



# Telecommunications Authority of Trinidad and Tobago

BEN Court, 76 Boundary Road, San Juan, Republic of Trinidad & Tobago

Telephone: (868) 675-8288; Website: [www.tatt.org.tt](http://www.tatt.org.tt)  
Fax: (868) 674-1055; E-mail: [info@tatt.org.tt](mailto:info@tatt.org.tt)

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## NEWS RELEASE

28<sup>th</sup> September 2007

### **CHARGES AGAINST LAQTEL LIMITED FOR FAILURE TO POST PERFORMANCE BOND**

The public will be aware that the Authority, on 31<sup>st</sup> December 2005 issued to Laqtel Limited a Concession for the operation of a public domestic mobile telecommunications network and provision of public domestic mobile telecommunications services.

That concession contained requirements as to the launch and roll-out of the relevant services throughout Trinidad and Tobago. In respect of those requirements, Condition A13 of the Concession also required Laqtel to post a performance bond to guarantee that Laqtel performed its obligations in accordance with the concession. The performance bond was for a total amount of Four Million Trinidad and Tobago Dollars (TT\$4,000,000), which was required to secure various obligations over a five year period. The performance bond was required to be posted by no later than 14<sup>th</sup> January 2006.

To date, Laqtel has not posted the performance bond. The Authority has in the past exercised restraint in taking action, as a result of the following:

- i. Taking action may have prejudiced Laqtel's ability to launch its network and services. The Authority noted that according to the current Government policy, it is in the best interest of the public for a third mobile operator to enter the market,

*Directors: Mr. Khalid Hassanali (Chairman); Mr. Cagney Casimire (Deputy Chairman); Ms. Beverly Beckles; Ms. Gillian Bishop; Dr. Ronald Ramkissoon; Mr. Wayne Nakhid.*

and considered that the selection and launch of an alternate third operator will be delayed by far more time than Laqtel would require, if successful in its current efforts to launch its network and services.

- ii. Laqtel has already paid to the Authority by way of non-refundable deposit, 25% of its spectrum fees for a ten year period (approximately US\$2,325,000).

Section 65(b) of the Telecommunications Act 2001 provides that “*A person who ... commits a material breach of any condition contained in a concession ... commits an offence and is liable on summary conviction to a fine of two hundred and fifty thousand dollars and to imprisonment for five years, and, in the case of a continuing offence, to a further fine of ten thousand dollars for each day that the offence continues after conviction.*”

In the interests of fairness and due process, the Authority wrote to Laqtel on several occasions, requiring Laqtel’s compliance with the provisions of its Concession, and in particular the posting of the performance bond. Notwithstanding those warnings Laqtel has, to date, still not submitted the required performance bond.

The Authority now considers that it is no longer appropriate to exercise forbearance from taking action against Laqtel in respect of its breach of Condition A13 of its Concession.

**Consequently, the Authority on 12<sup>th</sup> September 2007 laid charges against Laqtel in the Port of Spain Magistrates Court, in respect of the commission by Laqtel of an offence pursuant to section 65(b) of the Telecommunications Act 2001, in that Laqtel Limited has failed to provide to the Authority a performance bond as required by Condition A13 of its concession.**

The charges were served on Laqtel on 26<sup>th</sup> September 2007 and the matter comes up for hearing on 1<sup>st</sup> October 2007.

The Authority also wishes to advise the public that Laqtel has also failed to meet the requirements stated in its Concession regarding the launch of its network and services, the deadline for which was 30<sup>th</sup> December 2006. The Authority has decided, in reliance on representations made by Laqtel to the Authority regarding the progress being made by Laqtel toward achieving its commitments in a timely manner, to forbear from taking action in respect of the failure by Laqtel to launch its networks and services, provided that Laqtel meet clear and precise deadlines in respect of its mobile network rollout. The Authority intends to review its position in that regard on or after 31<sup>st</sup> December 2007.

**Mr. Cris Seecheran**  
**Executive Director (Ag.)**