



Our Mission

**To operate a Commercially Viable Company utilizing
Modern Telecommunications Technology**

To provide Superior Service to our Customers,

Rewarding Careers to our Employees,

Competitive returns to our Shareholders

and significantly improve the National Telecommunications Infrastructure

Getting better all the time



Sonita Jagan, General Manager and CEO, GT&T

When in 1993 I was asked to join the executive team at GT&T, I could not fully appreciate that it was an invitation to be part of a significant revolution.

It has been an amazing experience.

I would have known that there were few industries in this world that were as fast-changing as the telecommunication industry. Even then, I could not quite anticipate the remarkable transformation that was to take place.

All of us who work within GT&T understand that we have been given a fantastic opportunity to do something for our country. After all, in how many other sectors do people have that chance to so visibly witness the results of their inputs.

We have had delegations from communities which are underserved drawing our attention to their situation; and I have watched how the engineering and customer service staff have sat down and planned ways to reduce the inconvenience. We fully understand our obligations and we have tried, within the realities of the situation, to meet those obligations. We are in the business of linking communities, bringing people together, building bridges. We must be forgiven if at times we have been made to feel like victims of unwarranted attacks by those who have not fully understood the circumstances and have demanded faster progress. We have found those attacks unreasonable and unfair.

Like every operator in one of the world's poor countries, we must recognize that we are not only economically poor, but, consequently, information poor. We have spent little time boasting that our telephone penetration is higher than the average for countries with a similar GDP per capita. We remain focused only on how we can keep getting better all the time. We have accepted that awesome challenge to make the most up-to-date technologies available to the country and provide universal, affordable and adequate access.

There is a great deal of work to be done, but a solid foundation has been laid by the investors and the committed staff of GT&T.

We continue to build the bridges.

Sonita Jagan
General Manager/CEO

Introduction

A few years ago, on the occasion of the Company's Tenth Anniversary, we produced a brochure on the story of GT&T, which illustrated how GT&T had faced the challenge to revolutionize telecommunications in Guyana and told of the tremendous struggle it experienced in modernizing the system.

The story explained how Atlantic Tele-Network (ATN) responded to an invitation from the Government of the Republic of Guyana to be a partner in the country's telecommunication development and how much progress had been made in restructuring an entire network and in introducing state-of-the-art technologies.

Much has happened since then in this dynamic sector in which we operate and much more is planned as GT&T keeps to its slogan: "getting better all the time."

"Building Bridges, Linking Communities" puts into context the challenges and successes that the Company has experienced to date and offers a glimpse into the future.



The Earth Station, nestled between the Atlantic Ocean and Carifesta Avenue, Georgetown

Meet the man at the top



Chairman of GT&T **Mr. Cornelius B. Prior Jr.**

is a graduate of the Harvard Law School (1962) and was a Fulbright Scholar to the University of Sao Paulo Law School in Brazil from 1962 to 1963. He served as an attorney in New York for approximately 25 years, becoming managing director and stockholder of Kidder Peabody & Company, where he directed the Telecommunications Finance Group.

Mr. Prior is a co-founder of Atlantic Tele-Network (ATN) in St. Thomas, United States Virgin Islands and assumed the Chairmanship of GT&T in April 1997.

He is the current Chairman of the Caribbean Association of National Telecommunications Organizations (CANTO).

Executive Staff

Where else would you find such a trained, professional all-Guyanese team, fully committed to the development of company and country.



Back Row from left to right:

Berkley Wickham, Director, General Services; Russell Davis, Director, Systems Engineering; Michael George, Director, Marketing & Sales; Gerry De Freitas, Deputy General Manager, Operations; Gene Evelyn, Director, Rate Making; Wystan Robertson, Director, Management Information; John Persaud, Director Data Network Services; Lennox Lee, Director, Outside Plant; Terry Holder, Deputy General Manager, Public Communications.

Front Row from left to right:

Sonita Jagan - CEO/GM; Eustace Abrams, Director, Business Planning; Leroy Thomas, Director, Technical Operations; Pam Briggs, Director, Customer Services.

How it all started



Aerial shot of Telephone House, Brickdam

The Background

Those of us old enough would remember the state of telecommunication in Guyana before the advent of GT&T in 1991. As a country, we suffered from the poorest infrastructure and service.

The technology was obsolete and the equipment antiquated. Social contact, communication, and business were greatly affected, and many foreign investors expressed a reluctance to do business in a country with such poor infrastructure.

Something needed to be done urgently if Guyana were ever to develop. The telecommunication industry needed to be rescued.

The Birth of GT&T

Towards the end of the 1980s the Government of Guyana took a decision to privatize telecommunications as part of a broader economic reform programme and sought the participation of private investors in the sector.

Government advertised for local or foreign investors with access to the capital, technology, and skills so critically necessary for the revitalization of the industry.

It was ATN who took up the challenge.

In 1990, the Parties signed an Agreement in which ATN acquired eighty percent of the telephone company and the Government retained twenty. When this Agreement was consummated, the new Guyana Telephone and Telegraph Company Limited replaced the Guyana Telecommunication Corporation.

GT&T commenced operations on January 28, 1991.

The Provision of Service in a Unique Environment



Loading up the cables and poles for a new exchange area

GT&T accepted a massive and unique challenge: to rehabilitate, modernize and expand Guyana's telecommunication facilities and services. To appreciate the scope of the undertaking requires an understanding of both the state of the facilities GT&T inherited and Guyana's geography.

It is possible that because Guyana identifies with the Caribbean Basin, perceptions of the expanse of Guyana and the difficulties that attend network rollout become distorted. However, it is instructive to note that it is for countries with Guyana's expanse and rugged terrain that the ITU makes the distinction between "rural" and "remote" regions within a country. The remoteness of some parts of our country makes the rollout of services for many communities difficult, time-consuming, and inordinately costly. In many instances we must rely on in-house engineering ingenuity to fashion solutions that are efficient, cost effective, and sustainable.

Solutions have to be found to serve communities where it is impractical or impossible to plant poles and run cables. It is not unusual to see poles, identified for telephone use, being floated on pontoons along waterways or switches for exchanges being transported on trailers along highways, hinterland trails and on ferries for delivery to communities identified for service.

The rollout of service in such circumstances presents a tremendous logistical challenge and demands great imagination.

OUR SUCCESSES

Between its inception and September 2004, GT&T had invested in excess of US\$195 million towards the modernization and expansion of the national telecommunications infrastructure and facilities. This investment is reflected in the tremendous increase in the number of subscribers the network carries; in the sophisticated, state-of-the-art technologies that have been deployed; in the exciting, modern, feature-rich services these technologies support; and in all the advanced systems and processes that have been introduced to enhance customer experience. Today, Guyana has a telecommunications network that is comparable to any in the Caribbean and indeed the rest of the world.

Network Modernization and Expansion Successes



Launching Americas II in October 2002

Over the years, we have, among other things:

- i) Brought switching and other network components into the digital age and deployed fibre optic cable in the transmission networks with a view to increasing transmission throughput and speed, improving service quality, and facilitating the provision of advanced vertical services. Today, Guyana can boast of having a fully digital network.
- ii) Increased the number of exchanges to 68 as the network has been built out to enhance access.
- iii) Exploited the potential of wireless technology to accelerate service deployment and counter fraudulent practices in certain geographical areas. We have also applied our in-house engineering competence to customize a Rural Radio System to facilitate voice telephony in hinterland communities like Orealla, Moleson Creek, Mibicuri, Kurupukari, Kabakaburi, Wakapau, Arakaka and Sand Creek, to name a few.
- iv) Simultaneously migrated our switches to the Multi-Market Platform 13 (MMP 13) software and upgraded our Operator Services network from the old International Traffic Operator Positions (ITOPS) system to the modern (Global Traffic Operator Positions) GTOPS system. These upgrades facilitated automated processing of calls to our operators, the sale of enhanced, customer-activated services (e.g. 3-way calling, call waiting), and delivery of advanced PBX services and

features to business customers via a centrally managed network.

- v) Introduced a) Frame Relay service to serve the needs of the business community and selected rural and remote communities; b) dedicated, always-on Internet access with the deployment of Digital Subscriber Line (DSL) technology; and c) augmented Internet bandwidth delivered to Guyana from around 1 E1 when the service was introduced in 1996, to 12 E1s in June 2004.
- vi) Deployed submarine and other fibre optic cable, introduced wireless and radio technology, increased the number of Earth Stations from the one which was in place when the Company started its operations in 1991 to five.
- vii) Bought rights in a number of international undersea cables, including the Americas II cable that connects North America, South America, and the Dutch, French, Spanish and English-speaking Caribbean.
- viii) Invested in excess of US\$35 million to bring digital mobile service to a mass market. Currently, GT&T is investing a further US\$15 million to commence migration to a second generation (so-called 2.5G) mobile network that relies on Global System for Mobile Communication (GSM) technology with a General Package Radio System (GPRS) -high-speed data- overlay. With this migration customers will be able to enjoy a) seamless international roaming, b) data services on mobile phones, c) multi-media messaging, d) the use of camera phones, and e) number portability between GT&T's mobile networks (i.e. the customer will never need another mobile number other than the one he/she has).

GT&T's network modernization and expansion have benefitted all telecommunications consumers and all Guyana. Our investments in the voice networks have made reliable, high-quality telephony services more ubiquitous in urban, rural and remote areas of the country. Our investments in the data networks have allowed the branches of multi-location companies like banks, money-transfer businesses, and airlines to communicate directly via a high-speed network, thereby enhancing their operational efficiency and the effectiveness of their service to customers.

Box 1: Getting Better All The Time!

Performance Indicator	1991	Sept 2004
Fixed Operating Lines	13,000	98,390
Mobile Operating Lines	0	143,945
Total Lines (Fixed + Mobile)	13,000	242,335
International Circuits	99	1,338
IDD	400	89,900
Persons with access to phones	52,000	600,000
Public Call Boxes	0	600
Call Completion Rate (%)	20%	65%

Source: GT&T Indicators Data Base

Our investment in the mobile cellular network has not only made voice telephony more accessible, but equally important, it has spawned numerous new business opportunities for small entrepreneurs, and ushered in an entirely new mode of social interaction.

Our investment in undersea cables like Americas II makes it possible for Guyana to attract international data transfer businesses like Call Centres. Our investments generally have led to GT&T being one of the four largest contributors to Government revenues (*see table below*).

In summary, GT&T's investments over the years have served to position Guyana to tap into the international information super-highway and become an active participant in the new E-economy.

Service Improvement Successes

Ultimately, we all work with the customer. And, it is with our Marketing, Customer Service, and Operator Services personnel that the customer interfaces with most. GT&T takes seriously its commitment to service and spares no effort in making its staff customer oriented.

We recognize, however, that to enhance the customer's service experience we need to go beyond staff training. And we have. For example, in acknowledgement of the importance of the customer, we have:

- i) Introduced a 24-hour Interactive Voice Response (IVR) system that provides up-to-date information about customer accounts,
- ii) Facilitated payment of telephone bills via banks, Post Offices, Western Union and Guyana Lottery Company outlets, Debit Cards, and Visa Credit Cards.
- iii) Upgraded the business office environment at all locations.
- iv) Maintained a billing system recognized as the best among utilities in Guyana.

MAJOR CONTRIBUTOR TO GOVERNMENT REVENUE

TAXES	1999	2000	2001	2002	2003	TOTAL
Corporate Taxes- Corporation and Property Taxes	1,744,143,897	1,962,155,123	2,372,940,000	2,475,396,489	2,287,000,000	10,841,635,509
Other Taxes (Customs & Excise) + 10% Tax	245,155,393	204,875,609	198,078,327	214,771,208	529,909,150	1,392,789,687
Licence Fees – N.F.M.U. and Ministry of Public Works	55,053,737	57,914,816	83,233,926	104,626,334	115,840,202	416,669,015
Dividends Paid		1,440,000,000	2,745,000,000	3,195,000,000	3,375,000,000	10,755,000,000
Total Taxes and Contributions Paid	2,044,353,027	3,664,945,548	5,399,252,253	5,989,794,031	6,307,749,352	23,406,094,211

THE CELLULAR EXPLOSION



With the world going wireless, Guyana is not being left behind. The rapid expansion of mobile telephony deserves a special word. The transformation of the telecommunication system in Guyana is perhaps best reflected in the cellular revolution.

Introduced in 1992 and available to a limited number of customers within a 15 -mile radius of Georgetown, cellular has grown immensely in popularity and across the major population centres of Guyana. The revolution came with the launch of Cellink in 2001. When, on GT&T's application the PUC approved reduced rates and Calling Party Pays (CPP), Pre-Paid mobile service was launched. CPP meant that the cost of mobile services was now better shared and Pre-Paid service allowed the user to determine and manage telephone expenditure.

Today, Cellink's popularity is evident to the most casual observer, with cellular instruments being carried by Guyanese from all sections of the community. Everywhere there is the businessman using his mobile to stay in touch or the young lady stylishly wearing hers on the hip. Few could have anticipated the explosion. Few could have imagined drivers of donkey carts or Guyanese manning trays on the roadside with cellular phones. Guyanese entrepreneurs have taken advantage of this popularity. Shops selling cellular instruments and phone cards and accessories, or shops repairing cell phones have sprung up all across the country. Cellular has certainly stimulated that spirit of entrepreneurship and the number of businesses that GT&T Cellink supports have created employment for thousands of Guyanese.

In 2003, GT&T introduced mobile voicemail and short messaging service (SMS).

And now even more exciting opportunities are being opened for the cellular user with the introduction of GSM and its enhancement overlay GPRS. Consider just two of the advantages of GSM/GPRS:

- Ø The transmission of information more quickly, immediately and efficiently across the mobile network; and
- Ø The availability of international roaming which allows wireless customers to make or receive voice mail, send and receive data or to access other services when travelling overseas.

Even more exciting possibilities would become available as GT&T continues to modernize and make personal communication accessible and available to all.

Community Involvement Successes

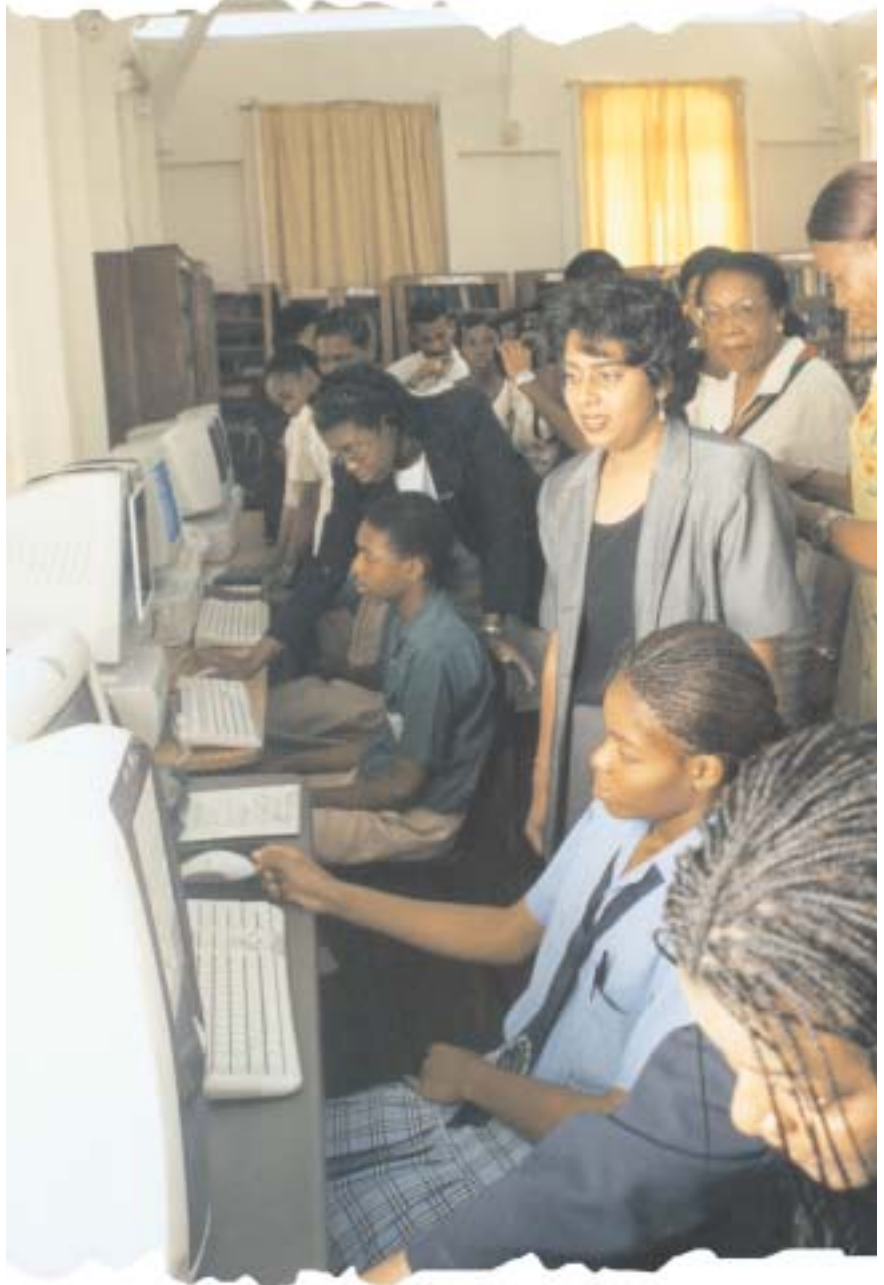
GT&T has been a good corporate citizen. We have consistently sought to assess the needs of communities, smaller social organizations, and individuals and to make contributions that address those needs.

Aware of the Digital Divide and its manifestations, recently GT&T has been promoting the use of information and communications technologies in the education sector. In collaboration with the Ministry of Education, the Company has targeted children at the primary school level and introduced a Computer-for-Schools Project, in which we have been donating Internet-ready computers to schools identified by the Ministry.

Also, the company participated actively in the celebration of the 40th Anniversary of the University of Guyana. As a part of that celebration we featured the University on the cover of the 2003-04 Telephone Directory and adopted the Internet Laboratory at the University of Guyana. Our adoption constituted a donation of a) 50 Internet-ready computers, 1 network printer, and 1 server, b) a 512K high speed Internet bandwidth access, and c) technical support for the hosting of the .gy domain.

Other successful collaboration with the wider community includes:

- i) Our partnership with Habitat for Humanity to aid selected poor families to own their own homes. GT&T contributes one home each year.
- ii) Adopting the Rupununi Weavers, setting them on their way to market their indigenous products worldwide through the Internet. Computer hardware, software and training were provided by the Company.
- iii) Refurbishing the antennas of the then Guyana Broadcasting Corporation to allow residents in the more remote areas of Guyana to receive radio broadcast.
- iv) Financial support to the rebuilding of Queen's College after the fire of 1997.



High speed internet access for students using the National Library's computers

- v) Financial support to National Relief efforts including support of the National Relief Council.
- vi) Ongoing financial support to schools, churches, youth groups, and service organizations that require assistance.
- vii) Continuous support for sports and cultural activities.

Strategic Human Resources Successes



Observing the nation's ethnic diversity.

When GT&T began operations there were in excess of 50 expatriate staff occupying the key executive and technical positions. This was understandable since there was an urgent need to modernize the network, facilities and processes but, there existed a dearth of managerial and technical skills.

Significantly, however, the expatriate staff came under contracts which required that they work themselves out

of their jobs. They were required to identify suitably, qualified nationals to train and develop to take over the mantle of leadership. Also, the company has recruited other Guyanese who have distinguished themselves in their particular discipline in various sectors of the economy and abroad.

So, today, GT&T's executive and senior technical personnel are all Guyanese. They are individuals who are fiercely professional and in tune with the expectations and concerns of the Guyanese public. These professionals understand the local realities and appreciate that their job presents a unique opportunity for them to make a meaningful contribution to national development.

Management recognizes that the company operates in a complex, fast-paced, and rapidly changing industry and that the critical skill sets the company requires are in high demand. For this reason, GT&T has sought to



*Respecting the past:
Entertaining the pensioners who have laid the foundations.*



Finding the solutions.



Investing the future...Presenting bursaries to children of the staff.

position itself as an “employer of choice.” To this end, GT&T seeks to **(a)** offer rewarding employment and competitive remuneration, **(b)** maintain attractive staff benefits (e.g. health care plan, subsidized canteen facilities, company bursaries for staff kids), **(c)** promote an organizational culture that encourages and rewards initiative and creative ideas, and **d)** emphasize staff training and participation in industry forums with a view to enhancing networking opportunities.

Our commitment to improve the quality of our workforce continues to pay handsome dividends. Especially, it has created in the staff a facility with virtually any technology and has given them the confidence and the competence to fully utilize any state-of-the- art equipment for customer benefit.



Hosting Commonwealth workshop.

BOX 2: KEEPING CURRENT WITH TELECOM DEVELOPMENTS

GT&T is an active participant in various international telecommunication forums. This allows us to stay abreast with developments in the industry and gives staff at various levels the opportunity to share experiences and network with industry operatives and functionaries.

CANTO: GT&T is actively involvement in the Caribbean Association of National Telecommunications Organisation (CANTO), the regional grouping that coordinates efforts to provide quality telecommunication services throughout the region. We taken full advantage of the training and information sharing programmes CANTO organizes and made our executives available to share experiences, to lead discussions, and generally to contribute to the development of the organization and to the industry.

Our consistent support for CANTO was acknowledged in 2002 when our Chairman, Mr. Cornelius Prior Jnr., was elected Chairman of CANTO. He was re-elected for a second term in January 2004.

CTO: We have availed ourselves of the services offered by the Commonwealth Telecommunication Organisation (C.T.O.). GT&T officers routinely participate in programmes organized in the areas of Revenue Assurance and Fraud Detection, Customer Care and Billing Administration, Project Management, Network convergence, Marketing and Carrier Environment, and Human Resource Management and Development. In 2002, Guyana had the privilege of hosting a C.T.O. regional workshop on Materials Management.

ITU: GT&T is a Sector Member of the International Telecommunication Union (ITU), whose mission is to bring the benefits of information and communication technologies to all of the world's inhabitants. The Company's officers attend ITU conferences and workshops to contributed to the discussions aimed at setting challenging but achievable targets in the development of telecommunications in poor, developing countries like Guyana. GT&T staff have also benefited from ITU training fellowships

THE CHALLENGES



The Challenge of Uneconomic Rates

GT&T's Lethem exchange.

GT&T has achieved all that it has despite significant challenges. One principal challenge has been that of uneconomic rates.

Throughout the years of operation, there has been, amazingly, a strident demand for even greater expansion and modernization while, at the same time, there is significant resistance to any application the Company makes for a review of rates to cover the cost of providing the services.

There seems to be no appreciation that uneconomic rates benefit only those who already have service. By allowing existing customers to pay prices that are way below cost, the company is penalized, its viability is threatened, and it is denied the resources required for the provision of service to others.

Over the years, GT&T has been made to collect rates that bear no relation to the real cost of providing the service and was thereby forced to heavily subsidise domestic service. Recall, for example, that for the seven years from 1991 to 1998, residential and business customers were allowed to pay the ludicrously low monthly line rental rates of G\$35 (around US 24 cents then) and G\$85 (around US 60 cents then) respectively.

The fact is that even as the Guyana dollar depreciated continuously between 1989 and 1998, from G\$10/

US\$1 to G\$125/US\$1, GT&T was forced to accept rates that continuously lost their real value. Indeed, it was not until February 1998 that the P.U.C. eventually responded to the Company's application for rate relief. Regrettably, even then, with the temporary adjustment of residential and business line rental to G\$250/month (roughly US\$1.25/month) and G\$1000/month (roughly US\$5.00/month), respectively, the rates remained uneconomical and are still in force today.

This very problem was allowed to persist in relation to the metered rates for local and local long-distance calls. The reality, therefore, is that the company has always been saddled with rates which could not reasonably be expected to generate sufficient revenues to finance any significant, sustained service expansion.

The situation described above was aggravated as of January 2002 when the US Federal Communications Commission (FCC) instructed American carriers to implement its Benchmark Order of 1997. This meant that GT&T now collected US 23 cents/minute on inbound international calls as opposed to the US 85 cents/minute it collected prior to January 2002. In other words, our principal business, international telephony, came under pressure. But we could not convince the regulator to grant any meaningful adjustment of domestic rates.

The P.U.C., in an Order effective February 1, 2002, allowed for an increase in monthly line rental and local and local-long-distance calls. However, the approved rates fell short of the meaningful domestic rate rebalancing the GT&T had hoped to have initiated. And, as can be seen in Box 3, they remain well below the rates in the Caribbean.

The General Challenge of Policy and Regulatory Ambivalence

There are also the general challenges that have attended regulatory and policy uncertainty.

On the regulatory front, over the years, we have had to operate in an environment that has been less than encouraging. The Company has achieved what it has achieved despite almost insurmountable challenges to its maintaining economic viability. Observe, for example that:

- i) In addition to our inability to secure economic rates, we have had to combat declining settlement rates, international callback, international traffic re-file, and widespread international traffic by-pass with little or no regulatory assistance.
- ii) Our legitimate, licensed, international business continues to face fierce competition from Net Cafes and broadband Internet providers who sell international voice telephony services to the public, but who remain entirely unregulated even though they have been designated as public utilities.
- iii) The regulator has insisted on allowing dial-up ISP customers to utilize GT&T's underlying facilities without charge, notwithstanding the fact that this approach is at variance with the industry convention.

On the political front, we continue to attract much hostility, stemming at least in part, it would appear, from the 1991 Sale Agreement between ATN and the then Government of Guyana. The detractors have sought to damage the Company's image by peddling half-truths and mis-information.

Let us set the record straight on a few these allegations:

i) The Network Expansion Failure Allegation

Contrary to what certain Regulatory and Government officials would have the public believe, GT&T did fulfill

Box 3: Comparison of Line Rental and Call Charges

Country	Monthly Line Rental [US\$]		Message Rate Per Call [US\$/Minute]
	Res.	Bus.	
VERIZON [Dom. Rep.]	20.69	19.44	0.02
C&W [Jamaica]	8.20	20.50	0.009
APUA (Antigua)	11.11	22.22	0.06
SETAR (Aruba)	8.57	8.57	0.03
OECS (St. Lucia, Grenada, etc.)	8.93	10.21	0.032
TSTT [T&T]	4.93	28.14	0.03
TELEM [St. Maarten]	25.00	25.00	0.36
GT&T [Guyana] (GS200:US\$1)	2.50	5.50	0.003

Source: Adapted from CANTO Annual Directory, 2004-05

its commitment to install 20,000 new lines during its first three years of operation. If that momentum was not maintained, it was because of punitive and prejudicial regulatory actions at that time. These actions made investors less inclined to commit resources because of the risks they perceived. Also, with the imposition of unrealistically low rates and the continued erosion of their real value, it became more difficult for the company to recover the cost of investment.

Low and uneconomic rates, we emphasized and reemphasized, benefit only those persons who already have phones. It does not permit us to extend service to customers who are without service.

ii) The Unlawful Advisory Fee Allegation

The "Advisory Fee" paid to ATN has caused much resentment and bitterness over the years. But, the fact is that the Advisory Fee was established as a pre-incorporation agreement between the Government of Guyana and ATN, to compensate the parent company for services rendered to the local subsidiary. Indeed, ATN earns its Advisory Fee by undertaking legal, lobbying and marketing initiatives on behalf of GT&T. These activities include, but are not limited to, lobbying the United States Government, petitioning the FCC, fighting to maintain reasonably high settlement rates, and searching for new business opportunities. All this notwithstanding, the Regulator has consistently disallowed the Advisory Fee in the determination of rates. In other words, the rates customers currently pay for service does not include the Advisory Fee expense.



Testing of the rural radio system in Muritaro area, Upper Demerara River.

iii) The Abuse of Monopoly Status Allegation

GT&T is constantly abused for the exclusivity conferred by its license in the areas of international voice telephony, international data transmission and the provision of national distribution. What is conveniently not mentioned is that, given the magnitude of the investment required to enter the telecommunications business historically, all national telecommunications operators began as monopolies. Thanks to the revolution in telecommunications, this model is changing, the sector is being liberalized, and Governments everywhere are in the process of re-negotiating the operating licenses held by incumbents. This process, however, is done in an environment of fairness and order.

iv) Frustration of Sector Liberalization Allegation

GT&T is accused of attempting to frustrate efforts to liberalize the telecommunication sector for fear of competition. However, GT&T is neither averse to change nor intimidated by the prospects of competition. In fact, from the outset, GT&T publicly expressed its preparedness to work with Government to make the reform of the telecom sector a reality. All we asked for were a) a phasing in of rates that fully reflect the cost of service provision and b) an orderly transition to market liberalization. In the interim, Government sought to implement an ICT project that was obviously designed to violate GT&T's licence and continues to turn a blind eye to illegal operators that compete with the company for telephony business. While GT&T continues to be described as monopolistic, in reality the company faces

fierce unfair competition from myriad illegal international telecommunications operations [e.g. Net Cafes, Broadband Internet providers, and bypass operators who use GT&T's facilities to distribute their services] who effectively undermine both GT&T's legitimate business and Government's revenue base.

v) Reluctance to Contribute to Regulatory Financing Allegation

GT&T has never expressed any reluctance to contribute to the financing of the regulatory body. However, we do take exception to discriminatory treatment. We have seen legislation fashioned to ensure that GT&T makes a disproportionate contribution to the financing of the operations of the Public Utilities Commission. And, we believe this to be unfair and are prepared to press for this obligation to be shared more equitably.

vi) Discrimination in Service Rollout Allegation

There are those who accuse GT&T of discrimination in the selection of communities for the rollout of service. These allegations have no basis in fact. We are in the business of providing service and our phasing of areas to be served is systematic, based on considerations such as engineering practicality, outstanding applications sorted by community, current and planned developments, and our network expansion budget. While we appreciate that every community feels that it should be given priority, it is clearly unrealistic to roll out service to all at the same time. The resources are just not available.

vii) A Phone in Every Home! How Realistic?

There is an abundance of evidence that there exists a strong relationship between a country's average income level and its level of telephone penetration. Generally, where per capita income is high, telephone penetration is high, and vice versa. This is hardly surprising since per capita income is indicative of affordability. Observe, for example, that it is only in the highly developed, high-income countries like Sweden, Canada, Australia, France, Japan, and the USA that telephone penetration approaches 100 percent. And, significantly, this achievement took some 90 years of network development.

Guyana's per capita income, currently in the vicinity of US\$750, is relatively low, even when compared with that our CARICOM neighbours. It means that GT&T can expect a lower return per customer on its investments. In more practical terms, it means that less households in Guyana can afford to own a phone and maintain the service. This is evidenced by the fact that on average, some 250 customers lose their service per month consequent upon their inability to meet their monthly rental and usage charges.

It was the recognition of this reality that led the ITU in 1998 to caution developing countries not to base telecommunications development on an attempt to have a phone in every home (universal service). Rather, the ITU membership agreed that telecommunications development in low-income countries like Guyana should be guided by a well articulated universal access goal that recognizes 'local economic, demographic, social, and geographic circumstances.'

The focus of a universal access policy is to place a telephone "within a reasonable distance for everyone and that distance should be informed by the coverage of the telephone network, the geography of the country, the density of the population and the spread of habitations in the urban or rural environment."

Regrettably, the policymakers in Guyana are yet to articulate a universal service policy and appropriate targets to guide its realization. Other low-income countries have done so. For example, in Kenya universal service has been defined as "a phone within walking distance," in Pakistan as "a phone in every village," in Zambia as "telephone booths in public places countrywide," in Brazil as "a telephone within less than five kilometers," and in South Africa as "a telephone within a thirty minute traveling distance."



One of GT&T's countrywide cellular transmitting towers.

Although Guyana remains without a universal access policy, there is ample evidence that Guyana can be proud of the extent to which telecommunications service has been made accessible. By way of example we note the following:

- i) Less than 10 percent of households in less-developed countries have a telephone. Yet, low-



Installing a Container Exchange in Kilcoy, Berbice

income Guyana, with a per capita GDP of US\$750, sufficiently poor to qualify for multilateral development assistance under the so-called Highly Indebted Poor Country (HIPC) initiative, has a household telephone penetration in excess of 40 percent. In other words, our telephone penetration exceeds that of Mexico (35 percent) which has a per capita GDP of US\$4,500, Thailand (22 percent) which has a per capita GDP of US\$1,950, and is virtually on par with that of Poland (42 percent) which has a per capita GDP of US\$3,800.

- ii) ITU member countries, including Guyana, agreed that by 2010, low income developing countries like Guyana should try to attain at least 5 telephone lines per 100 inhabitants, a telephone in 20 percent of all households, and 1 public payphone per 1000 inhabitants. However, with six years still to 2010, Guyana has already surpassed these targets. Indeed, we are poised to surpass the target set for the higher income group of countries, namely to attain 10 lines per 100 inhabitants, a telephone in 50 percent of all households, and one public payphone per 500 inhabitants.
- iii) Government, in its document "Reform of the Telecommunications Sector in Guyana," observed:

"Guyana's teledensity performance relative to the World income-comparable group is very good. In fact, based on a simple regression analysis, Guyana's teledensity appears to be about double what may be expected given its gross national income per capita."

The internationally accepted wisdom is that no poor country like Guyana can realistically expect to have a phone in every home. Indeed, in the Guyana context, the political mantra of a phone in every home is not only fatuous but dangerous. It creates unrealistic expectations among segments of the populace who are led to believe that GT&T has a license obligation to realize this impossible dream. These expectations have led to the callous, criminal, counter-productive vandalism of the company's infrastructure by individuals who seek to protest against what they have been led to believe is a conscious policy by GT&T to deny them service.

The public needs to be persuaded that increasing telephone access will take time. The policymakers need to be persuaded that increasing access will require well conceived policies and that Government will have to make a financial contribution. As Chief Justice Gubbay observed in his decision in *Retrofit (Pvt) Ltd. Vs. Posts & Telecommunications Corporation in Zimbabwe*:

"A government committed to the grant of affordable telephonic communication for its people in the rural areas must be prepared to bear a portion of the expense required to promote such a commendable endeavour. The remedy lies in subsidizing this social need..."

Comments from our Customers...



**Tracy Lewis -
General Manager,
Guyana Lottery Company**

GT&T expansion into the many areas has also assisted in the expansion of the lotto business. We have been inundated with requests from prospective vendors in the areas of expansion. This has created another form of income generation for many. People no longer have to find transportation to get to our agents. We will soon move to some of the interior areas like Lethem and Mabaruma. GT&T's continued expansion has done great for Lotto.



**Maxwell Thom -
Manager/Owner
Wireless Connection**

For me, GT&T represents tremendous business opportunities. The cellular, especially, has helped to stimulate so many ideas in the areas to be tapped: eg. Cellular instruments, cellular accessories, sale of phone cards and C-Point. As long as Cellink grows, my business grows. Just look how these businesses have mushroomed.

People who never saw themselves as business people are now in business.



**Mrs. Sheila Chan -
Administrative Officer,
Caricom Secretariat**

I recall in the early days of Caricom how difficult it was trying to get through to Member States. It was a real nightmare trying to set dates for meetings, etc. with the daily "no circuits" refrain. We have come a long way where we can now pick up a phone and within minutes can be connected and can complete a transaction. The advent of Conference Calls has also been a big boon to the Secretariat.

I am looking forward to even further improvement in the not too distant future and I would like to congratulate GT&T on the progress made over the years.



In the News...over the years



Getting ready to serve Guyana's hinterland via Satellite

The technician on the ladder seems aloof in the air and almost touching the clouds. He is just one of the many technical personnel who have recently gone into Lethem, Mabaruma and Port Kaituma to set the groundwork for the provision of telephone service to those parts of Guyana's hinterland.

Very soon, persons resident and businesses operating in those areas will have access to state-of-the-art telephone service which will permit the use of facsimile machines.

The communities will be linked via a Domestic Satellite (DOMSAT) which is located at B.V., East Coast Demerara. This new development in Guyana's heartland is part of GT&T's three-year plan for telecommunication here. Submitted last year to the Public Utilities Commission, the plan stated that DOMSAT provides the only cost-effective means of serving the country's interior.

Just recently, the Company, in collaboration with Northern Telecoms, launched a pilot project at Anna Regina, Essequibo Coast, to introduce the Fixed Radio Access (FRA) technology in Guyana. This new technology allows wireless service as

against wireline for which extensive infrastructure has to be built.

One hundred persons were identified to be part of the Pilot, the successful completion of which will result in the technology being used to serve the area with about 2000 new lines.



New Telephone Technology for Cinderella County *2000 subscribers to get hooked up*

Chairman of the Guyana Telephone and Telegraph Company, Mr. Cornelius Prior, visited Essequibo, the Cinderella County, to announce the success of the Fixed Wireless Access (FWA) Pilot Project and the use of the technology to provide service to residents on the Coast.

The announcement was made on July 23 in the Boardroom of the Regional Democratic Council where scores of people, including regional executives, businessmen and residents, were present.

Accompanying Mr. Prior were GT&T's General Manager, Mr. Thomas Minnich.

We've added Lucent products to our product line.

Our Company has recently formed a distribution alliance with Lucent Technologies for Business Communications Systems (BCS) products.



Announced at a special event hosted by GT&T at the Le Meridien Hotel late September, the agreement grants GT&T the distribution rights for the full portfolio of BCS products, focusing on the hospitality, financial, industrial and multinational business segments.

Prime Minister Sam Hinds was special guest at the launching.



600 Public Call Boxes to be deployed.

Customers living in areas with limited telephone lines will soon have greater access to telecommunication services when the Company launches a project which will see some 600 added public call boxes installed around the country.

Already Customer Services personnel are carrying out field surveys to determine the best, most suitable and most needed areas to locate the facilities.

With the recent launching of the Pre-Paid Phone Card Service, it has become a priority of the Business Unit to ensure that enough call boxes are placed at strategic points and at areas where many people commute daily.

The significant progress made by GT&T in developing and expanding telecommunications in Guyana has been appreciated and at times formally recognised.



Remote Phone Service

Knowledge is the offspring of Communications, and with the continuing establishment of its countrywide telecommunications network, Guyanese are Getting to Know Guyana with GT&T.

Unless we know our country, we cannot truly develop a national identity. By connecting remote locations in the hinterland, to which the average Guyanese has never ventured, GT&T has gone a long way in assisting to accomplish this task. It is important that we as Guyanese give Guyana a chance to weave our destiny. At GT&T, Guyana is always the priority.

GT&T has begun work on the installation of a Remote Area Telephone Service. Below are some of the areas where service has been installed.



BURMA

Burma is a rice-producing village situated on the East Coast of Demerara, 65km (40.5m) from Georgetown. The village is well known because it houses the Burma Rice Development Station, the only one of its kind in Guyana and the Mahaicony-Abary Rice Development milling complex. Both of these institutions are located two miles south of the East Coast Highway.



HOG ISLAND

Hog Island, the largest of the hundreds of islands in the Essequibo River is located 5km. (3m) from its mouth. With a total area of 21 sq miles, this island is larger than many of the island states of CARICOM. Its 529 residents are engaged mainly in the farming of rice and ground provisions.



KABAKABURI

The Arawak and Carib village of Kabakaburi is located on the Pomeroon River, 56km. (34.5m) from its mouth. This village is an important historical and Amerindian heritage site containing both shell mounds and ancient ceramics. It is also the site of the graves of William Henry Brett, one of the earliest missionaries to Guyana, and Sachilara, the first Amerindian convert to Christianity.



KURU KURU

Kuru-Kuru is not only the first, but the largest of the villages along the Soesdyke-Linden Highway. Mainly an agricultural village, the almost 5,000 residents of Kuru-Kuru also provide a convenient labour force for the Saw Mills and Chicken Farms of the surrounding areas.

Remote Phone Service



MORA POINT

Mora Point on the Mahaicony River, is a village located 18 km (11 m) south of the East Coast Highway. It is an important settlement as the jurisdiction of its Police Outpost extends to almost the entire River. Mainly a rice producing village it also houses the Pumping Station responsible for the irrigation of the rice cultivation in the area.



SEWEYO

Seweyo is a Guyana Defence Force/ Guyana People's Militia, training camp. This training facility is located 36.5km (23m) up the Soesdyke-Linden Highway and caters for all aspects of Skill at Arms and Ground Operations Training.

The Arawak village of Wakapau is located on the Wakapau River, which is a tributary on the western bank of the Pomeroon River, 3km.(2m) from its mouth. This village is one of the best examples of an Amerindian community that has not only preserved the traditional Arawak culture, but also retained its tribal language.



SANTA ROSA

Santa Rosa, with a total population of 3500, is the largest Amerindian Village in Guyana. This predominantly Arawak village is located on the Moruka River, 29km. (18m) from its mouth. The village is actually a collection of at least ten settlements spread out in the savannah wetlands along a ten mile stretch of the Moruka River. Santa Rosa is one of the earliest Catholic Missions in Guyana.



WAKAPAU

CONCLUSION

In the previous pages we have been illustrating how GT&T has significantly enhanced Guyana's prospects for modernization, how it has redesigned the country's telecommunications infrastructure, vigorously implemented a programme of continuing technological improvement, positioning Guyana to participate in and reap the benefits of the evolving global economy.

We have shown how entrepreneurs, businessmen, government officials and individuals now have easy access to information, ideas, education and knowledge, all of which are critical prerequisites for expanding production and generating employment and wealth.

You have seen how, in the years since 1991, GT&T has built an essential platform, without which it would be impossible to create the conditions necessary for Guyana's future economic growth, social change and development.

We would be less than honest if we seek to claim publicly that GT&T, as the national telecommunication company, is completely satisfied with the progress made over those years in the development of Guyana's telecommunication.

We must concede that we ourselves have made some mistakes along the way. They were genuine mistakes and were never intended to undermine the operations and the service to the people; and we sought to correct those mistakes.

But the environment has not always been encouraging and the company's viability seems to have been permanently under threat. Too often we have had to remind those with the authority that GT&T needs to be viable if it is provide the quality of service that everyone wants and indeed deserves.

According to the Company's Chairman, Mr. Cornelius Prior:

"On balance we have done a very good job in investing in the country despite the troubles we have had. In view of the facts, I think we have shown good faith as a foreign investor in the country of Guyana, despite the fact that we were unable to get reasonable accommodation for the problems we were having.....Yet we continue doing investment."

"We have succeeded by persevering, by keeping faith with Guyana. In the process, we have overcome formidable challenges and apparently insurmountable obstacles. And we recognize that there are many more challenges to meet and numerous additional hurdles to negotiate."

Today, the Guyana Telephone and Telegraph Company stand ready to take advantage of all those new and exciting technologies which are available and are becoming available.

Exciting times are ahead for the Guyanese consumers. The same Company that accepted the massive challenge in 1991 to transform an antiquated telecommunication system with obsolete equipment and which has rehabilitated and modernized it, relishes the new challenge to keep pace, in the interest of Guyanese, with the technological revolution in telecommunication.

We live in a new information-based world and it is the telecommunications networks that must provide the opportunity for our people to access information and information-based services. It is our participation in this new information society that will determine the economic prospects of individuals and communities, the productivity of the activities in which they are involved, and the benefits they ultimately derive. For these reasons, GT&T has a responsibility to continue to invest in the expansion and upgrade of the national telecommunications networks. The evidence abound that we have taken this responsibility seriously and discharged it with distinction.



Here's how you stay in touch with us...

GT&T's Call Centre 868-2355

Available for all information on our Cellular Service

For Advanced Communications Systems



AVAYA

Call 225-1315 -Ext. 2310, 2330, 2358

For Lightning Speed Internet Access

GT&T

DSL Broadband

Call 225-1315 -Ext. 2310

For Transition to GSM/GPRS



Cellink
GT&T Wireless Communication
GSM network plus

Call 225-1315 -Ext. 2309

GT&T's Business Offices:

Georgetown:

- Business Services, Cellular Services,
Internet Services - 79 Brickdam - **225-1315**
- Manager Residential &
Business Services - 69 Brickdam - **228-0122**
- Collections Officer - 69 Brickdam - **223-8300**
- Government Accounts - 69 Brickdam - **223-5010**
- Business Office - 78 Church St - **226-1287**

Betoverwagting:

- Manager, Customer Services:
East Coast & Berbice - **220-2153**
BV Business Office, ECD - **220-1871, 220-1873**
- New Amsterdam:**
Business Office - **333-3800**
5 Strand - **333-3255**
- Linden:**
Business Office - **444-8590**
Yuraballi St., Retrieve - **444-6636**



**We have begun that journey towards the development of
an industry and a country.**

**Ours is a vision of a dynamic telecommunications
operation in a vibrant Guyana economy**

We invite you to share the vision.