

**THE INFORMATION AND COMMUNICATIONS TECHNOLOGY AUTHORITY LAW,
2002**

REGULATIONS

**Made by the Governor in Council under section 70 of The Information and Communications
Technology Authority Law, 2002**

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INTERCONNECTION AND ACCESS TO INFRASTRUCTURE REGULATIONS, 2003

Short Title	1. These Regulations may be cited as the Interconnection and Access to Infrastructure Regulations, 2003.
Definitions	<p>2. (1) For the purposes of these Regulations, the definitions contained in section 2 of the Information and Communications Technology Authority Law, 2002 shall apply.</p> <p>(2) In these Regulations:</p> <p>“Calling Line Identity” means signalling data generated over an ICT network that identifies the calling number;</p> <p>“ICT Network Licence” means a licence issued by the Authority for the right to own and obligation to operate an ICT network for which a licence is required pursuant to section 23 of the ICTA Law;</p> <p>“ICT Service Licence” means a licence issued by the Authority for the right and obligation to operate an ICT service for which a licence is required pursuant to section 23 of the ICTA Law;</p> <p>“ICTA Law” means the Information and Communications Technology Authority Law, 2002;</p> <p>“ICTA Regulations” means any regulations prescribed under the ICTA Law whether prescribed by Governor in Council or the Authority;</p> <p>“Infrastructure” means both: tangibles, such as any line, equipment, apparatus, antenna, tunnel, duct, hole, pit, pole, central office, landing station, hut, building or other structure or thing used, or for the use, in or in connection with an ICT Network; and intangibles, such as agreements, arrangements, rights of way, easements and other interests facilitating the utilization of an ICT Network;</p> <p>“Legal Framework Document” means an indicative non-binding document containing the non-technically specific portion of a proposed draft interconnection agreement;</p> <p>“Licensee” has the same meaning as in the ICTA Law as modified by section 4 of these Regulations;</p> <p>“Request” means a formal application for interconnection or infrastructure sharing as defined in the ICTA Law;</p> <p>“Requestor” means a Licensee who makes a request for interconnection from another Licensee;</p>

Launch Date: 25 July 2003

Closing Date: 25 August 2003

“Responder” means a Licensee to whom a request for interconnection has been made; and

3. These Regulations shall come into force on the date of their publication in the Gazette. Commencement
4. In these Regulations the term “Licensee” only refers 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 (ISP only) and 11, and such others as the Authority may prescribe from time to time, in the Notice gazetted pursuant to section 23(2) of the ICTA Law. For greater certainty these Regulations apply to such Licensees. Limitation
5. (1) A Responder shall permit interconnection of its public ICT network to another public ICT network that is owned by another person who holds an ICT Network Licence. Interconnection
- (2) Where interconnection is permitted under subsection (1), it shall only be permitted to the extent that the Requestor is authorized under its licence(s).
6. An interconnection agreement shall include provision for any-to-any connectivity to allow each end-user of a public ICT network to communicate with each other end-user of another public ICT network at minimum efficient cost, regardless of whether the end-users are connected to the same, or different, networks. Connectivity
7. A Requestor and a Responder shall act in a manner that enables interconnection to be established within a reasonable time. Time
8. (1) The following principles shall apply to the provision of interconnection services- Interconnection Principles
- (a) Interconnection services shall be provided by the Responder to the Requestor to facilitate market liberalization, maximize the use and maintenance of ICT networks and Infrastructure and minimize the potential for negative environmental impacts;
 - (b) Interconnection services shall be provided by the Responder to the Requestor on non-discriminatory terms and conditions, including charges and quality of service;
 - (c) Interconnection services shall be provided by the Responder to the Requestor on terms which are no less favourable than that provided by the Responder to itself, and shall be of no less favourable quality than that provided by the Responder to itself;
 - (d) Costs and tariffs shall be sufficiently unbundled such that the Requestor shall be obliged to pay the Responder only for the network elements that it requires and nothing more;
 - (e) Costs shall be borne either by the Requestor or the Responder or both based on whether their respective requests and compliance with those requests cause those costs to be incurred; and

- (f) All charges for interconnection are to be applied universally requiring each Licensee to charge any other Licensee the same rate for the same service.
- (g) Interconnection rates shall be set to allow the Responder to recover a reasonable rate of return on its capital appropriately employed, all attributable operating expenditures, depreciation and a proportionate contribution towards the Responder's fixed and common costs. Interconnection rates shall not include compensation for loss of business as a result of providing interconnection and facilities to the Requestor.
- (h) The Authority shall determine the long term methodology to be used to determine the cost-oriented rates to be charged to the Requestor by the Responder. This methodology shall be based on a forward-looking long-run incremental cost (FLLRIC) model. Pending the development of such longer term methodology the Responder shall utilize costs based on a Fully Allocated Cost (FAC) model subject to adjustments, all as approved by the Authority.
9. (1) Each public ICT Network Licensee shall file a Legal Framework Document with the Authority within the time frame specified in its Licence and, if not specified, within thirty (30) business days of issuance of its Licence, and the Authority may at its discretion direct the Licensee to amend the Legal Framework Document and may require the Licensee to publish and use the Legal Framework Document in negotiation with Requestors.
- (2) Interconnect agreements shall be based upon the terms of the Responder's Legal Framework Document.
- (3) A Legal Framework Document shall set out, at a minimum, the interconnection services provided by a Responder and the commercial terms and conditions by which a Responder will allow a Requestor to interconnect to the Licensee's ICT Network.
- (4) The interconnection services detailed in the Legal Framework Document shall be sufficiently unbundled to ensure that the Requestor is not required by the Responder to acquire network elements that are either not required or have not been requested.
- (5) No information contained in a Legal Framework Document shall be designated as confidential.
- (6) The entire Legal Framework Document shall be made available to any person without any restriction.

Launch Date: 25 July 2003

Closing Date: 25 August 2003

(7) A Responder may charge any person requesting a copy of the Legal Framework Document a reasonable fee for copying and mailing the Legal Framework Document.

10. (1) A Request shall be simultaneously notified to the Authority by the Requestor. It shall contain at least the following information:

- (a) the reference number of the Requestor's ICT licence or ICT licence application;
- (b) a technical description of the requested services;
- (c) location(s);
- (d) date required; and
- (e) projected quantity to be ordered with a three (3) year forecast.

(2) The Requestor shall be responsible for the reasonable costs incurred by the Responder in processing the Request, and shall include with the Request a non-refundable deposit of two thousand dollars (\$2000.00), or such other amount as specified from time to time by the Authority.

(3) Requests may be cancelled at any time by the Requestor.

(4) The Responder shall promptly consider and analyze each Request, and shall acknowledge receipt within ten (10) business days, advising the Requestor of the need for any further information for purposes of having in hand a complete and accurate Request.

(5) Within thirty (30) business days of the receipt of a complete and accurate Request, the Responder shall provide a complete response, copied to the Authority, identifying fully the nature of the interconnection services, and all the terms and conditions (including rates), upon which the interconnection services will be offered. If the Request, or any part thereof, is denied, the Responder shall provide a written explanation in its response.

(6) If the Responder indicates that the interconnection services will be offered, the Requestor may authorize the Responder to develop a final and complete quotation.

(7) The Responder shall provide the quotation as quickly as possible and in any event not later than twenty (20) business days after receipt of authorization.

(8) The quotation shall contain all information pertinent for the Requestor to fully appreciate the rates, terms and conditions for effecting interconnection, including-

- (a) date(s) of availability
- (b) installation intervals
- (c) applicable rates
- (d) request development and processing costs, and
- (e) other terms and conditions necessary to effect interconnection.

Launch Date: 25 July 2003

Closing Date: 25 August 2003

	<p>(9) Within twenty (20) business days of receipt of the quotation or such other time frame as is agreed to between the parties, the Requestor and Responder shall undertake good faith discussions to resolve any outstanding matters for purposes of effecting interconnection and concluding an interconnection agreement. Either party, may request the assistance of the Authority to resolve any interconnection issues in accordance with the Dispute Resolution Rules.</p>
Rate Structure	<p>11. The interconnection rates offered by the Responder to the Requestor shall identify clearly all charges for interconnection.</p>
Interconnection Charges	<p>12. (1) A Responder's charges for interconnection shall be-</p> <ul style="list-style-type: none">(a) arrived at in a transparent manner, subject to any confidentiality claims under the Confidentiality Rules to which the Authority may agree;(b) reciprocal for the same service.(c) borne by the Licensee whose activity causes those costs to be incurred;(d) preferably such that non-recurring costs shall be recovered through non-recurring charges and recurring costs shall be recovered through recurring charges;(e) such that charges that do not vary with usage shall be recovered through flat charges and costs that vary with usage shall be recovered through usage-sensitive charges; and(f) cost oriented such that charges shall be established in a manner that conforms to the methodology established by the Authority as provided for in subsection 8(1)(h); <p>(2) The burden of proof that charges are derived from costs lie with the Licensee maintaining their cost orientation.</p> <p>(3) Interconnection charges are to be recovered over such period of time as is negotiated between the parties.</p>
Points of Interconnection	<p>13. A Responder shall offer interconnection services at any technically feasible point of its public ICT network, upon request by a Requestor.</p>
Provision of information	<p>14. A Responder shall provide, on request, information reasonably required by Requestors in order to facilitate the conclusion of any agreements for interconnection. The information provided shall include any Responder planned changes to its public ICT Network which may affect interconnection over the course of the next twelve (12) months following a request, unless otherwise agreed by the Authority.</p>
Confidentiality	<p>15. In the event the Responder receives information from the Requestor for the purposes of interconnection or the provision of ICT Services generally, where such information received is of a competitive nature, such as customer orders, market forecasts, plans for the development of new services, network plans, new</p>

Launch Date: 25 July 2003

Closing Date: 25 August 2003

customers and current or proposed business plans, the Responder shall treat such information in confidence and shall share it only amongst those employees who have a need to know for provisioning services to the Requestor disclosing such information and shall not provide such information to personnel involved in the provision of ICT services offered in competition, and shall use such information solely for the purpose for which such information is received.

16. Every Responder and Requestor shall offer Calling Line Identity and all necessary signalling data, in accordance with accepted international standards and any codes which may be issued by the Authority.

Calling Line Identity

17. (1) Responders shall make available to interested parties such technical standards and specifications as may be required to enable a Requestor to make interconnection. The Authority may issue a direction as to the information that must be provided.

Technical Standards

(2) Responders may refuse to provide interconnection if it:

- (a) is technically infeasible;
- (b) threatens the integrity, security, or interoperability of a Licensed ICT Service or ICT Network in a material way; or
- (c) threatens the security of the Cayman Islands.

(3) Where the Requestor disagrees with a refusal of a Request on any of the grounds listed in subsection (2), it may make an application to the Authority under the Dispute Resolution Rules.

18. All interconnection agreements must be in writing and the following matters, at a minimum, shall be specified in those agreements except where a particular matter is irrelevant to the specific form of the interconnection requested:

Form and Contents of Agreement

- (a) capacity and service levels agreed between the parties including the remedies for any failure to meet those service levels;
- (b) a provision that deals with regulatory change, including determinations by the Authority;
- (c) duration and renegotiation of interconnection agreements;
- (d) forecasting, ordering, provisioning and testing procedures;
- (e) dispute resolution procedures, which shall be consistent with the provisions of the ICTA Law and the Dispute Resolution Rules;
- (f) geographical and technical characteristics and location of each point of interconnection;
- (g) information handling and confidentiality provisions;
- (h) intellectual property rights;
- (i) measures anticipated for avoiding interference with or damage to the networks of the parties involved or those of third parties;

- (j) methods for measuring service quality, which shall generally be derived from appropriate national and international methods and indices ;
- (k) procedures in the event of alterations being proposed to the network or service offerings of one of the parties;
- (l) if appropriate, provision of Infrastructure sharing and identification of collocation and their terms;
- (m) provision of network information;
- (n) technical specifications and standards;
- (o) terms of payment, including billing and settlement procedures;
- (p) the maintenance of end-to-end quality of service;
- (q) the procedures to detect and repair faults, as well as an estimate of acceptable average indexes for detection and repair times;
- (r) the scope and description of the interconnection services to be provided;
- (s) the technical characteristics of all the main and auxiliary signals to be transmitted by the system and the technical conditions of the interfaces;
- (t) transmission of Calling Line Identity, where available to be transmitted;
- (u) any other relevant issue; and
- (v) the obligations and responsibilities of both the Requestor and the Responder in the event that inadequate or defective equipment is connected to their respective networks.
- (w) rates from time to time agreed for the provision of each interconnect service.
- (x) provision for the suspension, termination or amendment of the agreement in the event of:
 - (i) conduct that is illegal or interferes with the obligations of the Licensee, under the relevant licence, ICTA Law or ICTA Regulations;
 - (ii) requirements that are not technically feasible;
 - (iii) health or safety problems;
 - (iv) requirements for space that is unavailable; or
 - (v) circumstances that pose an unreasonable risk to the integrity or security of the ICT networks or ICT services of the Responder.
- (y) a provision to allow for the suspension of interconnection where it is necessary to deal with a material degradation of the ICT networks or ICT services.

Interconnection Not
Permitted

19. A Requestor or Responder shall not negotiate or propose to enter into an interconnection agreement where the Authority determines and rules that:

Launch Date: 25 July 2003

Closing Date: 25 August 2003

- (a) the ICTA Law prohibits the interconnection;
- (b) the interconnection would endanger life or safety, or damage the property or impair the quality of the services of the Responder;
- (c) the licence issued to the Requestor does not authorize the Requestor to provide the ICT network or ICT service for which interconnection is requested;
- (d) the requested interconnection is not technically feasible; or
- (e) the requested interconnection is contrary to the law or the public interest.

20. In the event that the Responder claims that space is unavailable, the Authority may require the Responder to transport the Requestor's signal from an external interconnection facility to the Responder's central office with zero mileage charges.

21. The parties shall file a copy of an interconnection agreement with the Authority within seven (7) business days of the agreement having been signed. The Authority may reject any interconnection agreement, or any portion thereof, that it determines does not comply with the ICTA Law, directives of the Authority or these regulations.

Requirement to file
Interconnection
Agreement

22. The parties to an interconnection agreement may amend or modify an agreement which has been filed with the Authority by:

Amendment

- (a) giving not less than thirty (30) business days written notice prior to the effective date of the amendment or modification; and
- (b) submitting a copy to the Authority within seven (7) business days following agreement to the proposed amendment or modification.

23. Interconnect agreements and the procedures for arriving at such agreements shall be based upon the terms of the ICTA Law, these and other applicable ICTA Regulations and directives issued by the Authority.

Adherence to ICTA Law

24. (1) If either the Requestor or Responder believes that the other party is not requesting, negotiating, or processing an interconnection request in good faith, or there is a dispute between the parties as to the terms and conditions for the provision of interconnection, a party may submit the matter to the Authority for resolution in accordance with the Dispute Resolution Rules.

Disputes

25. The Authority may, in accordance with the Confidentiality Rules, direct that any part of the interconnection agreement be kept confidential.

Confidentiality Order

26. (1) The provisions of this Regulation shall, with necessary amendment, apply to access to infrastructure and infrastructure sharing.

Infrastructure Sharing

(2) Additionally, in promoting the efficient, economic and harmonised utilisation of infrastructure, the Authority may inquire into and require modification of any agreement or arrangements entered into between a Responder

Launch Date: 25 July 2003

Closing Date: 25 August 2003

or Requestor and another third party which has the effect of limiting either efficient and harmonised utilisation of infrastructure or the promotion of competition in the provision of ICT services and/or ICT networks.

Penalty

27. In accordance with subsection 70(2) of the ICTA Law, the contravention of any provision of these Regulations constitutes an offence and any person contravening any section shall be liable, on summary conviction, to a fine not exceeding \$20,000 or to imprisonment for a period not exceeding one (1) year.

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