



QUARTERLY REPORT OF THE BOARD

COVERING THE PERIOD 1 JULY – 30 SEPTEMBER 2012

ECS 24/2012

10 December 2012

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 Third Quarter of 2012, covering the period 1 July to 30 September 2012.

2. Summary of Key Actions – Audit Committee

- Internal Audit function – The Audit Committee met with and discussed the Internal Auditor’s report on URCA’s implementation of recommendations arising from three of the four internal audits conducted regarding Key Performance Indicators (KPIs), Fees & Billings and Information Security Controls. As a result of the Internal Auditor’s recommendations, URCA had obtained customised changes to its ACCPAC software in order to provide itemised bills to licensees for 2013. The new billings will allow licensees to confirm what services and spectrum have been granted under their licences. The Audit Committee also agreed the need to ensure that URCA’s KPIs are being carried out as part of the Committee’s value-for-money mandate. The Internal Auditor is to provide the Committee with an update on the implementation of the recommendations affecting Human Resources & Administration.
- Financial Statements for Fiscal 2012 – The Audit Committee was advised that URCA’s External Auditors would commence their interim audit for 2012 in November and would return in February 2013 to complete the year-end audit.
- Management Accounts - The Audit Committee reviewed URCA’s management accounts and financial performance for June through September 2012 and provided the Board with its comments on those accounts.
- Spectrum Administration – The Audit Committee reviewed URCA’s expenditures on spectrum administration for Fiscal 2011 versus its year-to-date expenditures on this area for Fiscal 2012 from a value-for-money perspective. The Committee is concerned that URCA is not reasonably recovering its costs of spectrum administration.
- Reappointment of Audit Committee Chairperson – The Board has reappointed Mr. Phillip Stubbs as Chairperson of the Audit Committee commencing 1 November 2012.

3. Summary of Key Actions – Operations

- DPR Recruitment – The Board approved the appointment in July of Mr. H. Stephen Beraux as Director of Policy & Regulation for a period of 3 years with effect from 17

July 2012. With Mr. Bereaux's appointment, all vacancies in the Executive Members of the Board had now been filled.

- Human Resources – The Board was updated each month on Human Resources initiatives, including initiatives to review and revise URCA's performance management and compensation system, recruitment and restructuring processes. The Board approved the purchase of a Human Resources Information System to improve the efficiency of the management of the HR functions.
- The Board has been kept updated and abreast of significant management decisions as they arise during each month.
- Licence Fees - The Board was regularly updated on various queries from licensees, and actions to resolve and collect URCA Fees or Communications Licence Fees.
- Appointments and Restructuring - On 1 August 2012, Mr. Randol Dorsett was appointed by the Governor-General acting on the advice of the Prime Minister pursuant to section 14(1) of the URCA Act as Non-Executive Member and Chairperson of URCA for a three-year term. Mr. Dorsett, who is a partner in the law practice of Graham Thompson & Co., has represented Cable Bahamas Ltd. (CBL) in legal matters prior to his appointment to URCA's Board. Upon his appointment to URCA's Board, Mr. Dorsett disclosed that representation of CBL by his law firm was assigned to other attorney's in the firm. Mr. Dorsett no longer has any such dealings with Cable Bahamas Limited or any other licensee of URCA. These facts were disclosed to the Board by Mr. Dorsett at the August 2012 meeting of the Board. The Board took a decision that Mr. Dorsett will recuse himself from participation on any matters which are brought to the Board in which his law firm represents any licensee. With these actions, , the Board has accepted that appropriate and satisfactory measures had been put in place to address any potential conflicts of interest and are sufficient to address any claims of a conflict of interest on the part of Mr. Dorsett. At its August 2012 meeting, the Board also decided to publish these facts on URCA's website in its quarterly report of Board activities. Mr. Dorsett replaced former Non-Executive Member and Chairperson, Wayne J. Aranha, whose term ended on 31 July 2012. The Board also approved the appointment in July of Mr. C. Vincent Wallace Whitfield as General Counsel and Secretary to the Board for a period of 5 years with effect from 1 August 2012. The Board also approved other reporting changes regarding the Corporate & Consumer Relations Manager.
- Training – The Board was notified that URCA is reviewing the cost of providing on-demand soft skills training for staff and the organisation's training policy to provide a structured approach to URCA's training and development plan.

- Strategic Planning – In order to strengthen the strategic planning process, the Board agreed to conduct various strategic planning initiatives with staff members that would be facilitated by a local consultancy firm.

4. Summary of Key Actions – Regulatory

- The Board was made aware of various newspaper articles and comments that arose in the press from URCA decisions and/or consultations during the period and, where necessary, press releases had been issued to clarify URCA's position on those issues.
- Jurisdictional Issues – The Board was kept abreast of matters pertaining to URCA's regulatory jurisdiction in the Port Area of Freeport, Grand Bahama, and discussions held with Government officials on the matter.
- Number Portability –The Board was advised that URCA's Number Portability Working Group, comprised of all major industry players and members of URCA's staff and advised by James Wild of Laurasia Associates, met several times during the period to develop and make recommendations to URCA on the outstanding technical and administrative issues regarding the implementation of Number Portability in The Bahamas. URCA issued and received several responses to a Request for Proposals for a Number Portability Administration Service, and made progress toward selection of a preferred provider.
- Electronic Communications Sector (ECS) Policy – The Board was updated on the drafting of the next Sector Policy document for the 2012 to 2015 period, URCA's engagement with relevant stakeholders on the matter and the proposed time frames for submission of the draft document to the Prime Minister to satisfy the requirements of the Communications Act.
- Spectrum Administration – The Board reviewed the matter of spectrum administration from the standpoint of the recovery of URCA's administrative costs, future replacement of equipment, interference or illegal usage infractions and time frames for the drafting of the next Spectrum Plan for the period 2013 to 2016 as required by the Communications Act.
- The Board has been regularly updated on:
 - Investigations of complaints of anti-competitive conduct and breaches of the Content Code.
 - Engagement with the industry in relation to Content Regulation and with the Government in relation to Public Service Broadcasting.

- All litigation involving the Public Utilities Commission and/or URCA currently pending in the Courts.

- Cable Bahamas SuperBasic Price Increase Application – The Board approved URCA’s public consultation plan including town meetings and the itinerary of Family Island locations for this application.

- During the Quarter under review, the Board approved regulatory and other measures, including those that resulted in the following documents being published:
 1. ECS 20/2012 – Statement of Results and Final Decision on the BTC Efficiency Study
 2. ECS 21/2012 – Public Consultation: Setting Regulated Interconnection Charges of the Bahamas Telecommunications Company Ltd. (BTC) Going Forward
 3. Final Determination on the Implementation of Number Portability in The Bahamas
 4. ECS 23/2012 – Public Consultation: Cable Bahamas Ltd. Application for Permanent Price Change for SuperBasic Cable Television Services
 5. Notice revoking Class Operating Licence Requiring Registration and Individual Spectrum Licence issued to Sawtel Co. Ltd. on 18 January 2010



C. Vincent Wallace Whitfield
Secretary to the Board