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PRESS RELEASE

FOR IMMEDIATE RELEASE

CABLE BAHAMAS MAKES APPLICATION TO THE ELECTRONIC COMMUNICATIONS SECTOR REGULATOR FOR PRICE INCREASE

URCA today announces that it has opened Public Consultation on two applications made by Cable Bahamas Ltd (CBL).

The first is an application for approval to permanently increase the current monthly prices of its basic residential and commercial pay TV services, marketed as “*REVTV Prime*” and “*REVTV Business Prime*” respectively in areas where CBL offers multiple pay TV packages. The affected areas are New Providence, Grand Bahama, Abaco and parts of Eleuthera. If approved, the residential *REVTV Prime* price in those areas will increase by \$8, from \$30 per month to \$38 per month; while the *REVTV Business Prime* price will increase by \$14, from \$50 per month to \$64.00 per month. The proposed price increase represents an increase of 27% on each package. *REVTV Prime* and *REVTV Business Prime* are currently the minimum or entry-level products that customers can purchase as stand-alone products, or that customers must purchase prior to adding any of CBL’s other pay TV services.

The second application is for permission to introduce a new Basic Television Service for residential customers which would be marketed as “*REV TV Prime Local*”. CBL has advised in its application that the intent of *REV TV Prime Local* is to fulfill CBL’s universal service obligation (USO) for basic television services, as mandated under the Communications Act of 2009. The proposed *REVTV Prime Local* package will be priced at \$10 per month and would comprise six (6) channels including ZNS and the Parliamentary Channel, amongst others. As with the proposed price increase, the new package will only be offered in areas where CBL offers multiple pay TV packages (i.e. New Providence, Grand Bahama, Abaco and parts of Eleuthera).

CBL has proposed that the price increases and new package will only affect those areas, situated on four islands, where CBL now operates a two-way digital cable TV network and offers multiple pay TV packages. These are New Providence, Grand Bahama, Abaco and parts of Eleuthera. CBL maintains that its current network configuration is technically unable to provide multiple television packages in the other geographical areas where it operates a one-way analogue network, and therefore it cannot introduce the multi-level pricing proposed in its applications in those areas.

On seven other family islands, Bimini, Berry Islands, San Salvador, Great Inagua, Andros, Great Exuma and Long Island, CBL operates a one-way analogue cable TV network over which customers are only offered the basic package (REVTV Prime and REVTV Business prime). The proposed price increase and proposed new package will not affect this group of communities.

CBL also provides, free of charge, an over-the-air broadcast service to several specified areas which include, parts of Cat Island, Exuma, Abaco, Grand Bahama, Eleuthera and Andros; Crooked Island, Acklins, Mayaguana and Moores Island. In these areas, residents do not have access to *REVTV Prime* or *REVTV Business Prime*, and their services will therefore not be affected by either of CBL's applications.

In support of its current price increase application, Cable Bahamas states that without the price increase, their *REV TV Prime* business segment will continue to realize a revenue shortfall thereby jeopardizing the economic viability of the service. In support of the new package, CBL has submitted arguments to justify that the package meets the requirements of the USO in that it is affordable, and the channel lineup is sufficiently informative as to matters that are relevant to the Bahamian society, such as relevant programming on news, sports, variety and family entertainment.

URCA's final decision will address the following issues:

- In relation to the proposed price increase, whether it is excessive in the context of CBL's costs of providing the service;
- In relation to the proposed new package, whether it complies with the requirements for a basic television USO package as set out in the Communications Act, 2009 and URCA's USO Framework document (ECS 01/2014), that is:
 - Whether it is affordable;
 - Whether the proposed restrictions on the subscribers to the new package are reasonable and proportionate and,
 - Whether the package, as proposed by CBL, is sufficiently informative as to matters that are relevant to the Bahamian society, such as relevant programming on news, sports, variety and family entertainment.

As both services to be impacted by CBL's applications are subjected to price regulation and the proposed changes are considered by URCA to be of public significance URCA considers that the application is appropriate for public consultation.

URCA now invites feedback from persons whose rights or interests may be materially affected by CBL's applications. The consultation process will also include town meetings and focus groups in New Providence and the three family islands to be impacted by the proposed price increase. URCA will make its final decision only after careful consideration of all submissions received within the specified consultation period.

Interested persons may obtain copies of the consultation document by download from URCA's website at www.urbahamas.bs, or by visiting URCA's offices.

URCA is the independent body responsible for the regulation of the electronic communications sector in The Bahamas. URCA's responsibilities cover the regulation of internet services, fixed and mobile telephony, radio and over-the-air broadcasting, pay television services (including cable television services) and the management of state assets such as numbering, domain names and radio frequency spectrum.

Persons wishing to provide feedback to the consultation document should respond by January 31st, 2015. Comments should clearly set out the reasoning for any objections and provide evidence to substantiate a stated position and can be submitted as follows:

- By hand to URCA's office at UBS Annex Building, East Bay Street, New Providence; or
- By mail to P.O.Box n-4860, Nassau, The Bahamas; or
- Byfax, to 242-393-0153; or
- By email, to info@urcabahamas.bs

URCA reserves the right to make all responses available to the public by posting responses online on its web site at www.urbahamas.bs if a response is marked confidential, reasons should be given to facilitate evaluation by URCA of the request for confidentiality. URCA may, in its sole discretion, publish or refrain from publishing any document or submission.

MEDIA CONTACT...

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