



PRESS RELEASE – URCA ISSUES CELLULAR MOBILE LICENCES TO NEWCO2015 LIMITED

The Utilities Regulation and Competition Authority (URCA) today issued mobile operating licences to a second mobile operator, NewCo2015 Limited, to provide cellular mobile services within the Bahamas.

Background

On 13 November 2014, the Government of The Bahamas commenced a selection process for the second cellular mobile licensee consistent with the provisions of the Communications Act (the Comms Act), in particular section 114, with the issuance by the Government of a *Request for Proposals for Operating a Cellular Mobile Network and Providing Cellular Mobile Services in The Bahamas* (the “RFP”). The selection process was coordinated by the Cellular Liberalisation Task Force (the Task Force) appointed by the Minister with responsibility for the electronic communications sector (the Prime Minister).

On 18 October 2015, the Task Force announced that Cable Bahamas Limited (CBL) had emerged as the successful bidder of the RFP process, having made a financial bid of BSD 62,500,000 (sixty two million, five hundred thousand Bahamian dollars), and that the Government would be commencing negotiations with CBL regarding the establishment of the new cellular mobile provider for The Bahamas.

In early June 2016, the Utilities Regulation and Competition Authority (URCA) received notification from the Minister that it should proceed with the licensing of a new cellular mobile network operator and service provider, NewCo2015 Limited (NewCo). CBL, as the successful applicant under the RFP process, will have a 48.25% shareholding in NewCo as well as board and management control. A special purpose holding company set up by and currently wholly owned by the Government of The Bahamas, HoldingCo2015 Limited (HoldingCo), will own the remaining 51.75% of the shares of NewCo.

Following receipt of the notification from the Minister, URCA proceeded to complete the remaining matters pertaining to the award of licences, namely:

- Payment by CBL of the Spectrum Licence fees in the amount of BSD 62,500,000;
- Submission of documents of incorporation for NewCo;
- Submission of Business Licence and VAT registration for NewCo; and,
- Provision by NewCo of information regarding the Board, management and regulatory contacts for NewCo.

On 30 June 2016, all of the above formalities having been completed, URCA issued the following licences to NewCo:

- an Individual Operating Licence (IOL), authorising the operation of an electronic communications network and provision of carriage services; and,
- an Individual Spectrum Licence (ISL), authorising the use of specific allocations of premium radio spectrum.

Both licences have been awarded for a term of fifteen years, until 29 June 2031. Copies have been uploaded to URCA's website at <http://www.urcabahamas.bs/download/005434200.pdf> and <http://www.urcabahamas.bs/download/005445500.pdf>.

NewCo is required to meet cellular coverage and service obligations relating to the roll out of cellular mobile services across The Bahamas in accordance with the Individual Operating Licence (IOL) and Individual Spectrum Licence (ISL) granted. These requirements can also be found on URCA's website at <http://www.urcabahamas.bs/download/005456900.pdf>.

URCA is empowered under the Comms Act to penalise NewCo for failure to meet its licence obligations as set out in the referenced document. In addition, NewCo's performance with respect to the foregoing licence obligations will be secured by a Performance Bond in the total amount of \$18,200,000 (Eighteen million two hundred thousand Bahamian dollars) to be submitted to URCA within fourteen (14) calendar days of the licences being granted.

URCA has already commenced consultations on key regulatory and other measures required to ensure a fair and level competitive playing field in the cellular mobile market in The Bahamas, and will continue to engage with all stakeholders to that end.

URCA is excited that the ECS in The Bahamas has achieved this important milestone in the development of competition, and is optimistic that competition in the cellular mobile sector will bring measurable benefits to all consumers of electronic communications services and will boost the economic and social development of the country as a whole.