



**Information & Communications Technology Authority**

**Public Consultation**

**on**

**Draft Interconnection and Access to  
Infrastructure Regulations**

**(Ref: R (2003) 5a)**

**Launch Date: 25 July 2003**

**Closing Date: 25 August 2003**

## **Draft Interconnection and Access to Infrastructure Regulations**

The Information and Communications Technology Authority (the Authority) proposes the attached Interconnection and Infrastructure Regulations as applicable to Licensees that hold public ICT Network Licences used for the delivery of ICT Services referred to as Types 1, 2, 3, 4, 5, 9 (limited to ISP only) and 11 in the Notice gazetted pursuant to section 23(2) of the Information and Communications Technology Authority Law, 2002 (ICTA Law) (see Consultative Document (2003) 3d) for a copy of the section 23(2) notice).

The Authority notes that in issuing these regulations it must have due regard to the ICTA Law, as well as the Regulatory Principles (Schedule 1 to the Main Agreement executed between the Cayman Islands Government, the Authority and Cable and Wireless (Cayman Islands) Ltd. dated 10 July 2003), Part 5 - Interconnection in Tariff Regulation and Other Matters (Schedule 4 to the Main Agreement), and the Policy Directive issued by the Minister for Planning, Communications, Works and Information Technology (Schedule 5 to the Main Agreement) (see [www.icta.ky](http://www.icta.ky)).

The Authority views a fair, equitable and well defined interconnection and infrastructure regime as critical to market liberalization and effective promotion of competition. It is imperative that the rules, processes and principles underlying interconnection and infrastructure be understood and adhered to by Licensees.

The Authority is of the view that interconnection services should be provided for in a manner which facilitates market liberalization, maximizes the use of infrastructure and minimizes environmental impacts. Further, consistent with the ICTA Law, interconnection services must be provided on non-discriminatory terms and conditions, be sufficiently unbundled so that only required network elements are being paid for, and be made available on a cost basis pursuant to a methodology adopted by the Authority.

Costs for interconnection and infrastructure are to be cost oriented, arrived at in a transparent manner and reciprocal for the same service. The Authority has determined that interconnection rates are to be based on a forward-looking long-run incremental cost methodology in the long term. Given that the Authority desires and will require a public consultation process to develop the principles and guidelines of a FLLRIC methodology, the Authority shall use Cable & Wireless' fully allocated cost model with adjustments, in the interim, as the basis for setting rates for interconnection services provided by Cable & Wireless.

The Authority proposes to require Licensees that hold public ICT Network Licences to provide ICT Services Types 1, 2, 3, 4, 5, 9 (limited to ISP only) and 11, and such others as the Authority may prescribe from time to time, to file a

Legal Framework Document, which sets out the non-technically specific portion of a proposed draft interconnection agreement, within 30 days of issuance of its Licence. The issuance of a Legal Framework Document will provide other Licensees the opportunity to better understand the terms that are to be tabled for interconnection. Additionally, the existence of a Legal Framework Document should assist the parties in focusing discussions and negotiations.

The Authority is of the view that a request for interconnection should be reasonably specific as to what is required and should be supported by payment of a non-refundable fee. Once a request is initiated the rules provide for a process which requires both parties to be efficient and responsive and to undertake good faith discussions to resolve outstanding matters. In the event of a dispute any of the parties can refer a matter to the Authority for resolution pursuant to the Dispute Resolution Rules.

In order to ensure that all appropriate matters are addressed by the parties proposing to enter into an interconnection and/or infrastructure arrangement the Authority sets out the matters to be addressed in such agreements. Consistent with section 45(1) of the ICTA Law, upon execution, agreements are to be filed with the Authority.

The Authority proposes to have the interconnection provisions apply, with necessary amendment, to infrastructure and infrastructure sharing.

The Authority invites comments from the public in general and from potential licensees, in particular, as to the proposed Interconnection and Access to Infrastructure Regulations. The Authority notes that it may, if deemed advisable, issue a second public consultative proceeding prior to finalizing on the proposed Regulations. In addition to comments on the proposed Regulations, the Authority invites submissions on the following:

1. Should the Authority extend the application of these regulations to networks other than public networks used for the delivery of ICT Services of Types 1 to 5, 9 (limited to ISP only) and 11?
2. Are the principles set out in section 8 of the draft regulations appropriate for interconnection and access to infrastructure services? Are there other principles that should be added in order to promote effective competition and efficient utilization of public networks? Are the principles adequately reflected in the subsequent provisions of the draft regulations?
3. Should all public ICT Network Licensees be required to file a Legal Framework Document with the Authority, as proposed in section 9 of the draft regulations? For example, should certain public ICT Network Licensees (new entrants as an example) be required to

provide a Legal Framework Document only upon request for interconnection services?

4. Are the time scales set out in section 10 of the draft regulations sufficient for new entrants to negotiate interconnection arrangements and to plan and commence operations in the Cayman Islands on a timely basis?
5. Should the regulations contain a provision requiring an ICT network provider designated as an incumbent ICT network provider to publish a reference interconnect offer (RIO), setting out, among other things, the list of interconnection services to be provided by the incumbent network provider and the applicable rates? If so, what role, if any, should the Authority have in reviewing and approving the draft RIO?
6. Should the requirement for sufficiently unbundled interconnection services and elements include unbundled local loops, number portability and/or other unbundled services?
7. What other provisions, if any, should be reflected in the regulations in order to enable new entrants to gain access to the existing ICT network or infrastructure of the incumbent ICT network provider at cost fair rates?
8. What modifications should be made to these draft regulations to reflect matters pertaining to access to infrastructure at fair rates? Is the definition of infrastructure sufficient in the manner in which it addresses tangibles and intangibles?
9. What access to infrastructure services are anticipated to be required? Provide the rationale for the need to access such infrastructure services?
10. Provide any other comments on interconnection which are desired to be brought to the attention of the Authority.

The ICT Authority requests written submissions from established and potential licensees, other stakeholders and the general public by 15th August 2003.

Written submissions should be forwarded to:

By post:

The Managing Director  
Information and Communications Technology Authority  
P.O.Box 2502GT  
Grand Cayman  
Cayman Islands

Or by courier:

The Managing Director  
Information and Communications Technology Authority  
3<sup>rd</sup> Floor, Alissta Towers  
North Sound Way  
Grand Cayman  
Cayman Islands

Or by e-mail to:

[consultations@icta.ky](mailto:consultations@icta.ky)

Or by fax to:

1-345-945-8284