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PRESS RELEASE

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URCA ISSUES STATEMENT OF RESULTS AND FINAL DECISION IN RESPONSE TO CABLE BAHAMAS LIMITED'S 2014 APPLICATIONS FOR A PERMANENT PRICE CHANGE AND THE INTRODUCTION OF A NEW BASIC TELEVISION PACKAGE

The Utilities Regulation and Competition Authority (URCA) today issued its Statement of Results and Final Decision in response to Cable Bahamas Limited (CBL) and its two applications for:

- a Permanent Price Change to its *'RETV Prime'* and *'RETV Business Prime'* packages (collectively *'SuperBasic'*); and
- the introduction a *"New Basic Television Service"* (to be marketed as *'Prime Local'* or *'RETV Prime Local'*).

On 7 October 2014 CBL submitted two applications to URCA for consideration under URCA's ECS 06/2014 document, "Regulation of Retail Prices for SMP Operators – Rules". CBL proposed to increase the current monthly price of its SuperBasic cable TV packages by \$8 (from \$30 to \$38) for RETV Prime residential subscribers and by \$14 (from \$50 to \$64) for RETV Business Prime commercial subscribers.. The other application was in regards to the new Basic Television Service, in which CBL proposed a six-channel Basic Television Service package in fulfilment of its statutory Universal Service Obligation (USO) under the

Communications Act, 2009 (Comms Act). CBL proposed to charge \$10 per month for this new service.

The proposed new Basic Television package will comprise of the mandated ZNS Channel 13, the Parliamentary Channel and the following four other channels:

- CALA Weather;
- Jones Communications Network (JCN);
- Bahamas Christian Network (BCN); and
- PBS – WPBT2 Miami.

As the applications were deemed to be matters of public importance, URCA published a consultation document and opened a public consultation process on 22 December 2014. The decision issued today follows an extensive consultative process which included Town Hall meetings in New Providence, Focus Group meetings in three Family Islands (i.e. Abaco, Grand Bahama, and Eleuthera) and written and emailed comments from members of the general public. URCA considered all written and verbal feedback in making its final decision.

URCA, having reviewed and analysed the applications and its supporting documentation, has approved CBL's application for a price increase (\$38 for residential subscribers and \$64 for REVTV Business Prime subscribers) and the introduction of a new Basic Television Service package. The approval allows CBL to implement the new prices in those geographic areas where CBL has a two-way digital cable network only, namely: New Providence, Abaco, Grand Bahama, and parts of Eleuthera. This is because the new Basic Television Service will also be offered in these areas.

For the elimination of doubt, CBL shall not implement the new prices in any area of The Bahamas where CBL has not also launched the proposed new Basic Television Service. In addition, any further implementation by CBL of the REVTV Prime package in any new areas will require a new application and URCA's further approval. Further and in response to the feedback from members of the public,

URCA's approval of the application for a new Basic Television Service is conditional on CBL fulfilling certain obligations imposed by URCA and contained in the final decision. These include a review and revision of the proposed late fee and the implementation of an appropriate public awareness campaign to ensure that the public is fully aware of the new Basic Television Service, along with terms and conditions. .

While URCA has accepted CBL's roll-out plan for the new Basic Television Service for the time being, which offers approximately 90% of Bahamians a choice between REVTV Prime and a lower-priced USO package, URCA has advised CBL that it is not satisfied with the proposed channel line-up for the new Basic Television Service. URCA has advised CBL that it considers that it would be reasonable and a demonstration of CBL's commitment to the Bahamian public, for CBL to offer a more favourable channel line-up within its USO pay TV package, including those channels that it provides free of charge to residents in specified Family Islands, which channel line-up includes ZNS Channel 13, Parliamentary Channel, ABC, NBC, Fox and CBS.

The full statement of results and final decision document provides details on how URCA arrived at its decision and also includes a summary of the responses gathered during the consultation process. The document maybe downloaded at <http://www.urcabahamas.bs/download/008474400.pdf> or a copy maybe collected from URCA's office at Frederick House, Frederick Street Nassau, New Providence

MEDIA CONTACT

Mavis Johnson-Collie, BSc., MA, LLB, CLE
Corporate & Consumer Relations Manager
Utilities Regulation & Competition Authority
Frederick House, Frederick Street
P. O.Box N-4860
Nassau, Bahamas
Tel. (242) 393-0234 (Main)
Tel. (242) 396-5201 (Direct)
Facsimile: (242) 393-0153
Web: www.urcabahamas.bs
mjcollie@urcabahamas.bs