



# **QUARTERLY REPORT OF THE BOARD**

*COVERING THE PERIOD OCTOBER 2009-DECEMBER 2009*

**ECS 05/2010**

**15 February 2010**

**UTILITIES REGULATION & COMPETITION AUTHORITY**

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## Background

The new regulator for the communications industry, the Utilities Regulation and Competition Authority (URCA) was established on 1 August 2009 with the coming into force of the URCA Act 2009. The Board comprises a Chairman, two Non-Executive Members, and two Executive Members. The Board is served by a Secretary to the Board. The first Board meeting took place in October 2009, followed by monthly meetings in November and December 2009. All Board meetings were attended by all Board Members and the Secretary to the Board.

This is the first quarterly report of the Board summarising its key activities during its first quarter of operation. It is provided for information purposes, with the objective of improving accountability and transparency of URCA.

## Summary of Key Actions

### 1. Corporate Governance

- The Board approved the appointment of Mr Vincent Wallace Whitfield as Secretary to the Board.
- The Board approved the adoption of the URCA seal.
- The Board approved a comprehensive Corporate Governance approach, supporting with agreed terms of reference for the:
  - Board, including duties covering Remuneration and Nominations.
  - Chairperson
  - Deputy Chairperson
  - Chief Executive Officer
  - Executive Member
  - Non-Executive Members
  - Secretary to the Board
  - Principles guiding the relationship between the Chairperson, Chief Executive Officer and Director of Policy & Regulation
  - Audit Committee.
- The Board approved a Conflicts of Interest Policy and its implementation through an approved Conflicts of Interest Declaration for Board Members and all staff.

- The Board approved a Confidentiality Agreement and its implementation for Board Members and all staff.
- The Board approved the Final Audit and Financial Statement of Public Utilities Commission.
- The Board approved the 2009/10 Budget for URCA.
- Mr Philip B. Stubbs was appointed Chairperson of the Audit Committee.
- PriceWaterhouseCoopers (PWC) were selected as the auditors for URCA, subject to approval of the Attorney General, the Minister responsible for URCA.
- Mr. J. P. Morgan was appointed as Deputy Chairperson of URCA.
- The Board approved the Draft Annual Plan and Strategy and its publication before 31 December 2009.

## **2. Regulatory Matters**

- The Board established a process for review of and input into regulatory decisions.
- The Board approved the following regulatory measures and actions:
  - Final Determination covering the terms and conditions of Licenses, Exemptions and Types of Fees
  - Final Determination on the Weighted Average Cost of Capital (WACC)
  - The decision to issue a Group Licence to Cable Bahamas Ltd and Caribbean Crossings Ltd
  - The National Spectrum Plan and its submission to the Prime Minister, as the Minister responsible for the communications sector.
  - Notice of revocation which was advertised in the national newspapers, for those persons or companies whose licenses were revoked for failure to transition their licenses under the new regime.
- The Board has been regularly updated on:
  - Regulatory proceedings and industry engagement following the publication of the Preliminary Determination on the Types of Obligations for operators with Significant Market Power (SMP)
  - Progress on the transition of licenses
  - Development of Guidelines for handling various areas of Competition Policy
  - Investigation of complaints relating spectrum interference

- Investigations into complaints of anti-competitive conduct
  - Plans for consultation and industry engagement in relation to Public Service Broadcasting (PSB) and Content Regulation.
  - the progress being made in the assessment of how best to implement universal service policy
  - all litigation currently in the courts and efforts being made to resolve the issues.
- The Board approved the business case for investing in spectrum monitoring equipment which will enable URCA to effectively monitor the radio spectrum from the range of 3GHz to 30GHz.

### **3. Operational Matters**

- The Board reviews, on a monthly basis, the financial performance of URCA.
- The Board has been apprised regularly on URCA's plans to relocate to new office premises, and has approved the decision of the Executive Members to proceed with the lease of the UBS Annex.
- The Board approved the position that all fees received from the Bahamas Maritime Authority (BMA) prior to 1 September 2009 would be retained by URCA.
- The Board has been regularly briefed on various initiatives to revamp the Human Resources strategy.

### **4. Subsequent Events**

The Board approved the following regulatory measures and actions:

- Publication of Interim Codes covering Political Broadcasts required for the regulation of the bye-election to be held on February 16 2010 in the Elizabeth constituency.