

PRESS RELEASE

March 30, 2016

Public Consultation on Provision of National Roaming Services on the Cellular Mobile Networks of the Bahamas Telecommunications Company Ltd (BTC) to the Second Cellular Mobile Operator for an Interim Period

On March 30, 2016 URCA published for consultation its “Preliminary Determination and Draft Order on Provision of National Roaming Services on the Cellular Mobile Networks of the Bahamas Telecommunications Company Ltd. in The Bahamas to the Second Cellular Mobile Operator for an Interim Period” ECS 10/2016.

In this Preliminary Determination and Draft Order URCA presents for consultation its proposals to impose an SMP (significant market power) obligation on BTC to provide national roaming services to the second cellular mobile operator (“new entrant”) for an interim period of time. National roaming is one of the regulatory measures that URCA proposes to introduce in support of the cellular mobile liberalization process in The Bahamas. Under a national roaming agreement between BTC and the new entrant, BTC would provide access for subscribers to the new entrant’s services to roam (i.e., make and receive calls, send and receive SMS and MMS messages or access data/Internet service) on BTC’s cellular mobile network in geographical areas of The Bahamas where the new entrant has not yet built its own cellular network and infrastructure. In other words, subscribers to the new entrant’s services would remain connected to the national telecommunications system when travelling outside the new entrant’s coverage footprint.

From URCA’s perspective, national roaming would allow the new entrant to provide mobile services nationwide during network build out. Moreover, it ensures that the benefits of competition accrue to residents and visitors in all geographical areas of The Bahamas simultaneously.

This proposal and the related obligations are supported by URCA’s analysis of the wholesale market for national roaming services in The Bahamas. Indeed, the analysis demonstrates that:

- Access to BTC’s cellular mobile network (i.e., national roaming) during the “roll out” phase is critical to the development of the cellular mobile market in The Bahamas.
- The new entrant will depend on wholesale access to BTC’s cellular mobile network to provide nationwide access to retail mobile services while it constructs its own network.
- BTC has SMP in the wholesale market for national roaming services in The Bahamas and therefore is in a position to behave to an appreciable extent independently of its competitors, consumers and subscribers.

- There is a significant risk that BTC could abuse its SMP position in this market by either denying the new entrant access to its network, and/or doing so on terms which are unfavorable to the entrant.

Given the above and the need for an expedited roaming agreement between the parties, URCA is minded to take regulatory action to ensure that request for national roaming is met and therefore proposes that:

- BTC shall be under an obligation to meet demand for national roaming services on its cellular mobile network in geographical areas where the new entrant has not yet deployed its own cellular mobile network
- BTC shall be under an obligation to make available to the new entrant standard terms and conditions (including pricing) for national roaming services.
- BTC's national roaming services shall be subject to wholesale price control and allow BTC to recover the efficiently incurred cost of providing national roaming services to the new entrant.

For the avoidance of doubt:

- BTC would be required to offer roaming only in those geographical areas where BTC's cellular mobile network is available, but the new entrant's network has not yet been constructed and is not yet required to have been constructed as per the licence obligations.
- National roaming is not proposed as a substitute for the comprehensive roll-out obligations which will be specified in the licence issued to the new entrant. Hence, the new entrant is still required to construct a nationwide cellular mobile network consistent with its obligations under its licence.
- The proposed national roaming obligation would end once the new entrant's mobile network roll-out is complete.
- The proposed obligation to provide national roaming does not relate to or affect any international roaming agreements between BTC and any other person.

This consultation supplements the other work areas and projects that were identified in URCA's 2015 Annual Plan and its proposed 2016 Annual Plan on the key regulatory issues that will need to be addressed in light of the introduction of mobile competition in The Bahamas.

Written comments from the affected licensees and the public are invited on the matters contained in this Preliminary Determination and Draft Order. The document contains a number of questions to assist respondents in preparing their written submissions on this Preliminary Determination and Draft Order, which must be submitted to URCA by 5 p.m. on 6 May 2016. Interested parties will then have the opportunity to further comment on responses made by other respondents by 5 p.m. on 10 June 2016. Directions for the submission of comments are contained in the consultation document.

Upon consideration of written responses, URCA will publish a Final Determination on the results of the consultation.

URCA encourages respondents to adhere to the deadlines for making written submissions on this Preliminary Determination and Draft Order. Having regard to the strict statutory timeframes imposed upon URCA in section 100(5) of the Comms Act, only in extreme circumstances will URCA consider accommodating any request for an extension to the deadlines for responding to this consultation.

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