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## **PRESS RELEASE**

### **SMART RESPONDS TO TELEMEDIA'S LATEST PRESS RELEASE**

On November 18, 2009 Belize Telemedia Limited (Telemedia) issued a Press Release in which it accused Speednet of being a bully, and advised of its plan to disconnect Speednet's international circuits having given one week's notice, which ends today.

Let us look specifically at this current threat. For Speednet's international circuits (internet and leased circuits) Speednet pays Telemedia rates of up to BZ\$14,000 per E1 capacity. These are already by far the highest international circuit rates in the region, but Telemedia charges its other large corporate customers at much lower discounted of around BZ\$5,000. So where is the logic to support their accusation?

The sharing of infrastructure, particularly in a small country such as Belize, was envisaged and provided for when the Belize Telecommunications Act was released in 2002, and it is common practice in every country in the world. For the various facilities leased from Telemedia, Speednet is paying Telemedia BZ\$1.3m annually, with that already large figure steadily increasing. There has been no justification provided by Telemedia for those high charges, and it is another example that undermines Telemedia's claims.

Speednet can only interpret Telemedia's latest release that they will discontinue international access to be Telemedia's way of returning Belize to the stone-age, re-establishing a monopoly, with its high prices and everything else associated with that structure. So who is bullying who?

Speednet has now applied to Telemedia for direct access to the ARCOS international submarine cable that lands in Belize City, and we have clearly stated that we will pay our share of the total running cost of that installation in order to obtain that direct access. This will then eliminate Telemedia's continued monopoly on that valuable national resource, which will in turn support further reductions in customer tariffs.

Speednet has advised the PUC fully of Telemedia's plan to disconnect Speednet's international services, and the 90,000 members of the public and business community that hold a Smart phone are also clearly concerned at their potential loss of services resulting from Telemedia's planned actions. We would therefore expect that sensible heads will eventually prevail, and Telemedia will refrain from discontinuing the international circuits provided to Speednet.

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**20 November 2009**