens:

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Ofcom operates under regulatory principles <http://www.ofcom.org.uk/about/what-is-ofcom/statutory-duties-and-regulatory-principles/>

Also see, <http://www.ofcom.org.uk/about/policies-and-guidelines/better-policy-making-ofcoms-approach-to-impact-assessment/> and

<http://www.ofcom.org.uk/about/policies-and-guidelines/simplification-plan-2007/>

IDA, Singapore is guided by principles in policy making <http://www.ida.gov.sg/Policies-and-Regulations/Overview>

The TRA operates under regulatory principles <http://www.tra.gov.lb/Duties-and-regulatory-principles>

The WTO specifies regulatory principles for telecommunications [http://www.wto.org/english/news\\_e/pres97\\_e/refpap-e.htm](http://www.wto.org/english/news_e/pres97_e/refpap-e.htm)