

Project Proposal Summary Sheet

Project Title: **Entry of 3rd Mobile Provider in Trinidad and Tobago**

Source of Proposal: Telecommunications Authority of Trinidad and Tobago

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Brief Description

The Telecommunications Authority of Trinidad and Tobago (TATT) is interested in inviting the entry of a third provider of public domestic mobile telecommunications networks and services. The entrance of a third mobile provider is also a publicly announced consideration of the Government of the Republic of Trinidad and Tobago.

TATT views the project as a means to further fulfilling its mandate as contained in Section 3 of the enabling legislation, which outlines that one of the primary objects of the Telecommunications Act is "...to establish the conditions for an open market for telecommunications services, including conditions for fair competition, at the national and international levels".

Given this objective, it must thus be noted that Trinidad and Tobago continues to develop the telecommunications sector, consistent with its obligations under the World Trade Organisation's (WTO) General Agreement on Trade in Services (GATS). Ultimately, it is the free market that would dictate the viability and profitability of any new entrant into the mobile market.

Nevertheless, based on the present Hirshmann-Herfindahl Index (HHI), and other market statistics such as mobile penetration, prices, revenues, technologies and innovation within the mobile market, TATT considers that there is room for the fostering of a further competitive environment via the entrance of a third mobile operator.

The market evidence also suggests that there is significant potential for competition in the mobile broadband market, which would ultimately increase Trinidad and Tobago's international ratings on internet usage and penetration. This is a critical issue, given the Government's current focus on ICT based development.

Beneficiary Country

Trinidad and Tobago

Project Objective(s)

- The presence of a third mobile operator would ultimately lead to increased service quality and variety, and lower prices to consumers.
- It is expected that the new entrant would be invest in new technologies for service delivery. which would translate into lower prices for consumers, and a move towards even greater coverage and the goal of universal access to basic telecommunications services.
- The resulting competition brought on by a new player would give existing operators an increased incentive to reinvest profits into upgrading their networks and moving towards upgraded technological platforms also.
- It is also expected that there will be other macroeconomic benefits of introducing a third mobile operator including the potential spinoff effects on other sectors such as employment, investment, contribution to GDP and social fabric through corporate social responsibility activities.

Expected Results

Trinidad and Tobago has adopted a market based approach to the development of the telecommunications sector. Nevertheless, any such entry should be efficient.

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Estimated Start Date

January 2013

Estimated Duration

18 months

Estimated Budget

USD 200,000,000

Main Activities

The Authority plans to initiate a competitive authorization process for the award of a concession to a third mobile operator. Only one successful applicant will be selected. The Request for Proposals is being drafted for approval and may comprise an invitation to interested parties to apply for:

1. A National Type 2 concession for the operation of a public domestic mobile telecommunications network;
2. A National Type 2 concession for the provision of public telecommunications services over a public domestic mobile telecommunications network;
3. A Spectrum Licence for a Public Domestic Mobile Radiocommunications Service on spectrum block to be determined by the Authority consistent with the Spectrum Plan.

It is expected that the concessions and licence referred to at items 1 to 3 above, will be granted for a period of ten (10) years. It is further expected that the successful applicant will be given an opportunity to apply for any associated licences required for the operation of the network or provision of the services referred to above (e.g. licences for backhaul or other associated services). Any such licences shall be granted on an annual basis.

