

22 September 2008

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Dear Paul,

Public Consultation 06/08 Application of rebalancing and a price cap control on Gibtelecom

I am writing further to the GRA's public consultation on the application of rebalancing and price cap controls on Gibtelecom (Public Consultation 06/08). Gibtelecom questions both the procedural and substantive aspects of this GRA public consultation, considering them not to be in compliance with the requirements of EU laws.

Gibtelecom agrees that line rental charges are low, especially when compared to other jurisdictions; most, if not all of whose incumbent operators have already been allowed to rebalance tariffs. Gibtelecom's firm position is that the Gibraltar Regulatory Authority (GRA) should implement EU Directives and permit Gibtelecom to complete the tariff rebalancing exercise initiated over seven years ago prior to any price cap control or other form of price regulation is considered. If Gibtelecom is not permitted by the GRA to conclude the rebalancing exercise in this way the Company runs the risk of being severely limited in finalizing the process and its rights being compromised. This view is supported by EU telecommunications law as rebalancing is a requirement and prerequisite to full liberalisation of a telecommunications market.

Gibtelecom has already provided the GRA with justified proposals for completion of rebalancing which take into account the substantial losses in the Company's line rental business. These proposals, dated 30 November 2004 and 24 August 2006, to which Gibtelecom has not received substantive replies, set out a number of rebalancing options for the GRA's consideration.

Gibtelecom would also like to point out that the only way it has the potential to recuperate part of the line rental losses is currently through an Access Deficit Charge being included in the Company's interconnection rates. The GRA will understand that the amounts being recovered are minimal and Gibtelecom will never be able to recover its line rental losses in this way.

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Gibtelecom Limited.

Registered address: Suite 942, Europort, Gibraltar. Company number: 37905 – Directors: The Hon J. Holliday, T.J. Bristow, D.D. Tirathdas, B. Dremelj, F. Ogris-Martič, K. Godnić

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Page 2

Gibtelecom also considers there are serious shortcomings in respect of the GRA proposals for the fixed broadband access and services. The relevant market has not been defined by the GRA and therefore Gibtelecom cannot yet have been designated as having SMP status and being made subject to price caps.

Gibtelecom therefore asks for the GRA's consideration to applying a full rebalancing regime prior to taking forward this price capping consultation. Only once this has been done and only then would it be appropriate to consider a price capping initiative.

In the meantime Gibtelecom offers its draft comments on the public consultation document, but this is without prejudice to its rights under EU and Gibraltar law. In view of the very serious procedural and legal issues raised by this public consultation, Gibtelecom reserves its right to make further representations to the GRA and other authorities as necessary.

Yours sincerely,

Dwayne Lara
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Gibtelecom Response to the Public Consultation 06/08

**Application of rebalancing and a price control on
Gibtelecom**

22 September 2008

**Gibtelecom Limited
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**Gibtelecom Response to GRA Retail Price Control Remedy Proposal
for the
Retail Fixed Markets**

In response to Public Consultation 06/08 on the application of a retail price control on Gibtelecom forming part of the Significant Market Power (SMP) obligations described but not defined in detail in Decision Notice 05/08 issued by the Gibraltar Regulatory Authority (GRA) on 11 August 2008 (itself the outcome of the market analysis undertaken in the GRA's Retail Fixed Markets public consultation initiated 10 April 2007), Gibtelecom is pleased to present its comments.

**Q1: Do you agree that line rental charges are relatively low in Gibraltar?
Do you agree that Gibtelecom's monthly line rental charges are
unbalanced?**

Gibtelecom agrees that line rental charges are relatively low when compared to other jurisdictions. It is below the September 2007 EU27 weighted average rental charge for residential subscribers of £10.15 (including VAT) cited by in the consultation document. That figure is based on an exchange rate of €1.47189 per British Pound. If one were to apply the current exchange rate (the ECB rate on its website for 10 September 2008 gives €1.2469 per British Pound), the Gibtelecom line rental rate of £6 would even be further below the EU27 weighted average figure (€11.98).

In addition, Gibtelecom must underscore that the line rental charges are absolutely low in Gibraltar compared to most other jurisdictions. Based on our review of Table 8.2 of the cited Commission's external consultant (Teligen) study, only five out of the 27 other EU jurisdictions have significantly lower line rental charge levels for incumbents than Gibraltar's, converted at the Teligen study's exchange rate of €1.47189 per GBP into €8.86 or at the current exchange rate of €1.2469 per GBP into €7.48: Bulgaria (€ 7.00), Estonia (€6.26), Latvia (€4.99), Lithuania (€6.66) and Malta (€5.91).

Further, Gibtelecom's line rental charges incorporate additional credits or discounts which mean the effective charge for line rental experienced by the subscriber is even lower. For example, as mentioned by the GRA, the line rental charge includes a £1.25 calling credit for all subscribers and voicemail services is now offered at no charge. For a subgroup of subscribers (pensioners falling under the rent relief scheme), there is a £4.50 call credit that effectively can cancel out three quarters of the £6 charge. Factoring in the effects of these credits leads to the conclusion that only two or three other EU jurisdictions, who are significantly larger than Gibraltar, have lower line rental charges than Gibtelecom.

Gibtelecom also affirms that its monthly line rental charges are unbalanced, that is, below cost. They were below cost when first set as part of the partial first stage rebalancing approved by the GRA for December 2001. The loss has been recorded

Without prejudice

in the access deficit charge (ADC) listed in the series of annual Account Separation Reports (ASRs) submitted by Gibtelecom to the GRA and this has been accepted by the GRA¹. With the line rental charges having remained for the past 7 years at the same level while inflation as measured by Gibraltar's Retail Price Index (RPI) monitor, the Index of Retail Prices (IRP), has increased in the mean time by 17.9%, the real value of what Gibtelecom has collected each year from subscribers has shrunk and thus the effective loss can only have increased.

All the above are compelling reasons for the GRA to complete rebalancing. There is also one more reason – it is a legal obligation. As Gibtelecom has stated in its 8 June 2007 response to the Retail Fixed Markets consultation, rebalancing is not just a general goal of the EU telecommunications frameworks implemented in Gibraltar's laws since 2001, but a legal obligation and also demanded to allow effective implementation of the local loop unbundling (LLU) access regime. Action here is long overdue.

Thus, the GRA must allow Gibtelecom to finish its rebalancing effort commenced in December 2001. This must be the second stage and no further stage embarked on till this is done. That is, all adjustments must be implemented in this second stage and no more foot-dragging. And, indeed, Gibtelecom has sought to move the GRA along this path by submitting to it on two occasions, in its letters of 30 November 2004 and 24th August 2006, proposals for full rebalancing. Most importantly in the context of the present consultation, Gibtelecom is of the view that a retail price cap cannot be imposed until the re-balancing of tariffs is fully completed by this second stage effort. To act otherwise is to raise the possibility that the GRA would be acting in *ultra vires* as rebalancing is a process that should have been completed under the previous 1998 EU framework as implemented in Gibraltar in the 2000 Telecommunications Ordinance and regulations.

Q2: Do you agree that retail charges for Gibtelecom's broadband services are relatively high and appear excessive?

Before addressing the substance of Question 2, Gibtelecom has two preliminary remarks. It first needs to comment on the measuring rod being used by the GRA. In section 2.4 on Internet access and service charges (and section 2.3 on calls), comparisons are made based on a GBP-Euro exchange rate of €1.47. Therefore, for example, the lowest current charge for an Internet access line (Standard service at £12 per month) is expressed in Euros as €17.66 using the exchange rate of €1.47189. But the British Pound has significantly weakened since September 2007. The European Central Bank (ECB) rate on 10 September 2008 was €1.2469 (date and time of preparing response). Converting £12 at this rate gives a Euro counter

¹ Repeating what Gibtelecom stated in its 8th June 2007 response to the initial Retail Fixed Markets consultation document, the GRA has recognised this loss: "The GRA's position regarding the handling of line rental losses in Gibtelecom's third Accounting Separation Report (ASR) is stated in its letter of 6 April 2006 namely that it accepts 'the inclusion of access deficit charges pending Ministerial clearance to complete tariff rebalancing' This statement results from an exchange of letters in 2006 over the ASR and the Reference Interconnection Offer (RIO). In response to a GRA request, Gibtelecom transferred charges relating to line rental losses in the form of Access Deficit Charges (ADCs) from the Core Network to the Local Access Network business (see its letter to the GRA dated 16 March 2006 which generated a GRA reply letter of 6 April 2006 recognizing this). This change means that the GRA identified a category of costs (losses) related to the line rental which it held belonged in a rebalancing exercise and not as a cost element in the Reference Interconnection Offer (RIO)."

Without prejudice

value of €14.96. Similarly, regarding calling rates on p. 10, the price of a 10 minute local call in Gibraltar, 30 pence, is given as 44.16 Eurocents. Based on the very recent exchange rate just mentioned (€1.2469 per GBP), 30 pence is worth 37.06 Eurocents.

Second, Gibtelecom has a procedural objection. It questions in principle the GRA's use of the Retail Price Control consultation procedure to impose retail remedies on Gibtelecom's activities in the broadband market. We raise this point here as the GRA's review in section 2.4 of retail prices for Internet broadband line access (Gibwireline broadband line access) and Internet service (Gibconnect broadband ISP service) sets the foundations for its subsequent conclusions that retail broadband services should be subject to the SMP retail price cap remedy. The RPC consultation is a follow-up and subordinate action to the GRA's main market review decision for the Retail Fixed Markets on 11th August 2008. Simply put, that main decision did not conclude that Gibtelecom has SMP status in the retail fixed broadband access market or Internet service market. The GRA itself, in describing the steps of the market review on page 4 of the RPC consultation document, states that "*3. Where market power is identified, consideration of the appropriate SMP obligations in relation to that (defined relevant) market.*" The GRA has not defined the retail broadband access market at a fixed point as one of the relevant markets for purposes of imposing SMP obligations. That is, it is not part of the stated relevant market notified to the European Commission for retail access to the public telephone network at a fixed location. Please see Gibtelecom's more detailed discussion of this point in our response to Question 7.

Notwithstanding our procedural objection, Gibtelecom presents its substantive comments. Gibtelecom does not accept the GRA proposition that its retail charges for broadband services are excessive. We agree that the lower price levels displayed in a market such as the UK's would not be a fair benchmark for comparison given the UK's size and Internet connectivity density. However, we cannot agree on the benchmark selected by the GRA – the service of Tele2 in Liechtenstein. While Liechtenstein is a small country, the GRA is not comparing like with like. The GRA has basically asserted that Liechtenstein Tele2 delivers a higher speed broadband ADSL product at a lower price (Gibtelecom's Standard ADSL service being priced at £24 and Tele2's service being priced at €23.27 or £18.22 at exchange rate of €1.2769 per GBP). The GRA's characterisation of the speed of the connection is incorrect. The cited Tele2 768kbps/128kbps ADSL service does not necessarily deliver the higher speed suggested. The download speed of 768 kbps is a nominal speed. The actual delivery speed depends on the capacity of the infrastructure used by Tele2 and the demand by consumers. The actual Tele2 delivery speed might be less than the 512kbps download offered by Gibtelecom, a speed that is not only theoretical but actually guaranteed within Gibraltar as Gibtelecom does not offer any contended bandwidth. This is true of any of Gibtelecom's broadband (ADSL) products / speeds.

Q3: Do you agree that Gibtelecom's retail tariffs need rebalancing and that this would enable lower broadband charges?

For the reasons stated above in our response to Question 1, Gibtelecom definitely agrees that retail tariff rebalancing needs to be completed once and for all in Gibraltar. Gibtelecom does not accept that its pricing structure for broadband services is linked to the rebalancing problem. Unbalanced tariffs are not causing high Internet prices. Gibtelecom has not been seeking to recoup its losses on line rentals through higher prices on broadband service offerings. That would be a cross-subsidy between product offerings and is not allowed under the EU and Gibraltar telecommunications frameworks. The potential subsidy to cover line rental losses takes the form of Access Deficit Charges which are included as part of the interconnection charges and are derived from the Accounting Separation Report (ASR), in line with the GRA's position as stated in its letter of 6 April 2006, as allocated to the Local Access Network business rather than the Core Network. The GRA itself in the initial Retail Fixed Markets consultation document recognised this by linking higher wholesale interconnection prices to the unbalanced line rental prices².

As rebalancing will not lead to lower broadband prices, what will? Gibtelecom's increased efficiencies and larger volumes of traffic will drive prices lower. Gibtelecom would also like to highlight that changes in the wholesale price structure will allow reductions in retail prices. The revised RUO now pending before the GRA since January 2008 will, once approved, set the wholesale price for a fully unbundled line at £8.89 per month. This price could allow a reduction in the retail price of an ADSL Standard access line.

Q4: Do you agree that a retail price control in the form of IRP-x is the best form of price control to apply to some or all of the services offered by Gibtelecom in the relevant retail market?

Before Gibtelecom can comment on the retail price control mechanism (IRP-x), it must repeat what it has insisted upon in its response to Question 1 on rebalancing. The GRA cannot implement a retail price control mechanism in any form unless and until it fully completes retail tariff rebalancing to fulfil a legal obligation that is long overdue.

As to the chosen form IRP-x, this is a standard formula applied by many EU regulatory authorities. Gibtelecom has no objection in principle to the general formula applied to a basket of regulated retail services, provided each service has been defined as a relevant market in which Gibtelecom has been designated a SMP under the Retail Fixed Markets market review procedure. Nevertheless, Gibtelecom reserves its position on the value of 'x' pending being allowed to complete rebalancing.

² The GRA stated in section 4.3 at p. 24 "The Authority has been working with Gibtelecom to rebalance tariffs. In practice, this would mean an increase in the price for line rental, to orient retail access prices towards costs, **and a decrease in wholesale interconnection rates.**"(emphasis added)

Q5: Do you agree that resources in a small market like Gibraltar do not merit the application of a detailed financial model to compute x in an IRP-x price control?

Gibtelecom agrees that the unusual set of factors that place Gibraltar is a unique situation, particularly the need to minimise regulatory compliance costs given the limited resources available in a very small market. The GRA's proposal not to proceed with a full scale financial model, while not completely dispositive of the issue, is noted.

Gibtelecom notes that there are a series of alternative approaches to calculating the x factor. The main methods are the historical productivity method and the regulatory benchmark method and different empirical approaches within both methods. The GRA has chosen to follow the regulatory benchmark method but that requires a choice of following for instance the differential approach or the direct approach.

Thus, the choice of the x factor will depend on an international benchmarking exercise. Gibtelecom cautions that great care must be taken in the choice of comparator companies or countries and the weighting of the comparative data.

Q6: Do you agree with the choice of x=3 in the IRP price cap? Do you agree that the horizon should be three years?

Gibtelecom notes the approach taken by Malta and Jersey in setting x =2 and finds that likely to be closer in applicability to a smaller market such as Gibraltar's. It notes the broader calculations used by the GRA to arrive at an international average of x=3 as the productivity factor appears to be in line with the practice of European NRAs.

The three year term for the price cap remedy appears to strike the middle ground as concerns NRA practice within the EU. However, Gibtelecom does not accept that full rebalancing will take place in stages over the three year period and possibly not even be completed by the end of that period. Gibtelecom insists that the rebalancing be completed before the commencement of the period. The rest of the price cap can function based on a fully rebalanced starting price for its line rental service.

Notwithstanding Gibtelecom's objection to an incremental implementation of full rebalancing over the three year period, Gibtelecom queries how the three year term will comport with the legal requirement for the GRA to initiate market reviews every two years (Article 40(9) of the Communications Act 2006). Of course, under Article 40(9) the GRA can use its discretion to postpone initiating a new round market review if it feels there are no changed circumstances. Nonetheless, use of this discretion may result in the second round market review being initiated much more than 2 years after the first round market review was initiated. The first round was initiated in April 2007 and the proposed retail price cap remedy will only enter into effect - at the earliest - on 1 January 2009, hence last until 31 December 2011. In other words, the retail price cap would expire more than four and a half years later.

Gibtelecom reserves its rights on the proposed three year period and on the timing of the next market reviews to be undertaken by the GRA.

Q7: Do you agree with the choice of services to be included in the price cap?

The GRA proposes to include all the services presented in Tables in Chapter 2 in the basket of regulated services in the retail price cap. For clarity, we list all these services from Chapter 2:

- Access
 - Connection fee
 - Residential monthly rental fee
 - Business monthly rental fee
 - Centrex line
- Calls
 - National calling
 - Local Directory Enquiries (DQ)
 - International DQ
 - Fixed to Mobile calls
- Internet access and service charges (Gibwireline broadband access line & Gibconnect ISP service)
 - WOW Internet service ADSL Standard
 - WOW Internet service ADSL Standard Plus
 - WOW Internet service ADSL Enhanced

The GRA goes on to state that each of these services *"are currently offered by Gibtelecom on markets in which it has been designated as having SMP and therefore they do not yet feature effective competition."*

Gibtelecom does not accept the inclusion of the fixed broadband access and services in the basket of regulated services subject to the retail price cap for a simple reason. In the Retail Fixed Market review procedure, the GRA has not defined the fixed broadband access and service markets as relevant markets in which Gibtelecom has been designated as having SMP status. The market for retail access to the public telephone network at a fixed location is confined to the fixed narrowband access market. The reasons for this conclusion include:

In the initial Retail Fixed Markets consultation document of 7 April 2007, the section dealing with market definition (2.4 Delineation of the market) concludes that narrowband and broadband access are not substitutable and thus not part of the same market: *"Proposal: broadband access is not in the same market as narrowband access, but all forms of narrowband access are in the same product market.."* The concluding part of the definition section (section 2.6) states: *"all forms of narrowband access are in the same market."* Section 3.3 of the initial consultation document limits the SMP designation for fixed access markets to narrowband: *"The Authority proposes that Gibtelecom should be designated with SMP in the market for retail fixed narrowband access."* The GRA also makes clear in its discussion of the

Without prejudice

retail fixed domestic calls market (section 3.4 at p. 17 of the Retail Fixed Markets consultation) that fixed broadband access is not a fixed call. It did so when the GRA was comparing dial-up Internet access (which is recorded as a fixed call) and ADSL Internet access (which is not considered a fixed call).

In the GRA's response to the Retail Fixed Markets consultation dated 31 October 2007, the GRA repeated the position that narrowband and broadband are different markets and all forms of narrowband access are in the same market. Section 4 at p. 29 designates Gibtelecom as SMP in "*the market for retail fixed narrowband access*". In the formal portion reporting the GRA's notification of the planned decision on the Retail Fixed Markets to the European Commission, the following statement appears under Section 2.1 (The name(s) of the undertaking(s) designated as having individually or jointly significant market power): "*Gibtelecom should be designated as having SMP in the market for retail fixed narrowband access*"

In the European Commission's Article 7 letter on the notified Retail Fixed Markets decision (SG-Greffe (2007) D/ 207339), the Commission summarized the request from the GRA as concerning the "*market for retail fixed narrowband access*". In a footnote to that description, the Commission added: "*GRA considers that the relevant market covers PSTN, low capacity ISDN and high capacity ISDN.*" The Commission letter had comments but not serious objections to the notified decision. Thus, it can be considered that the Commission reviewed and approved the SMP designation for the retail fixed narrowband access market. It did not review and approve an SMP designation for the retail fixed broadband market.

In the final Decision Notice of 11th August 2008, the GRA concluded in its review that: "*1. All forms of narrowband access are in the same market and that the geographical scope of the market is Gibraltar.*"

To summarize, the GRA notified the Commission that it was proposing to designate Gibtelecom as SMP for the retail fixed narrowband access market. The Commission took note of the scope of the relevant market notified and basically approved it. It did not review and approve an SMP designation for the retail fixed broadband market.

The general rule is that SMP obligations should only be imposed on operators designated as having SMP in the defined relevant market³. Furthermore, the most recent edition of the Commission's Market Definition Recommendation declares that, in principle, proposed SMP obligations should pertain to the relevant product market in which SMP has been found.

³ See paragraph 111 of the Commission's 2002 Guidelines for market analysis and assessment of significant market power (Guidelines).

Q8: Do you agree with the application of sub-caps on monthly line rental charges? Do you agree that changes to the residential line rental charge shall not exceed inflation plus 2 percentage points in each calendar year over the duration of the price cap? Do you agree that changes to the business line rental charge shall not exceed inflation plus 5 percentage points in each calendar year over the duration of the price cap?

Gibtelecom does not accept the application of sub-caps on line rentals so long as the starting price (price in Year 0) is not set at a level to eliminate the line rental loss and therefore complete the rebalancing partially accomplished in December 2001, legally required by the telecommunications framework and long overdue. Neither does it accept the application of the broader retail price cap covering the full basket of services which affects line rental prices until this precondition is met.

Once full rebalancing is achieved, Gibtelecom advocates that line rental services form a separate basket for retail price control purposes. Residential and business line access would no longer need to be included in the basket for other retail services as the rebalancing losses will have been eliminated and there is no longer a need for cross-subsidies. As part of a separate basket, Gibtelecom would be prepared to consider the GRA's proposed price cap formulae for residential lines (IRP+2) and business lines (IRP+5).

Q9: Do you agree with the starting prices proposed by the Authority?

As a general matter, Gibtelecom is concerned that the starting prices have been set without any real explanation of or justification for the calculation. The starting prices must reflect the extra costs incurred due to the market's very small size and low volumes.

Turning to specifics, as stated in the response to Question 8, Gibtelecom insists that the starting prices for line rentals reflect full rebalancing. The GRA proposes to allow a more generous increase between the current year and next year for line rentals than will be allowed under the IRP-3 formula to help along the rebalancing effort. Thus, the GRA explains that that starting price for residential line rentals will equal the current RUO for unbundled local loop plus 15%. This would allow Gibtelecom to charge a retail price of £10.22 (£8.89 for the fully unbundled local loop under the revised RUO and £ 1.33 retail margin of 15%).

Whilst the GRA appears to allow Gibtelecom to carry out some kind of rebalancing as part of the starting prices, it is not 100% clear that this is the case. In addition, because of the wider political connotations rebalancing brings with it, the danger of agreeing to the GRA's statement is that Gibtelecom would be limiting itself to IRP+2 and +5 regardless of whether problems are experienced in completing full rebalancing in Year 0. Gibtelecom therefore maintains its stance that rebalancing must be completed before any application of price caps can be considered.

Gibtelecom also insists, for reasons stated in its response to Question 7, that the Internet services be eliminated from the basket of regulated services. There is no

proper procedural basis for the GRA to extend the retail price cap to fixed broadband access and services in light of the scope of the Retail Fixed Market Decision of 11 August 2008.

Q10: Do you agree with the compliance procedure proposed?

The compliance procedure is premised on, inter alia, a limited credit carryover privilege of one year. The one year limit is too burdensome a restriction given the magnitude of the price cap regime and the limited resources at hand. Gibtelecom requires more than a one year carryover credit period, preferably a three year period, to balance out the highs and lows of any inflationary pressures in the future.

Q11: Do you agree with the method of implementing the proposed price cap?

Gibtelecom does not agree with the proposed method of implementing the proposed price cap. The mechanism to price cap fixed to mobile calls is flawed. The mobile termination rate to which the GRA refers is calculated as a weighted average of a selection of calls, fixed to mobile calls being one of them (refer to the GRA's Wholesale Mobile Markets Decision Notice of 11 August 2008). Capping the price of a fixed to mobile call using the GRA's mechanism will affect the calculations of this table which could lead to a further reduction of the mobile termination rate. This would create a vicious circle, as it then would mean that a further reduction in fixed to mobile calls would be needed, and so on and so on. To maintain the current prices Gibtelecom would then be forced to increase the prices of other mobile-related calls included in the mobile termination rate weighted average calculation.

If the GRA wishes to do is find a way to apply a price cap measure this should be done in a way that does not affect the weighted average of the mobile termination charge.

Q12: Do you agree with calculations in the illustrative example?

Gibtelecom is still not clear whether the calculation method is sufficient for the objective sought. Gibtelecom is not clear how the formula given in Table 4.1 will take into account changes in volume. For example, by selling more of one product in one year, the revenue for that year would be different from the revenue of the preceding year. Gibtelecom does not see how the GRA takes this into account in its formulae and table. The GRA calculations and table simply demonstrate how much regulated revenue Gibtelecom should make in a following year (also by showing the differences in absolute revenue between one year and the next) without taking into account that a higher revenue the following year could be caused by an increase in volumes even if the unit prices had been lowered in accordance with any price cap.

There also appears to be a transposition error in the indices quoted within the illustrative table. The October 2007 IRP should be 117.41 and not 171.41, giving the stated percentage increase in IRP of 2.3%.

Gibtelecom would also welcome greater clarity in the table itself. As an example, it is currently not clear, in the table, what the carryover for the following year would be.

Q13: Do stakeholders have any other comments or observations that are relevant to this consultation?

For Gibtelecom, there is a legal and financial precondition – full rebalancing - that must be satisfied before the proposed retail price control regime can be implemented. Retail price caps for all services, particularly for line rentals, cannot be imposed unless and until rebalancing is fully completed. Gibtelecom has presented the GRA on two occasions, in its letters of 30th November 2004 and 24th August 2006, with requests for full rebalancing, to which the GRA has provided no substantive responses. These letters also included information needed to carry it out.

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