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PSC Presses Pause on Deciding Whether to Stop Regulating Viya as Company Seeks to Better Compete With Liberty

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A Viya field employee works on a pole following Hurricane Maria on St. Croix. By. V.I. CONSORTIUM

The V.I. Public Services Commission has reserved its decision on whether it would start the process that would allow the V.I. Telecommunications Company, known as Viya, to terminate its franchise agreement.

Concerned with the impact that the introduction of Liberty's Mobile's broadband service will have on its ability to make a profit, Viya filed a petition with the PSC in December 2022 to relieve it from rate regulations and other requirements that do not apply to other service providers in the

space.

But members of the commission said they did not fully understand Viya's recommendations and expressed concern over at least two of the suggestions. The first, to reduce the notice period for planned rate changes from 30 days to just one day, is something Viya claims is essential to prevent its competitors from being tipped off about its upcoming promotional offers.

The commission was also concerned that canceling Viya's franchise agreement would also eliminate the stipulation that the telecommunications company would serve as the carrier of last resort for the USVI. Being carrier-of-last-resort means that Viya is obligated to build to reach anybody in the covered area that requests telephone service.

PSC Chair David Hughes said until Liberty is fully established, there must be a carrier of last resort. "They are the only entity that will require their officers to act. That will be a requirement of the Broadband VI people when they complete their network and at that point you might reasonably look at this and say it's no longer required but I do not feel that way today," Mr. Hughes said. Broadband V.I. [was acquired by Liberty Latin America in October 2021](#).

"I feel that the ratepayers of this territory have to have a carrier of last resort," Mr. Hughes insisted.

Tuesday's public hearing was meant to be the first phase of a long-term inquiry into potential regulatory forbearance or even deregulation for Viya.

Viya wants the PSC and the V.I. Legislature to grant it regulatory relief by the year 2027, when Liberty Mobile is expected to complete its broadband network in the territory. To do that, dozens of tariff requirements under Title 30 of the Virgin Islands Code will have to be waived.

According to Viya's petition, those waivers can take place in 2027 because customers will, by then, have "a real choice" between providers.

"Due to increased competition, including the recent ascendance of wireless providers in the USVI and Liberty's replacement of Viya as the USVI's [federally subsidized carrier with a territory-wide service obligation](#), Viya no longer has market power and USVI consumers now have many competitive options," the petition reads. "For these reasons, the public interest no longer justifies maintaining Viya's unique TOCA and 1959 franchise obligations or continuing to exclusively apply to Viya service quality, network management, tariffing and rate regulation, accounting and financial reporting, transfer of control, and other requirements."

The waivers from all requirements, Viya argues, will allow it to remain competitive in the current market by offering bundles and other deals that may be attractive to customers.

The petition recommends that any remaining rules that are not waived for Viya should also be applied to Liberty since it's taking on a similar role in the USVI market. Viya believes that the commission can waive some of the requirements of the rules and regulations (provided that it doesn't violate the statute) while the V.I. Legislature can support its recommendations on price regulation and transfers of control.

However, before any of that can take place, the PSC said it wanted to see a full recommendation by Viya's staff which it may adopt as an alternative to those outlined in the petition.