



## PRESS RELEASE

26 May, 2016

### **Public Consultation on the Proposed Revision of the Retail Pricing Rules for Price Regulated Services Not Subject to Price Cap Regulation (Non Price Capped Services)**

On 26 May 2016, URCA published for consultation its “Preliminary Determination on Proposed Revision of the Retail Pricing Rules for Price Regulated Services Not Subject to Price Cap Regulation (Non Price Capped Services)” (ECS 16/2016). The preliminary determination is accompanied by the revised Rules contained in Annex 1.

In this Preliminary Determination, URCA presents for consultation its proposed amendments of the “Regulation of Retail Prices for SMP Operators – Rules” (ECS 06/2014), also known as the Retail Pricing Rules or the Rules. The purpose of this consultation is to determine the appropriate level of regulation to maintain with respect to SMP providers of Price Regulated Services that are not subject to price cap regulation following the liberalisation of the mobile telephone market in The Bahamas. As price cap regulation applies to BTC’s fixed telephony and CBL’s broadband and Pay TV services, these proposals would apply to Price Regulated Services and Bundles which are not subject to price cap regulation (i.e., predominantly BTC’s mobile services).

For the avoidance of doubt, the existing Rules (ECS 06/2014) will still apply to Price Capped Services. There will be a separate consultation on Price Capped Services which will also entail a review of the Rules as they pertain to Price Capped Services.

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.

The table below summarises URCA’s proposal for how the scope of the Retail Pricing Rules (ECS 06/2014) should be amended for Non Price Capped Services, following the introduction of cellular mobile competition. This shows that:

- URCA proposes to only require pre-approval for the withdrawal/discontinuation of all Price Regulated Services, changes to non-price terms and conditions of all Price Regulated Services and permanent price changes to Multi-product Bundles.
- Multi-product Bundles will remain subject to the current replicability requirement.

- All remaining changes to Non Price Capped Services will only require prior notification by the SMP operator to URCA.
- The SMP operator has to submit a bi-annual margin squeeze test if the SMP operator is required to offer a wholesale product for a service.

**Proposed pre-approval and notification requirements for Non Price Capped Services**

	<b>Current Rules</b>	<b>Proposed Amended Rules</b>
<b>Permanent offers</b>		
Permanent price changes (increase/decrease) to a standalone Non Price Capped Service	Pre-approval	Notification
Introduction of new standalone Non Price Capped Service	Pre-approval	Notification
Introduction of new product bundle containing Non Price Capped Services only ("Price Capped Bundles")	Pre-approval	Notification
Permanent price change to a Non Price Capped Bundle	Pre-approval	Notification
Withdrawal/discontinuation of all Price Regulated Services	Pre-approval	Pre-approval
Introduction of a new bundle containing at least one but not exclusively Non Price Capped Services ("Multi-product Bundle")	Pre-approval (Replicability requirement)	Pre-approval (Replicability requirement)
Permanent price change to a Multi-product Bundle	Pre-approval (Replicability requirement)	Pre-approval (Replicability requirement)
<b>Promotions</b>		
Short term Promotions of (standalone or bundled) Non Price Capped Services and Multi-product Bundles	Notification	Notification
Full Length Promotions of (standalone or bundled) Non Price Capped Services and Multi-product Bundles	Pre-approval	Notification
<b>Non-price terms</b>		
Changes to non-price terms and conditions of a (single or bundled) Non Price Capped Service and Multi-product Bundles	Pre-approval	Pre-approval

---

As part of the notification process, the SMP operator must make a declaration that its proposed price change does not result in margin squeeze or predation.

Written comments from the affected licensees and the public are invited on the matters contained in this Preliminary Determination. The document contains a number of questions to assist respondents in preparing their written submissions on this Preliminary Determination which must be submitted to URCA by 5 p.m. on 8 July, 2016. Interested parties will then have the opportunity to further comment on responses made by other respondents by 5 p.m. on 29 July 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. 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.

Media contact:

Mavis Johnson-Collie  
Corporate & Consumer Relations Manager  
Utilities Regulation & Competition Authority  
Nassau, Bahamas

Email: [mcollie@urcabahamas.bs](mailto:mcollie@urcabahamas.bs)

Facsimile: (242) 393 0153

[www.urbahamas.bs](http://www.urbahamas.bs)