

GRAfile



Gibtelecom

7 September 2007

Mr Paul Canessa
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Dear Mr Canessa

I am away from Gibraltar on business and am taking the opportunity to respond to your letter of 14 August 2007 from afar.

The Company has now been advised by its legal counsel, in addition to the point about a retail price control being used to address a wholesale market issue, that there may have been a material change in circumstances since the Market Analyses public consultation process. The Minister for Trade, Industry, Employment and Communications announced before the Parliament in late June, as reported in the Gibraltar Chronicle on 29 June 2007, the imminent issue of a second mobile licence. This came shortly after the deadline for submissions on the Market Analyses. The GRA is on record in the public consultation document of 10 April 2007 (page 42) stating that the issue of a second mobile licence is not imminent and that *"Gibwireless will therefore remain the only authorized Gibraltarian operator for the foreseeable future."* This conclusion is offered as an important justification for the GRA's proposed selection of SMP obligations to impose on Gibtelecom.

Both the EU and Gibraltar telecommunications frameworks require the GRA to conduct public consultations on Market Analyses. However, the public consultation process is rendered less convincing and tenable if a major assumption used to justify a forward-looking analysis and its choice of remedies is shown in public to be incorrect within three weeks of the end of the comment period. This only allows the public to comment on the alleged facts and reasons for the GRA's choice of SMP remedies that now appear to have become quite quickly obsolete. I assume the GRA will factor in these new developments, which we remind you are within the control of the Licensing Authority, into its eventual final decision. In order to advise the Gibtelecom Board on how we might proceed in these matters I would be grateful for your views.

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Gibtelecom Limited.

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

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More generally with regards the Market Analyses submissions made by Gibtelecom, together with this subsequent correspondence, we are considering making these available on the Company's website. As the GRA's consultation documents are in the public domain it struck us that Gibtelecom's responses would benefit from a similar transparency. Do the GRA have any views on Gibtelecom adopting such an approach?

Furthermore, are you in a position to indicate what are the next steps in taking forward the Market Analyses and the timetable involved?

Yours sincerely



PP **TIM BRISTOW**

Chief Executive Officer

(dictated by T J Bristow and signed in his absence)

c The Hon J J Holliday, Minister for Trade, Industry, Employment and Communications
The Hon F Vinet, Chairman, Gibtelecom



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