The Telecommunications Authority of Trinidad and Tobago



PRINCIPLE 2—Encouraging investment, building out of facilities and infrastructure-sharing in the provision of telecommunications and broadcasting services

Investment, Facility Build-Out and Infrastructure Sharing

The statements provided in this document will be kept under review and amended as appropriate in light of further experience and developing law, practice, market conditions and any change to the Authority's powers and functions.

These comments provide the Authority's general view of encouraging investment and do not have binding legal effect.

The Legislative Mandate

The Authority encourages investment, facility build-out and infrastructure sharing based on its legislative mandate to do so, which include the following:

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

Specifically, the following citations inform the Authority's actions in the promotion of this principle:

The Telecommunications Act Chap 47:31

- i. 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"
- iii. Section 24. (1) In addition to the conditions stipulated in section 22, a concession for a public telecommunications network or a public telecommunications service shall require the concessionaire to adhere, where applicable, to conditions requiring the concessionaire to— (b) provide users, under conditions which are published or are other wise filed with the Authority, with access to and the opportunity to use such network or service on a fair and reasonable basis, and with out discrimination among similarly situated users;
- iii. Section 25. (1) In addition to the requirements of sections 22 and 24, a concession for a public telecommunications network or a public telecommunications service shall include conditions obliging the concessionaire to provide for— (a) direct interconnection with the public telecommunications network or public telecommunications service of another concessionaire; (b) indirect interconnection with such network or service referred to in paragraph (a), through the public telecommunications networks or public telecommunications services of other concessionaires; and (c) the transmission and routing of the services of other concessionaires, at any technically feasible point in the concessionaire's network. Including Section 25(2) (a) to (m) related to Interconnection
- iv. Section 26. (1) Subject to the provisions of this section, it shall be a further condition of a concession for a public telecommunications network and broadcasting service that the concessionaire be required to provide other concessionaires with access to the facilities that it owns or controls, such access not to be unreasonably withheld. Including Section 26 (2) (3) (4) and (5) related to Access to Facilities





Subsidiary Legislation

The following subsidiary legislation support the mandate of the Act in the promotion and advancement of investment, infrastructure sharing and the build out of facilities.

- Telecommunications (Access to Facilities) Regulations
- Telecommunications (Interconnection) Regulations
- Telecommunications
 (*Universal Service*)
 Regulations

The Role of the Regulator in Promoting Investment on Telecoms

Many authorities and governments seek the promotion of investment in Information and Communication Technologies (ICTs) as there is an undisputed direct relationship between growth in ICTs and economic development.

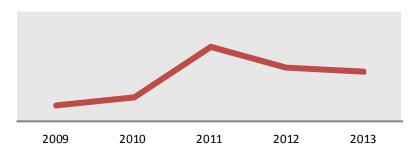
Telecommunications Regulators also play a specific role in promoting investment, mainly by reducing barriers to entry in telecommunications markets. Such regulator roles typically include the adoption of transparent authorization processes, regulating competition, facilitating interconnection and minimizing the cost burden of regulation, as far as practicable.

TATT has adopted market-based and policy-driven approaches to the development of the telecommunications sector, as appropriate. The Authority recognizes that in order for the gains from ICTs to be fully realised, targeted efforts must be made to encourage infrastructure sharing and the build out of facilities, as efficiently as possible.

Since liberalisation, the Authority has undertaken several efforts geared at promoting investment. A brief look at local operators investment over the years (see Chart below), substantiate that there has indeed been an upward trend in investment in the sector over the period. The market evidence also suggests that robust investment in Trinidad and Tobago's telecommunications sector has resulted in the deployment of various technologies which facilitated the proliferation of a wide variety of services to consumers.

Annual Aggregate Capex for 3 operators

Annual Aggregate Capex for 3 operators





Towers constructed in Trinidad and Tobago

Policies and Frameworks

The Authority's objectives for encouraging the build-out of infrastructure include, inter alia:

- Ensuring that telecommunications and broadcasting infrastructure is resilient and robust enough to permit network coverage at all times, thereby ensuring quality and continuity of service to consumers
- Ensuring that targets are met where there is a competitive gap in the provision of services for e.g. in full broadband deployment in underserved and un-served areas.

Robust telecommunications and broadcasting infrastructure are also a cause for national concern as network resilience is essential in the event of natural disasters. In addition, infrastructure must also be in erected with minimal impact on the environment and communities.

For the accomplishment of the above goals, the Authority has developed comprehensive policies, frameworks and regulations which collectively harness the ordered development of the sectors. The Authority's objectives are also supported by other agencies such as the Town and Country Planning (in dealing with issues related to the construction of cellular towers) and the Ministry of Science and Technology (in the implementation of the National Broadband Strategy, for example).

TATT's listing of Regulations, Frameworks and Policies

Regulations

- Telecommunications
 (Access to Facilities) Regulations
- Telecommunications
 (Interconnection)
 Regulations
- Telecommunications
 (*Universal Service*) Regulations

Frameworks

- 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
- Universal Service Framework
- Authorisation Framework

Policies

- Interconnection and Access Policy
- Draft Standards and Guidelines for Interconnection and the Development of Reference Interconnection Offers
- Number Portability Implementation Plan
- 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

Regulated Access

The offer and acceptance of Interconnection Services in Trinidad and Tobago are governed by the Telecommunications (Interconnection) Regula-



Reducing Barriers to Entry—Promoting Investment

A Closer Look at Interconnection

In order for a new entrant to compete with the incumbent on a wide range of services, it needs access to different, separately priced facilities on a network, often on a shared basis (*See ICT Toolkit*). For this reason many regulators regulate the terms and conditions under which interconnection sharing exists. Trinidad and Tobago is no exception.

The Trinidad and Tobago Government is a signatory to the *Reference Paper appended to the WTO Fourth Protocol of the General Agreement on Trade in Services*. The Authority observes the requisite interconnection measures in that Reference Paper which includes the stipulation for the provision of interconnection under non-discriminatory terms, conditions (including technical standards and specifications) and rates of a quality no less favourable than that provided for its own like-services or for like-services of non-affiliated services suppliers or for its subsidiaries or other affiliates.

An Interconnection service in Trinidad and Tobago is described as a service provided by an interconnection provider to an interconnecting concessionaire linking the public telecommunications networks or public telecommunications services of both concessionaires to—

- (a) allow the users of the public telecommunications services of either concessionaire to communicate with the users of the public telecommunications services of the other; and
- (b) to access the services provided by the other concessionaire; (See Telecommunications (Interconnection) Regulations (2006))

The Authority has determined that Interconnection Services are key to ensuring full competition and that the rates must be determined in accordance with a costing methodology or model or benchmark which the Authority may from time to time adopt.

"For purposes of clarity, as provided for in the Interconnection and Access Policy Framework (2005), interconnection services can be grouped into the following **three types**; (a) Joining, data and/or voice services (b) Support Services; and (c) Enhanced Services" - Draft Standards and Guidelines for Interconnection and the Development of Reference Interconnection Offers, 2014

Access to Facilities—Promoting Efficiency in Investment

The Access to Facilities Regulations (2006) and the Interconnection Regulations (2006), were designed as regulatory tools to encourage sharing of facilities and interconnection respectively, which are key drivers in promoting competition and stimulating investment.

In 2014, the Authority proposed amendments to the Access to Facilities Regulations, aimed at creating a more robust and effective facility sharing system within the sector. The Authority expects that amongst other things, the new provisions would ensure the faster and wider roll-out of networks into new and currently underserved geographical areas. This would result in increased broadband penetration and stronger competition. The provisions also are intended to remove the burden of acquiring rights of way which is usually considered a barrier to entry.

The Authority's initiatives on access and sharing of facilities will also reduce the proliferation of cell towers, thereby reducing any potential negative impact on the environment.

Authorization - Promoting Investment

The Authority's Authorization process is detailed in the Authorisation Framework (2005), with proposed amendments made in 2014. The Authorisation Framework sets out the guidelines and processes with respect to the authorisation of public telecommunications and broadcasting networks and public telecommunications and broadcasting services. "Authorisation" refers to the process through which parties are entered into various registers of authorised parties, either through the granting of concessions, licences and /or where required, following the provision of notification to the Authority.

The Authorization process promotes investment as it creates a "level playing field" for new and existing authorised providers in a competitive environment, being one that is fair, non-discriminatory and transparent. This process also ensures that there is regulatory certainty in the market so that new operators and investors have confidence in entering the market to expand the national telecommunications infrastructure. The framework also aims at the following, inter alia:

- the promotion of fairness, innovation and efficiency in the allocation and assignment of national resources in the provision of telecommunications and broadcasting services, and that these resources are efficiently and effectively utilised;
- the facilitation of effective competition in the provision of telecommunications and broadcasting services, taking into consideration the convergence of technologies, services and networks.

Encouraging Investment: Infrastructure Development Initiatives under Universal Service Fund

Universal Service aims at ensuring that telecommunications services which are used by the majority, and which are essential to social and economic inclusion are available to all citizens, either on an individual or shared basis. It is intended to ensure that people of low incomes, those living in remote areas, disabled people and other vulnerable groups obtain advantages of telecommunications services. As part of the regulatory framework, authorised providers will be required to use the most cost-effective solution for the provision of infrastructure for the accomplishment of the USF objectives.

More details are provided in the Universal Service Framework.

The Telecommunications Authority of Trinidad and Tobago

Please also see

"Guiding Principles on Regulatory Decision making"

at:

www.tatt.org.tt

The Telecommunications Authority of Trinidad and Tobago

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