



QUARTERLY REPORT OF THE BOARD

COVERING THE PERIOD 1 JANUARY – 31 MARCH 2011

ECS 13/2011

21 June 2011

1. Introduction

As part of its continuing commitment to accountability and transparency, the Board of URCA is pleased to publish its Quarterly Report for the First Quarter of 2011, covering the period 1 January to 31 March 2011.

2. Summary of Key Actions – Audit Committee

- Risk Management –The Audit Committee completed its work in developing a risk assessment matrix aimed at recognising, prioritising and mitigating internal and external risks to the organisation. Executive Management has started to work on the actions and recommendations.
- Value for Money Audit – The Audit Committee, began the process of completing URCA’s Value for Money Audit as required under section 33(2)(c) of the URCA Act.
- Internal Audit function – The Audit Committee began the process of selecting an external provider following a competitive Request for Proposals (RFP) which was advertised locally.
- Financial Statements for Fiscal 2010 – The Audit Committee recommended to the Board that the 2010 financial statements be approved.
- Management Accounts - The Audit Committee reviewed URCA’s management accounts and financial performance for December 2010 through February 2011 and provided the Board with its comments on those accounts.

3. Summary of Key Actions – Operations

- DPR Recruitment – Following a competitive selection process that drew local and international candidates, the Board announced in January 2011 that it had selected Mrs. Kathleen Riviere-Smith to fill the vacant position of Director of Policy & Regulation (DPR).
- Annual Report and Annual Plan for 2011 – During the quarter, the Board, with the recommendation of the Audit Committee, approved the financial statements; thereafter, URCA’s auditors, PricewaterhouseCoopers, issued their unqualified auditors’ report on those statements. The Board finalised URCA’s Annual Report and Annual Plan for 2011.
- Human Resources – Executive Management updated the Board on several human resources initiatives, including efforts to modernise policies and procedures, regularise contracts, and the conclusion of the 2010 performance reviews.

Additionally, the Board was briefed on other efforts to assess employee engagement through a survey, and initiatives to recognise achievements.

- Procurement and Tendering Policies – The Board was also notified that URCA had received 40 responses to its Request for Proposals for Professional Services and, after reviewing the submissions, had settled on a final list of firms and individuals, from which list URCA would select for regulatory advice. The Board agreed that URCA would develop a similar competitive tendering policy for non-regulatory services.
- Engagement with Government Officials – The Board was updated on the CEO’s courtesy visit with the Minister of Environment and Minister of State for Environment in January, to discuss matters of mutual interest.
- Litigation – The Board was notified that the Cable Bahamas judicial review litigation in Freeport had been adjourned from January to April.
- The Board has been kept updated and abreast of significant PR initiatives and responses during the month of February and March in relation to media reports during the privatisation exercise and regulatory review by URCA.

4. Summary of Key Actions – Regulatory

- The Board was updated on the progress to assess alternative database systems that would assist with improving the daily updates of the ships’ register maintained by the Bahamas Maritime Authority in London, England.
- The Board was updated that the current deliberations of the Industry Working Group on Content Codes had wound down and moved into the next phase where URCA will prepare Draft Codes based on the recommendations received from the Working Group.
- Spectrum Monitoring – The Board was briefed on URCA’s spectrum monitoring activities during the quarter and the effectiveness of the new equipment.
- SMP obligations – The Board was updated on the progress of BTC and CBL towards compliance with their respective SMP obligations. In particular, that the following was noteworthy:
 - BTC’s RAIO - URCA had issued its Response to the public consultation and Final Decision on BTC’s Draft Reference and Access Interconnection Offer (RAIO) in January. BTC submitted its revised draft RAIO in February and

URCA was analysing the revised document to determine if it was compliant with URCA's earlier Final Decision.

- Accounting Separation - BTC submitted its revised Separated Accounts to URCA during the Quarter and URCA was carrying out further reviews to determine if it was compliant with URCA's earlier Final Decision.
 - Untying – CBL was deemed compliant on its untying obligation in early February but was required to provide URCA with monthly and quarterly reports on the node conversion process in the four major islands.
 - Retail Price Regulation - During the Quarter, BTC submitted its initial tariffs to URCA as required by this SMP obligation, including their updated contracts which URCA would review.
- The Board approved URCA's Final Adjudication approving the merger of CBL and SRG following URCA's 90-day in-depth investigation of the application to merge the businesses and a complete review of the legal and competition issues.
 - The Board was briefed on the application of Cable & Wireless Communications (CWC) and BTC for approval to a change of control in BTC following the Government's announcement that it had agreed to sell 51% of the shares in BTC to CWC, and the subsequent receipt of responses following the publication of a Notification of the Change of Control application. The Board approved URCA's Final Adjudication approving the change of control of BTC.
 - The Board was advised that URCA had finalised the resolution of the inbound international calls dispute between BTC and SRG by issuing a Supplemental Order after exchanges with several supplementary issues were raised by SRG.
 - During the Quarter under review, the Board approved regulatory and other measures, including those that resulted in the following documents being published:
 1. Notice on Opening New Spectrum Bands and Expressions of Interest.
 2. CBL's Resale Broadband Resale Offer (ECS 11/2010, Section 5.1.3).
 3. ECS 01/2011 – Response to Public Consultation and Final Decision on BTC's draft Reference Access and Interconnection Offer.
 4. ECS 2/2011 – New Licence Application Form.

5. ESC 3/2011 – New Licence Application Form for Amateur Radio Services.
6. Order and Supplemental Order under section 95 of the Communications Act to BTC and SRG regarding termination of inbound international calls to BTC's network.
7. Market update on compliance with SMP Obligations by BTC and CBL.
8. Notice of Final Adjudication on the merger of SRG and CBL.
9. Request for Proposals for Internal Audit Services
10. Notice of the proposed change in control of BTC.
11. Responses to Public Consultation on the Review of Public Service Broadcasting (ECS 29/2010).
12. Notice of Adjudication on the change of control of BTC.
13. Market update on competition investigations.
14. Request for Proposals for Efficiency Study of BTC.