



URCA Draft Annual Plan 2016

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1. Background

1.1 Introduction

The Utilities Regulation and Competition Authority (“URCA”) is pleased to publish its Draft Annual Plan for 2016. The remainder of this document outlines:

- A review of URCA’s achievements in 2015;
- A summary of URCA’s strategic priorities as established in its Strategic Plan 2014 – 2019;
- URCA’s focus areas and key priorities for 2016;
- URCA’s key projects for 2016, including its planned consultation schedule for the year;
- A series of the key performance indicators which URCA shall use to measure its performance during the year; and,
- URCA’s budget for the forthcoming financial year.

URCA hereby invites and welcomes comments and submissions from members of the public, licensees and other interested parties on the matters contained in this Draft Annual Plan. Details on how to respond are in Section 5.

1.2 Review of URCA’s Achievements in 2015

The final version of URCA’s 2015 Annual Plan was published on 30 April 2015 together with URCA’s Annual Report for 2014. While URCA’s on-going work as the regulator of the Electronic Communications Sector (ECS) continued, URCA’s focus was on projects and efforts toward the introduction of competition in the cellular mobile market.

To that end, during 2015 while URCA proposed and worked on a number of projects designed to further several broad priorities, extracted from the Strategic Goals set out in the Plan, the completion of tasks outside the cellular mobile liberalisation project was adversely affected by priority given to that work stream. The work that was undertaken is described briefly below in the context of each of the identified priorities:

1.2.1 Preparation for Mobile Liberalisation

The Government noted in the ECS Policy that cellular competition is a key objective for the ECS sector moving forward, and directed URCA to take all necessary steps to introduce competition in the cellular services market in The Bahamas as expeditiously as possible following the expiry of the Bahamas Telecommunications Company Limited’s (BTC) exclusivity period. The Government further urged URCA to take steps to equip itself with the necessary regulatory tools which will be required to effectively regulate a competitive cellular market in the best interests of The Bahamas, after the expiry of BTC’s exclusivity.

The exclusivity afforded to BTC in the provision of cellular services expired on 7 April 2014, and upon expiry of the exclusivity, the Prime Minister appointed the Cellular Liberalisation Task Force (the “Task Force”) to consider and make recommendations on the process for selection of a new cellular provider.

Consequent to the Prime Minister’s decision upon receipt of the Task Force’s recommendations, the *“Request for Proposals to Operate a Cellular Network and Provide Cellular Services in The Bahamas”* (the “RFP”) was issued by the Government of The Bahamas on 13 November 2014. The closing date for receipt of applications was 11 February 2015. The Selection Process, coordinated by the Task Force on behalf of the Government, comprised the following two stages:

- (i) Phase 1 – an assessment and scoring of the technical and financial plans of applicants conducted by an Evaluation Committee appointed by the Prime Minister in Phase 1; and,
- (ii) Phase 2 – the “Auction Phase” comprising an auction of Specific Blocks of Radiofrequency Spectrum amongst applicants qualified via Phase 1, conducted by URCA on behalf of the Prime Minister.

The successful applicant consequent to the Selection Process will own 49% of and have management control of a special purpose corporate vehicle currently referred to as “NewCo” which will be granted the licences by URCA enabling the provision of cellular mobile services in The Bahamas.

Phase 1 of the Selection Process ended in April 2015 with the presentation to the Prime Minister of the results of the Phase 1 evaluation, in which the Task Force confirmed that the two remaining applicants Cable Bahamas Limited (CBL) and Virgin Mobile Bahamas Limited (VMBL) had both achieved the required Phase 1 score to proceed to the Auction Phase. The Prime Minister accepted the results of Phase 1, and instructed URCA to proceed with the Auction Phase.

Delays occurred to the Selection Process at the outset of the Auction Phase, as a result of complaints submitted to URCA in respect of the construction of electronic communications towers by or on behalf of CBL. URCA conducted a thorough investigation between April and August 2015, and determined that while CBL had breached certain requirements of the RFP in failing to provide adequate information about its tower construction, that tower construction did not impact the fairness of the Selection Process. URCA imposed a fine in the amount of five hundred thousand dollars (\$500,000) upon CBL in respect of its breaches of the RFP and/or the Auction Rules, and resumed the Auction Phase on 19 August 2015.

The design of the Auction was as follows:

- The Auction was conducted online using a software based auction platform owned, hosted and managed by NCI Inc., an experienced United States based provider of auction solutions, selected by URCA.
- The Auction was an ascending multi-round auction, with the highest bidder at the end of any round being the bidder whose highest financial bid combined with its Phase 1 Score (with a 50-50 weighting) resulted in the highest overall score.

- Bids made in the Auction were secured by Pre-Auction Payments made by each bidder to URCA in an amount determined by URCA, based on the financial bids in place at any given time.

The Auction commenced on 21 September 2015, with the hosting of mock auction and bidder training sessions for both bidders. The Live Auction commenced at 10:00 AM on 28 September 2015, and continued for 112 rounds, ending on 16 October 2015. At the end of the Auction, CBL emerged as the highest scoring bidder, committing to a financial bid of \$62,500,000. The Government commenced negotiation with CBL to agree upon the full terms for CBL's operation of the second cellular mobile operator in The Bahamas. Those negotiations continued as at the end of 2015, and URCA is prepared to issue the necessary licences once Government confirms the selected applicant to URCA.

In parallel with its work on the Selection Process, and in order to ensure robust regulation of the competitive cellular service market, during 2015 URCA developed several other regulatory measures to facilitate cellular liberalisation, including:

Infrastructure Sharing

URCA is cognisant that the imminent introduction of cellular mobile competition in The Bahamas would result in the construction of new towers to accommodate new cellular radio equipment. In URCA's view, if left unchecked such construction may present significant challenges to public safety, health and the environment. Therefore, URCA in 2013 commenced work toward Infrastructure Sharing Regulations which would serve to minimise the duplication of towers throughout The Bahamas and mitigate any harm or the perception of harm resulting from tower construction. Moreover, URCA considered that the sharing of facilities would have the effect of reducing barriers to entry into the electronic communications sector.

Public consultation on the Infrastructure Sharing Regulations commenced on 8 December 2014. URCA published its Statement of Results on the consultation and the Final Infrastructure Sharing Regulations (ECS 05/2015) on 3 September 2015.

Revision of the Access and Interconnection Regime

URCA conducted a review of its Access and Interconnection regulatory framework to ensure that they are sufficiently robust to address interconnection in the context of a liberalised cellular mobile market. URCA's review suggested that there were significant delays occurring in the interconnection process which could present barriers to entry, and to that end, URCA sought to introduce new regulatory measures to implement tighter requirements for timely negotiation and implementation of interconnection. The Preliminary Determination on Proposed Revisions to the Access and Interconnection Framework was published on 6 May 2015. Comments were received from interested persons, and the Final Determination on Revisions to the Interconnection and Access Framework (ECS 08/2015) was published on 30 December 2015.

The revised framework introduces clear timelines for the negotiation of interconnection agreements between licensees, timelines for implementation of those agreements; timelines for negotiation and implementation of changes to existing interconnection; and restrictions on the right of a licensee to interrupt or impair interconnection once implemented. This supplements the previously existing framework which contains clear guidelines for the matters which must be included in an interconnection agreement, and requirements for publication of Reference Access and Interconnection Offers (RAIOs) by certain licensees.

SMP Assessment for New Mobile Operators

URCA prepared preliminary work in relation to matters such as significant market power (SMP) assessment for mobile operators. Once a licence is granted to a new cellular services provider, URCA will commence the process for implementation of any reforms in this regard.

Mobile Number Portability

URCA has prepared itself to implement mobile number portability, to coincide with the introduction of competition in the cellular services market. The process for implementation will commence once the relevant licence is granted to the new cellular services provider.

Review of BTC's RAIO

URCA has conducted its review of the services offered in BTC's RAIO to ensure that all necessary services are included in the RAIO and provided to the new cellular services provider. To that end, URCA will shortly issue a consultation document addressing the following issues, in order to implement any necessary changes to BTC's RAIO in time for the introduction of competition in the cellular services market:

- **National Roaming** – The new cellular mobile provider will be required to meet stringent roll out and other obligations as set out in the RFP, which will be included in its licence. However, The Bahamas, as an archipelagic nation with parts of its population distributed on remote islands in small communities, may present particular challenges for the quick roll out of services throughout the country. It is intended that the new provider will provide service throughout The Bahamas from its initial launch, despite not having yet built its own network infrastructure. URCA will therefore consult on the possibility for the new provider to achieve national coverage by using roaming on the incumbent's network, as an interim measure only prior to achievement of the roll out requirements set out above.
- **Points of Interconnection** – Currently, all interconnection to BTC's network is via points of interconnection on BTC's fixed network. This means that a call from other networks to BTC's cellular mobile network must pass via BTC's fixed network, incurring a transit charge in addition to any applicable termination charge. URCA proposes with the introduction of cellular competition, to require that BTC introduce the option of direct connectivity to its cellular mobile network, with corresponding amendments to its RAIO.

- **Interconnection of Short Message Services (SMS)** – The introduction of competition in the cellular mobile market will, for the first time, necessitate the inclusion of SMS as an interconnection service in the BTC RAIO, to ensure that provisions are in place for SMS messages to pass between competing cellular mobile networks. URCA’s work on revisions to the BTC RAIO will include proposals for the introduction of SMS interconnection.
- **Introduction of a Domestic Mobile Termination Rate** – Currently, domestic calls to cellular mobile networks in The Bahamas are not charged to the calling party, but to the mobile party (i.e. the receiving party). As a result it has not been necessary to include a regulated cellular mobile termination rate for domestic calls in the BTC RAIO (an international rate is included). It is anticipated that with cellular mobile competition calls between mobile numbers on separate networks will be charged to the party initiating the call (i.e. “calling party pays” or “CPP”) and therefore the costs of mobile termination will be charged to the originating operator. In such circumstances, a cellular mobile termination rate will be needed.

Review of Retail Pricing Rules – Mobile Services

URCA’s research indicates that competition in the cellular mobile market will be more agile than competition for fixed services. URCA’s retail pricing rules were designed within the context of a monopoly in cellular services, and as such, URCA is seeking to review and revise the framework to be more suitable for cellular competition. The consultation document on these changes has been a key project in 2015 and is expected to be published early in 2016.

1.2.2 Protection of Consumers

On 30 December 2013, URCA published its Consumer Protection Regulations, which provided for various rights and obligations of consumers in relation to the electronic communications services provided in The Bahamas. The most significant obligations under the Regulations fall upon BTC and CBL as providers with SMP and URCA has been seeking to ensure compliance with the Regulations by both operators. URCA continued throughout 2015 to experience challenges with implementation by BTC and will, in early 2016, seek full compliance. In the event that the current challenges continue, URCA will move to address BTC’s non-compliance in accordance with the provisions of the Communications Act and the Consumer Protection Regulations.

Improving Quality of Service

A key aspect of protection of consumers is ensuring a high quality of service, where competitive pressures are inadequate to do so. To that end, URCA commenced work in 2014 on Network Quality of Service Regulations, which URCA had anticipated consulting on in 2014. This was not achieved largely due to the focus on activities related to cellular liberalisation and human resource constraints. However, URCA commenced consultation on the Draft Quality of Service Regulation and Network Performance Metrics (ECS 06/2015) on 22 December 2015, and will complete the project in 2016.

Enforcement of Licence Obligations

URCA also investigated outages and other service failures by operators, particularly those with SMP. On 24 March 2014 URCA commenced an investigation into a widespread network outage experienced by BTC on 22 March 2014 (the March 2014 Network Outage). Following a detailed and in-depth investigation, on 8 December 2014, URCA issued a Preliminary Determination and Draft Order to BTC, followed by a Final Determination and Order on 21 March 2015 in which URCA found that BTC had breached Condition 27.1.1(a) of its individual operating licence, by failing to take all reasonably practicable steps to maintain, to the greatest extent possible, the proper and effective functioning of its public telephone network. URCA imposed a fine in the amount of \$1,581,384.64 as well as other behavioural remedies. The fine was to be paid in the manner directed by URCA. URCA directed BTC to pay the amount of \$527,128.21 to URCA, being one third of the fine, and to make proposals for the remainder of the fine to be satisfied by way of customer compensation.

With the passing of Hurricane Joaquin through the islands of The Bahamas in October 2015, and the devastation caused particularly in the Southern and Central Bahamas, URCA considered that this urgent issue was a more appropriate way to achieve the objectives for using the fine to assist users of electronic communications in The Bahamas. URCA therefore directed BTC to pay the remainder of the fine, in the amount of \$1,054,256.43, to URCA, which URCA paid onward to assist the Hurricane Relief effort coordinated by the National Emergency Management Agency (NEMA).

1.2.3 Encouraging Competition

URCA continues to work toward reducing barriers to entry for new entrants and introducing properly designed regulatory measures, particularly in respect of dominant operators in specific markets, in an effort to stimulate and maintain competition. During 2015, while focussing its attention on introduction of competition in the cellular mobile market, URCA also introduced improvements and measures in its regulatory framework to encourage competition.

Implementation of Remedies in Retail Markets

URCA's economic regulation of competition in the ECS is centred around its processes for regulation of licensees with Significant Market Power (SMP) which processes were based on the transitional provisions contained in the Comms Act. During 2014 URCA completed the process to review key retail markets. The purpose of this market review was to determine which, if any, Licensees have SMP in the identified services markets.

During 2015 URCA commenced a project to introduce of the remedies that were recommended based on the 2014 market review, in particular, price caps on key retail services which would enable increased flexibility for operators while preserving regulatory certainty. This project is expected to continue in 2016, with completion anticipated in the second trimester.

Addressing Anti-Competitive Behaviour

During 2014, URCA also completed its consideration of an on-going investigation into a complaint of anti-competitive behaviour submitted by BTC against CBL in relation to the refusal by CBL Media Limited (a subsidiary of CBL) to carry advertisements of BTC's broadband products. URCA's Final Adjudication is expected to be issued in early 2016

Regulating Retail Prices

URCA's retail price regulation framework requires applications and or notifications to be made to URCA in respect of price changes for regulated services as well as promotions. During 2015 URCA received 17 applications and 4 notifications in respect of changes in pricing (either temporary or permanent).

In 2015 URCA also completed its consideration of CBL's applications, submitted on 7 October 2014, for approval to permanently increase the current monthly price for its 'SuperBasic' services (marketed as 'RETV Prime'), and to introduce a "New Basic Television Service" (to be marketed as 'Prime Local' or 'RETV Prime Local'). URCA's decision, published on 30 December 2015 approved CBL's applications with specific conditions. It is expected that the changes will be implemented by CBL in 2016, provided that CBL can demonstrate that it has satisfied URCA's pre-conditions.

Review of Accounting Separation Results of SMP Operators

The Separated Accounts of SMP operators are submitted to URCA annually for review, to ensure their consistency with URCA's established Guidelines, to identify any regulatory impact and to ensure they remain fit for purpose moving forward. Reviews begin upon submission of the accounts according to SMP Operators' respective annual due dates which for CBL is 30 June whereas BTC's due date is 30 September of each year. URCA completed the review of BTC's separated accounts for 2013 in May 2015, and completed the review of CBL's 2014 accounts in August 2015. The review for BTC's 2014 accounts is continuing as at the end of 2015, and is expected to be completed during the first Trimester of 2016.

Resolving Disputes in the ECS

Having completed its Alternative Disputes Resolution (ADR) Schemes for disputes between licensees (ECS 20/2014), URCA had expected to publish its ADR Schemes for disputes between consumers and licensees during 2015. However, this work was delayed and unable to be completed in 2015 due to human resource constraints. The document has been scheduled for publication in 2016.

Licensing Operators of Network; Providers of Services and Users of Spectrum

In 2014 URCA intended to review and revise its Licensing Framework, having regard to the knowledge gained by URCA in the five (5) years since the framework was introduced in 2009. It was not possible to complete this work in 2014, or 2015. The consultation document is now scheduled to be published in the first Trimester of 2016.

1.2.4 Promoting Affordable Access to Services throughout The Bahamas

Since 2012, URCA has worked assiduously on the Universal Service Obligations (USO) as contemplated by the Comms Act. In 2013, URCA published its Statement of Results and Final Decision (ECS 01/2013) on the “Framework for the Clarification and Implementation of Existing Universal Service Obligations under section 119 and Schedule 5 of the Comms Act”. More recently, on 19 August 2014, URCA commenced consultation on the “Guidelines for the Calculation of Net Avoidable Costs of the Universal Services” for BTC (ECS 15/2014) and CBL (ECS 16/2014). The consultation period is now closed and the Statements of Results and final Net Avoidable Cost Guidelines, which have been delayed due to human resource constraints, were finally published on 30 December 2015.

The development of the following documents is on-going:

- Affordability Guidelines for Universal Services;
- Implementation plans for the roll out of universal services by Universal Service Providers;
- Quality of Service Indicators for Universal Services;
- Consumer Awareness of consumers’ rights under the Universal Service Framework; and
- Obligations in relation to the disconnection of Universal Services.

1.2.5 Promoting a Wide Range of High Quality Content Services

On 2 March 2012, URCA issued the “Code of Practice for Content Regulation” ECS 06/2012 (the Code) which, in accordance with Part IX (and sections 52 and 53 in particular) of the Comms Act established a framework for URCA to regulate content broadcast on radio, television and pay TV in The Bahamas.

In 2014 the Content Regulation Industry Group (CRIG), a joint regulator/industry working group envisaged by the Code met regularly with a view to reviewing the Code. This work continued throughout 2015 and it is expected that a draft revised Code will be published for consultation in 2016. Although a comprehensive review was undertaken, the scope of the proposed changes to the Code is expected to be minor.

1.2.6 Managing Radio Spectrum Effectively and Efficiently

URCA will continue with initiatives to not only manage the spectrum effectively, but also to ensure that it is used optimally so as to promote the availability of the highest possible quality and variety of services to all persons in The Bahamas.

In 2014 URCA continued work on technical standards for FM Broadcasting in The Bahamas including the hosting of an information session for broadcasters in the first trimester. URCA published its consultation document on Technical Standards for FM Broadcasting in The Bahamas (ECS 07/2015) on 22 December 2015, with consultation expected to close on 12 February 2016.

In keeping with its objectives as set out in section 32 of the Comms Act pertaining to radio spectrum management, URCA in 2015 continued with the daily spectrum monitoring on the island of New

Providence. Additionally, a spectrum occupancy compliance survey was conducted on the island of Eleuthera in an effort to ensure compliance across a wider cross section of the Bahamas. On the island of New Providence, a spectrum utilization survey of the cellular mobile band was undertaken to ensure compliance by incumbent licensees with their licences. The analysis of the results of the survey is ongoing and any consequential regulatory action may be taken in 2016.

1.2.7 International Participation and Engagement

The nature of electronic communications is that in order to implement and encourage development within The Bahamas, it is necessary to be part of the international community of regulators and governments seeking to develop information and communications technologies (ICT) on a global level. Thus URCA has during 2015 continued its work to cement The Bahamas as an integral part of the international discussion on ICT, and to do its part toward establishing The Bahamas as the regional centre of excellence for ICT.

International Telecommunication Union (ITU)

The ITU is the United Nations specialized agency for ICTs. The ITU allocates global radio spectrum and satellite orbits, develops the technical standards that ensure networks and technologies seamlessly interconnect, and strive to improve access to ICTs to underserved and unserved communities worldwide. The Bahamas is a member country of the ITU by virtue of being a signatory of the ITU Convention, and URCA, by virtue of a delegation by the Minister under section 7(c) of the Comms Act, represents the Government of The Bahamas at the ITU.

During 2015, URCA hosted the Regional Economic and Financial Forum of Telecommunications/ICTs for Latin America and the Caribbean, organized by the Telecommunications Development Bureau (BDT) of the ITU, and the Meeting of the ITU Telecommunications Sector's (ITU-T) Study Group 3 Regional Group for Latin America, at the British Colonial Hilton in Nassau, Bahamas.

The Forum, which took place from 21-22 April 2015, provided a platform for dialogue and an exchange in knowledge between national regulators, policy-makers and other Telecommunication/ICT stakeholders on economic and financial issues for Latin America and the Caribbean. Topics discussed included network neutrality, over-the-top applications (OTTs), and the regulation of broadband. In addition to these topics, members of URCA's policy and regulation team made presentations on significant market power and consumer protection.

URCA represented The Bahamas at the World Radiocommunications Conference (WRC 2015), which was held at the ITU's headquarters in Geneva, Switzerland from 2 to 27 November. The Conference revised the Radio Regulations, the international treaty governing, *inter alia*, the use of the radio-frequency spectrum. The conference's work was been focused on issues of global interest, such as climate change monitoring, public protection and disaster relief communications, mobile broadband services, safety and distress communication systems for maritime and aeronautical service and global flight-tracking for civil

aviation, following international concern due to the disappearance of Malaysia Airlines flight MH 370 in 2014.

In December 2015, URCA also hosted the 5th Annual ITU Green Standards Week (GSW 2015) at the Atlantis Hotel and Conference Centre. The Green Standards Week Conference is organised by the ITU together with the Basel Convention Regional Centre for the Caribbean Region (BCRC-Caribbean), the Basel Convention Regional Centre for the South American Region (CRBAS), the Economic Commission for Latin America and the Caribbean (ECLAC), the Regional Bureau for Sciences in Latin America and the Caribbean of the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Human Settlements Programme (UN-Habitat), the United Nations Industrial Development Organization (UNIDO) and the United Nations University (UNU). Green Standards Week acts as global platform for discussion and knowledge-sharing in order to raise awareness of the importance and opportunities of using ICTs to expedite the transition to smart sustainable cities and ensuring a sustainable urban future. The Conference brought together leading specialists in the field, from top policy-makers to engineers, designers, smart city planners, government officials, regulators, standards experts, academia and others.

Moving forward URCA will continue its participation at the ITU, both as a sector regulator as well as on behalf of the Government of The Bahamas.

Inter-American Telecommunications Commission (CITEL)

CITEL is the organ of the Organisation of American States (OAS) which is primarily responsible for the coordination of regional (The Americas, which includes North America, Latin America and the Caribbean) preparations for the work of the ITU, as well as for the development of ICT in the Americas region. During 2014 URCA established a significant working relationship with CITEL, which URCA considers critical to enabling URCA and The Bahamas to participate in the global discussion on the development of ICT and the regulation of electronic communications.

To that end, URCA attended several CITEL meetings during 2015, during which URCA was deeply involved in preparations for WRC-15.

Organisation of Caribbean Utilities Regulators (OOCUR)

URCA continues its membership in the OOCUR and participation at the Executive Council level. During the 13th Annual OOCUR Conference held in the Turks and Caicos Islands from 28 – 30 October 2015, URCA was elected to the post of Deputy Chairperson of OOCUR. URCA continues to support the work of OOCUR and anticipates even more engagement and involvement as OOCUR poises itself to play an even more meaningful role with respect to policy issues in the Caribbean.

Caribbean Telecommunications Union (CTU)

URCA continues involvement in the CTU's activities in the region although attendance at events was limited due to focus on other events, and cellular liberalisation activities in The Bahamas.

1.2.8 Building Regulatory Capacity and Human Capital

Our People

2015 marked the second year of URCA's five-year Strategic Plan. The organization's strategic priorities were simplified into four core objectives, which allowed URCA to effectively target its efforts on those that focus directly on its people. URCA strived to continuously demonstrate the value it placed on its people and its continued efforts to build its institutional capacity.

Recruitment and Staffing

In 2015, URCA deferred its recruitment activities due to limited physical capacity at its East Bay Street location. After successfully relocating over the summer, URCA once again resumed its recruitment initiatives in the last quarter of the year.

Joining the team in the second half of the year was a new Corporate and Consumer Relations Officer. This position was created to address the growing demands of the Corporate and Consumer Relations department and the organization overall.

URCA's summer internship programme also focused on the Corporate and Consumer Relations department in 2015. This was another opportunity to expose young Bahamian students to one of the various career opportunities at URCA. Showcasing these career options, allows the organization to increase its capacity by identifying high potential candidates for entry level positions.

URCA's staff complement at the close of 2015 was twenty-six, which comprised thirteen staff members in the Policy and Regulation department and thirteen within the various operational departments.

Office Relocation

In 2015, URCA set out to relocate its office from the UBS Annex, East Bay Street to Frederick House, Frederick Street in the heart of downtown Nassau. The main reason for the move was that URCA had outgrown its current space. After months of renovations URCA officially moved into its new location in the middle of summer. The additional office space has now prepared URCA to continue its efforts towards building institutional capacity, through sourcing top talent to meet its future demands.

Performance Management, Training and Development and Records Management

URCA continued its commitment to providing a performance management system that encourages the alignment of organizational and employee objectives. 2015 was the third year for the Performance Management Framework which provides a holistic approach to performance management and includes career paths, development plans, coaching and more.

URCA continued to emphasize the importance of learning and development of its people through targeted training and development opportunities for staff in 2015. The majority being from URCA's Policy and

Regulation department, as the organization continues to strengthen its skill set in this area. A highlight of the year was URCA's attendance to the 2015 World Radiocommunication Conference held in Geneva, Switzerland. URCA also partnered with The Government of The Bahamas to host the 2015 ITU Green Standards week conference at the Atlantis Resort on Paradise Island. The Conference was held from December 14-18, 2015 and saw both local and international participants from Europe, Latin America, Africa, and America.

A major initiative that was completed in 2015 was a review of URCA's Records Management function. The review included URCA's electronic and hard copy filing systems. The objective was to identify recommendations as to how to improve the current system and ensure that it would be able to meet future demands.

1.2.9 Educating our Stakeholders

Both the Electronic Communications Sector Policy and the Communications Act, 2009 speaks to the important role URCA must play in preparing citizens to be able to fully participate and benefit in a growing and innovative sector. As such, URCA places great emphasis and importance on stakeholders' education in general and consumer education in particular.

The goal of educating stakeholders is an ongoing one accomplished through a myriad of different activities. At the beginning of the year several focus group exercises and town meetings were held both in New Providence and the Family Islands namely, Abaco, Eleuthera, Freeport and Grand Bahama. The purpose of these meetings was to engage the public in a consultative exercise on Cable Bahamas Ltd.'s proposed price increase application. During the meetings, the moderators provided insight into URCA's role and operation. The Consumer Protection Regulation Booklets were also distributed.

The Corporate and Consumer Relations Department in conjunction with the Policy and Regulation Department held its first licensee forum in February where participants were able to hear more about URCA's 2015 plan and make contributions to the same. Understanding that our stakeholders can be consumers, policy makers, licensees and students, the Department coordinated a presentation on the Content Code for Broadcasters at the College of The Bahamas.

The Corporate and Consumer Relations Department was strengthened in 2015 with the addition of one permanent staff, a Corporate and Consumer Relations Officer, and two summer interns. The Department head was also able to participate in one training activity on Consumer Advocacy organized by the Commonwealth Telecommunications Organization. Other international exposure included participation in the International Institute of Communications Regulators Forum and Conference in Washington, D.C. The ongoing development of the staff will enable the Department to better meet the demands of an expanding and liberalized sector and the demands of the enlightened consumer.

Additional educational opportunities came through the continuation of the Consumer Protection Regulations Awareness Campaign. The public service announcements (PSAs) produced in 2014 and aired

on television, were this year aired on radio stations throughout New Providence and several Family Islands including Inagua, Grand Bahama, Exuma and Eleuthera.

A major plank in URCA's education plan for 2015 was "The Six Island Family Island Education Tour" scheduled for the third trimester of 2015. This had to be postponed to the first trimester in 2016 due to the passage of Hurricane Joaquin. The islands that were previously scheduled were Crooked Island, Acklins, Exuma, Eleuthera, Andros and Abaco. While accommodations and other logistical matters were affected in Crooked Island, Acklins and to a lesser extent Exuma, due to hurricane related commitments, it was decided to postpone all of the educational forums to 2016. URCA looks forward to meeting with the business community, consumers in general, schools and civil organizations as well.

1.2.10 Raising Public Awareness of URCA

The media, in particular the electronic media, was also utilized to educate our stakeholders. URCA increased its appearances on talk shows such as Guardian Talk Radio, Morning Blend, Jeffrey, The Revolution, Reality Check and The Conversation. Appearances were also made on Love 97FM; More FM; Island FM and ZNS's Darold Miller Live throughout the year. URCA also increased its presence on social media. A twitter account was added in the third trimester and URCA's Facebook page was updated more frequently. During the summer with the help of two summer interns, URCA was able to increase the number of persons liking the page by more than 200 percent. Facebook serves as another medium through which consumers can voice their concerns and complaints about the services they receive in the ECS. On average, these are responded to within two business days.

URCA hosted two major events in 2015, Girls in ICT Day and the Annual Oral Hearing. For the first time, URCA in conjunction with several licensees, led in the observance of "Girls in ICT Day", an ITU initiative globally observed on the fourth Thursday in April as a day to promote the ICT sector to girls and young women so as to inspire them to pursue careers in the sector. The event took the form of a day forum for high school female students in grades 10 to 12. The forum which was opened by the Attorney General, the Hon. Allyson Gibson, QC exposed the young ladies to opportunities in the sector and to those who are regarded as pioneers in the sector locally. Approximately 80 students participated in the event which ended with the awarding of 8 internships with various licensees and URCA. The event was very successful with several schools committing to participate again in 2016.

Although an annual event, this year's Oral Hearing was organized to commemorate the 150th Anniversary of the ITU and included presentations from persons outside of URCA. An Information Technology teacher who teaches coding to her students in Cat Island and Gerard Russell, one of two students sponsored by URCA to attend an ITU Regional Youth ICT Innovations training workshop in Antigua in 2014, engaged the audience (which had increased more than 300 percent over the previous year) in two dynamic presentations about what they were doing to promote the use of ICTs.

In November of this year, URCA also set up a booth at the Annual Data Protection Seminar where materials were distributed and representatives fielded questions from those in attendance.

URCA continues to build its relationship with stakeholders and with other consumer related agencies. These include the Consumer Welfare Division of the Ministry of Labour and the Bahamas Bureau of Standards and Quality.

URCA's Corporate Outreach Activities

URCA continues its public awareness campaign through its social corporate responsibility. The authority strategically targets those organizations whose objectives and purpose aligns with that of the authority. Support continued for organizations that promote healthy lifestyles in general and women's health in particular. URCA's staff participated in the annual Susan G. Komen Race for the Cure and the Atlantic Medical Annual Fun Run Walk. In the last trimester, URCA again supported the Annual Red Ribbon Ball and made a contribution to the Bahamas Cancer Society Hospice Building Project.

This year, URCA was happy to sponsor students from the Family Islands to attend both the BETA and HACKIt summer camps. Both camps exposed students to the exciting careers in engineering and information communication technology. The BETA camp catered to junior high students and the HACKIt camp catered to students in senior high school.

At the primary school level, URCA continued its sponsorship of two educational software programmes for the benefit of students at the Uriah McPhee Primary School.

URCA's most significant contribution this year went to Hurricane Joaquin relief efforts. Donations made by staff and matched by URCA, were donated to the Bahamas Red Cross Society and the Rotary Clubs of Nassau for their hurricane relief efforts. Through the payment of a penalty levied on BTC earlier in the year, URCA was also able to make a significant contribution to NEMA.

1.3 Summary of URCA's 2015 Workplan Outcomes

Table 1 below presents a summary of URCA's completion of work proposed for 2015. As noted above, several projects were delayed in 2015 due to the focus on activities related to the cellular mobile liberalisation, including the investigation triggered by that process. Where appropriate, the rescheduled completion dates are indicated

Table 1 – URCA's Achievements in 2015

Project	Start Date	2015 Anticipated End Date	End Date	Revised End Date
Consultation on Guidelines for Calculation of Net Avoidable Costs	Commenced 2014	in T2, 2015		T1, 2016
URCA Annual Plan 2015	Commenced 2014	in T1, 2015	T1, 2015	
ADR Schemes for Disputes between Consumers and Licensees	Commenced 2014	in T2, 2015		T2, 2016
Infrastructure Sharing Regulations	Commenced 2014	in T1, 2015	T3, 2015	
URCA Annual Report 2014	T1, 2015	T1, 2015	T1, 2015	
Revision of Interconnection Regime	Commenced 2014	in T2, 2015	T2, 2015	
Establish Auction Rules and Conduct Cellular Mobile Spectrum Auction	Commenced 2014	in T2, 2015	T3, 2015	
Review of BTC RAI0 Charges	T1, 2015	T2, 2015		T1, 2016
Licensing of New Cellular Mobile Operator	T2, 2015	T2, 2015		T1, 2016

SMP in Call Termination for New Mobile Operator	T2, 2015		T2, 2015		T1, 2016
Network Quality of Service Regulations	Commenced 2014	in	T2, 2015		T1, 2016
Review of BTC 2013 Accounting Separation	Commenced 2014	in	T2, 2015	T2, 2015	
Universal Service Affordability Guidelines	Commenced 2014	in	T2, 2015		T1, 2016
Review of Licensing Guidelines	Commenced 2014	in	T3, 2015		T2, 2016
Monitoring and Managing the Introduction of Cellular Mobile Competition	T2, 2015		T3, 2015		T1, 2016
Review of Content Codes	Commenced 2014	in	T3, 2015		T1, 2016
FM Broadcasting Technical Standards	T1, 2015		T3, 2015		T1, 2016
Market Review – Implementation of Ex-Ante Remedies	T1, 2015		T3, 2015		T1, 2016
Mobile Number Portability	T2, 2015		T3, 2015		T2, 2016
Review of 2014 Accounting Separation Results of SMP Operators (BTC and CBL)	T2, 2015		T1, 2016	T2, 2015 (CBL)	T1, 2016 (BTC)
Annual Plan 2016	T3, 2015		T1, 2016		

2. URCA's Plan for 2016

2.1 Strategic Outlook

Having been completed in late 2013, URCA's Strategic Plan 2014 – 2019 took effect from the beginning of 2014 and continues to provide a framework for URCA's Annual Planning for 2016. A summary of the Strategic Plan is presented in this section. It should be noted that URCA's assumption of responsibility for regulation of the Electricity Sector, which is anticipated to take place in 2016, will necessitate a review of the Strategic Plan, which URCA will undertake as soon as it receives confirmation that the Electricity Sector will be added to URCA's remit.

2.1.1 URCA's Vision and Mission

URCA's Strategic Plan is built upon the organisation's Vision and Mission. URCA's Vision seeks to ensure that URCA remains focussed on its mandate, which by virtue of section 4 of the Communications Act 2009 is centred on the interests of the public in The Bahamas, applying best practices in regulation to achieve those ends. A key success factor for URCA is to be a highly people centred organisation, having regard to the fact that its work is almost entirely human resource dependent. As such, in addition to its outward facing vision based on the mandate, URCA is motivated by an internal facing vision which ensures that URCA maintains focus on its people.

URCA's Vision is therefore comprised in the following two statements:

URCA's Vision

External Vision

"To be a globally renowned utilities regulator and competition authority which is recognised for championing the interests of persons in The Bahamas, and of the sectors we regulate. We do this by the development, adoption and application of best practices in policy and regulation."

Internal Vision

"We will develop a harmonious work environment characterised by honesty, trust and mutual respect. We will achieve this by developing the technical and soft skills of our people and transformational leadership across the organisation."

URCA's Mission statement is encapsulated in the following:

URCA's Mission

We are driven by a commitment to advancing public interests through achieving sustainable competition and effective regulation of utilities and broadcasting. We are guided by our core values and dedicated to the continuous development of our people.

2.1.2 URCA's Strategic Goals

Building on the Vision and Mission, URCA formulated strategic goals based on its assessment of the strengths and weaknesses of the organisation and the environmental factors which would affect URCA's achievement of its vision. Those strategic goals are described below.

Promoting the interests of the public

The electronic communications sector policy objectives set out in the Comms Act places URCA's roles and responsibilities in the context of furthering the interests of persons in The Bahamas, and The Bahamas as a whole.

This theme is consistently repeated in stakeholder comments, and is a central tenet of regulators globally. The ECS Policy in particular provides a set of strategic aims which all speak to the ECS providing a level of service to persons in The Bahamas that would strengthen the social, economic and cultural framework of the country.

As such, the primary strategic goal for URCA in relation to its regulatory activities will be the promotion of the interests of the public. This goal will be achieved through a focus on several regulatory areas, including but not limited to:

- Protection of consumers of electronic communications services to ensure that they receive a level of service which is appropriate and consistent with best international practices and standards;
- Promoting sustainable competition to ensure that all participants in the market have a level playing field, and provide services which are of the highest standard at the best possible price;
- Effective and efficient regulation to promote fair play among participants, while being guided by principles of fairness, non-discrimination and transparency;
- Effectively managing state resources (spectrum and numbers) to ensure that they further the development of the sector in the general interests of the public

Commitment to developing our people

Regulation is a highly human resource intensive activity, which requires professionals who are highly trained, skilled and experienced in specialised areas of law, economics and finance, and engineering. Significant challenges are faced by URCA in acquisition and retention of those resources, particularly in the Bahamian market, where most of these skills are not present due to a lack of similar organisations, and the relative novelty of utility regulation.

As such, the acquisition and development of the necessary skills by URCA is a key strategic goal, on which URCA must remain focussed. URCA will seek to combine recruitment of suitable candidates with rigorous training and up-skilling of team members in order to develop the required knowledge and expertise.

This goal is not only focussed on the need for skilled and experienced internal resources within URCA, but also the need for more skilled regulatory professionals throughout the ECS in The Bahamas, if URCA's work is to be successful.

Cultivating a work environment based on employee engagement, transformational leadership and effective management

The acquisition and development of skilled, experienced and knowledgeable employees would be wasteful and ineffective over the long term, if those persons are not also motivated and retained. URCA recognised certain internal challenges with the creation of a work environment which ensures that URCA's employees are appropriately motivated to perform their roles to the best of their ability and to stay and grow with the organisation over the long term. It is only by creating such an environment that URCA would be able to capitalise fully on its investment in acquisition and development of skilled, experienced and knowledgeable staff.

This is a key area in which correction of existing behaviours and fostering of new norms for URCA would be necessary to build a culture consistent with the core values of the organisation.

Commitment to public engagement

URCA's work remains unknown to much of the population of The Bahamas and therefore the potential benefits of a well regulated ECS are not felt by many persons.

From an industry stakeholder perspective, URCA must do all it can to bring key stakeholders and licensees along in the areas of regulatory knowledge, as well as understanding of motivations on both the regulator and regulated entity sides.

Finally, from a Government perspective URCA must ensure that the Government is in a position to leverage the maximum benefit from the presence of an independently regulated ECS to achieve its broader national policy objectives.

2.1 Focus Areas and Key Projects for 2016

This section outlines URCA's broad priorities for 2016, derived from the Strategic Goals identified above.

At the outset, URCA notes that on 11 November 2015 the Government of The Bahamas tabled the Electricity Amendment Bill 2015 and the Utilities Regulation and Competition Authority Amendment Bill 2015 in the House of Assembly which will *inter alia* empower URCA as the independent regulator of the energy sector and the licensing authority for entities seeking to enter the energy sector. URCA's Strategic Plan does not fully address regulation of new sectors and therefore the proposed changes will require URCA to review its Strategic Plan, and will also require high level structural and other changes at URCA. While this has been addressed below as a key project for 2016, the scope of that project may need to be revised as the year progresses, once the relevant legislation comes into force.

2.1.1 Mobile Liberalisation

In 2014, URCA began preparatory work for the liberalisation of the ECS. In 2014, the Government directed URCA to commence steps to introduce mobile competition in The Bahamas as expeditiously as possible after the expiry of BTC's exclusivity on 7 April 2014. Throughout 2014 and also in 2015, mobile liberalisation represented a top priority for URCA. As per the Government's mandate, URCA sought to ensure that regulatory measures necessary for cellular mobile liberalisation were met and fulfilled in accordance with the timetable set up for such liberalisation. To that end and in line with URCA's exclusive right to manage, allocate and assign radio spectrum frequencies in The Bahamas, URCA served as administrator of the Phase 2 spectrum auction in the Government's selection process for a new cellular mobile provider in The Bahamas. On 18 October 2015, the public was advised that CBL was determined as the successful bidder in the spectrum auction having achieved a higher score than Virgin Mobile (Bahamas) Limited. Subject to the outcome of the Government's negotiations with CBL, URCA will be required to issue the relevant licences to CBL upon notification by the Government.

URCA is also committed in 2016 to intervene where appropriate in key areas inclusive of interconnection for the new cellular mobile provider to connect existing customers on existing BTC and CBL networks, mobile termination, tower construction and infrastructure sharing, national roaming, number administration and standard spectrum allocation. In an effort to ensure that roll out of services by the new cellular mobile provider is not hampered, URCA intends to devote significant time and resources in 2016 to address all regulatory matters as expeditiously as possible. The intent is to ensure that there are no barriers which will impede the achievement by the new provider of the roll out targets contained in the RFP, which call for the launch of services throughout The Bahamas within a period of 3 years.

These matters include the following:

Licensing of New Cellular Mobile Operator – Under the Government's selection process for a new cellular mobile operator in The Bahamas, the Government will notify URCA in writing that it should commence the process for the issuance of an Individual Operating Licence and an Individual

Spectrum Licence to NewCo (a subsidiary of Holding Co, a 100% Bahamian owned company). Following payment of the requisite fees and provided that all required Government approvals have been obtained, all statutory and other conditions have been met, URCA will grant the requisite licences to NewCo for a period of fifteen (15) years.

Review of BTC RAIO – Currently in The Bahamas, BTC is the only cellular mobile operator. As discussed under section 1.2.1 above, URCA commenced work in 2015 on consideration of changes to BTC’s RAIO to address various issues necessary for cellular mobile competition. This work will continue and be completed in 2016.

SMP in Call Termination for New Mobile Operator – In 2015, URCA commenced an analysis of proposed measures to be imposed on the new mobile operator upon entry to the market. This analysis involved an SMP assessment in call termination in voice and SMS services and the terms that would govern these services at the wholesale level. URCA expects that a Preliminary Determination will be issued in early 2016 to address this issue, once the relevant licences are issued.

Monitoring and Managing the Introduction of Cellular Mobile Competition – URCA has been directed by the Government in the ECS Policy to take all necessary steps to introduce competition in the cellular services market in The Bahamas as expeditiously as possible. To that end, a significant focus for URCA in 2016 will be to ensure seamless introduction of cellular competition.

Mobile Number Portability – On 2 December 2013, number portability was launched in The Bahamas for fixed networks. Subsequently, URCA made determinations and ensured the implementation of a system which will accommodate mobile number portability with minimal adjustment and coincident with the introduction of competition. It is URCA’s goal to ensure that the implementation of mobile number portability occurs concurrently with the build out of any new mobile networks, so as to ensure that mobile numbers are able to be ported from day one of mobile competition in The Bahamas. Therefore, following the licensing of the new mobile operator, URCA will reconstitute the Number Portability Working Group in 2016 to include all previous participants and the new provider.

Review of Pricing Rules – Mobile Competition – URCA commenced work on a review of pricing rules relating to mobile services in 2015. These rules will relate to price regulated services that are not subject to price caps, mainly BTC’s mobile voice and data services. In 2016, URCA will continue this review and examine the rules in the context of mobile liberalisation.

2.1.2 Protection of Consumers

During 2016, URCA will continue to promote the Consumer Protection Regulations which were issued by URCA in December 2013. Building on the work done in 2013 and the full implementation of the Regulations in 2014, in 2015 URCA laid the groundwork for the formation of a Consumer Advisory Committee, a multi-stakeholder committee which will review and advise URCA on issues

relating to consumer protection in the ECS. Part 10.3 of the Regulations require URCA to review the Regulations at least every three years. However, as URCA anticipates the introduction of mobile competition in 2016, URCA will delay the review of the Regulations to 2017 to assess the impact of mobile competition on the Regulations. URCA will engage the Consumer Advisory Committee and the public in this review in 2017.

Another key aspect of the protection of consumers is ensuring a high quality of service, where competitive pressures are inadequate to do so. To address this, URCA intends to publish the Network Quality of Service Regulations in the first trimester of 2016 which will provide clear standards for the performance, reliability and robustness of electronic communications networks in The Bahamas. URCA considers that the Regulations will work together with the consumer protection framework to ensure that The Bahamas benefits from the highest possible quality of electronic communications services.

In 2016, URCA will also consider various consumer issues relating to mobile services, particularly international roaming and unexpected charges to customers' bills as a result. URCA will consider and review the need for regulatory treatment on this issue to promote consumer awareness on roaming charges for mobile voice and data services.

It is also worth noting that URCA considers that Consumer Protection is one of the areas where its mandate in the ECS will closely align with its mandate within the electricity sector, if URCA assumes regulatory responsibility for that sector. URCA will be seeking to leverage its Consumer Protection responsibilities across both regulated sectors to enhance efficiency and effectiveness.

2.1.3 Encouraging Competition

A key responsibility of URCA in its regulation of the ECS is to decrease barriers to entry for new market entrants in an effort to promote sustainable competition. URCA seeks to foster innovative competition in the sector that delivers choice of high quality products and services at competitive prices. In promoting competition in the market, URCA is tasked with issuing new licences, driving forward market-based approaches to spectrum licensing, making spectrum available for cross-platform services and removing barriers to switching electronic communications service providers for consumers. URCA will continue work commenced in 2015 to implement identified remedies in URCA's latest SMP assessment.

In 2016, URCA intends to develop and introduce other measures to promote competition in the ECS. Moreover, URCA's investigation of on-going competition related matters will continue in 2016 and URCA will also continue to exercise its ex post powers as appropriate from time to time.

Moreover, URCA notes that broadband services have not developed as anticipated due to the re-sale of broadband under the wholesale internet access regime. URCA considers that the availability of wholesale internet access is an avenue to stimulate investment and competition in the market by affording small operators the ability to enter the market and compete. URCA will

consider this issue in 2016 and decide whether appropriate regulatory measures should be introduced for competition in this market.

2.1.4 Promoting Affordable Access to Services Throughout The Bahamas

The Communications Act, 2009 establishes a framework for the provision of key basic electronic communications services at affordable rates to residents of populated areas in The Bahamas. This universal service framework places universal service obligations on certain service providers to ensure that these basic electronic communications services are in fact provided and accessible. In 2016, URCA will continue work on the universal service framework inclusive of the implementation of the Universal Service Fund Rules and Affordability Guidelines as well as the continuation of work on other remaining projects within the universal framework for The Bahamas.

2.1.5 Promoting a Wide Range of High Quality Content Services

In 2015 URCA continued work on the review of the Code of Practice for Content Regulation (the Code) commenced in 2014. URCA received assistance in reviewing the Code from the Content Regulation Industry Group (CRIG), a joint regulator/industry working group which was formed to advise URCA on the administration of the Code and to assist with compliance monitoring and enforcement of the Code. It was noted that minor changes should be made to the Code and these issues will be addressed in early 2016 when a revised Code will be published. In 2016 URCA will also continue its work to educate the public and the sector as to the existence, importance and effect of the Code.

2.1.6 Managing Radio Spectrum Effectively and Efficiently

URCA is responsible for managing radio spectrum in accordance with the Communications Act. In 2016 URCA will continue with initiatives to effectively manage the spectrum and to ensure that it is used optimally in order to promote the availability of the highest possible quality and variety of services to all persons in The Bahamas. URCA's regular spectrum monitoring and enforcement activities will also continue in 2016.

In 2015, URCA commenced work to introduce new FM Broadcasting Technical Standards that are designed to ensure that FM broadcasting is carried out in accordance with best practices and to ensure that the use of the band is optimised. URCA will continue the consultation and will publish the standards in 2016.

2.1.7 International Participation and Engagement

Throughout 2016 URCA intends to ensure that The Bahamas remains abreast of international developments in electronic communications and participates in key decisions and developments consistent with the best interests of The Bahamas. To that end, URCA will participate in various meetings, conferences and events hosted by the Inter-American Telecommunication Commission

(CITEL), the International Telecommunication Union (ITU), the Caribbean Telecommunications Union (CTU) and the Organisation of Caribbean Utility Regulators (OOCUR). URCA will also continue to further relations with the Commonwealth Telecommunications Organisation (CTO) and continue to participate in training and development opportunities offered by the organisation in 2016.

URCA has expressed its interest in The Bahamas hosting the ITU's Global Symposium for Regulators (GSR) in 2017. Should The Bahamas/URCA be successful in negotiations with the ITU, URCA will begin preparations for hosting this important ITU event in mid to late 2016.

2.1.8 Building Regulatory Capacity and Human Capital

In 2016 URCA will be in the third year of its five year strategic plan. The Human Resources and Administration department will continue working towards achieving the objectives found in the plan. 2015 was a year dedicated to strengthening URCA's physical and operational infrastructure in anticipation of mobile competition and a new sector(s) to regulate. We acquired additional office space to accommodate the organization's future growth and secured recommendations and a roadmap in order to revamp and improve our Records Management policy and procedures.

This year URCA will once again focus on people development and leadership through specialised training, strong performance management and employee engagement. URCA will also continue efforts to source highly trained and experienced professionals across several key disciplines.

2.1.9 Educating Our Stakeholders

In 2016 URCA will continue its efforts to ensure that stakeholders are enlightened about new and existing regulations in particular and developments in the sector generally. The first series of forums and town hall meetings will take place in the Northern and Central Bahamas. Topics such as Interconnection, the Content Code, the Consumer Protection Regulations and Number Portability are some of the key areas on which URCA will focus its public awareness campaigns. URCA will also seek input from stakeholders on topics that they may be interested in learning about. Targeted audience includes primary and high school students, civic groups and the business community in general.

With the pending introduction of a second cellular mobile licensee, early in the year, URCA will begin preparing consumers for a liberalized mobile sector through the production of educational material and presentations at schools, civic organizations and other similar forums.

Efforts will continue to be placed on building relationships with licensees, the working media and other stakeholders. URCA's support for sector related educational programmes will also continue in 2016.

It is also anticipated that URCA will complete the preparatory work for the launching of the Consumer Advisory Council.

The strengthening of the Corporate and Consumer Relations Department will allow URCA to be more proactive in the production of smaller handouts with easy to read information for the elderly, the less engaged technology user and the youth. A pamphlet on Frequently Asked Questions (FAQs) is amongst material scheduled for production in 2016.

Measurable objectives will be further developed to guide the Department's consumer education programmes and activities as well as the complaint handling procedure.

2.1.10 Raising Public Awareness of URCA

Another key ECS policy objective is to further the interests of consumers by promoting competition in the sector. To that end, URCA is committed to increasing public awareness of the role and mandate of URCA with regards to the ECS. In 2016 URCA will ensure that consumers and other stakeholders are aware of and become actively involved in URCA's work.

URCA will sponsor or co-sponsor three major events in 2016. These include an ICT competition and the 2016 observance of the ITU global initiative 'Girls IN ICT Day'. The programme will be expanded to include participation by Family Island students. The third event is the Annual Oral Hearing which will again be designed to bring greater awareness to URCA's role and opportunities in the ECS.

In 2016, a more focused approach will be adopted as it pertains to URCA's outreach activities, with emphasis on those that promote the access to and use of information communication technologies to advance the quality of life for young people, persons with disabilities and women. Each sponsorship will be used as an opportunity to educate and build awareness of URCA and its role as the Regulator in the ECS sector and other utility sectors.

2.1.11 Preparing to Regulate New Sectors of the Economy

On 11 November 2015 the Government of The Bahamas tabled the Electricity Bill 2015 and the Utilities Regulation and Competition Authority Amendment Bill 2015 in the House of Assembly which will *inter alia* empower URCA as the independent regulator of the energy sector and the licensing authority for entities seeking to enter the energy sector. Under the proposed legislation, URCA will further be empowered to revoke or suspend a licence if the supplier fails to adequately carry out its obligations to the public based on the terms and conditions of its licence.

URCA looks forward to its new role as regulator of the energy sector and will continue to work with the Government for a successful transition expected to occur during 2016. URCA will expect the changes to include, *inter alia*:

- a comprehensive review and revision of URCA’s budget and incorporation of new funding sources, to accommodate regulation of a new sector with different licensees;
- the review and revision of URCA’s organisational structure to account for requirements of the new/revised legislation, and the increases in staff necessary to regulate the energy sector;
- securing of any necessary and appropriate training and up-skilling of existing staff to prepare for additional responsibilities.
- realigning processes which were hitherto exclusive to the ECS to reflect the widened scope of URCA’s remit.

2.2 URCA’s Key Projects for 2016

Section 1.3.1 identifies the projects to be undertaken by URCA through each trimester of 2016. It must be noted that the below projects do not represent all of the work undertaken by URCA. More specifically, the myriad of secondary issues, complementary competition investigations and research activities that lend support to the achievement of URCA’s overall goals are not included below, and the identified projects are those which have major significant public impact.

2.2.1 2016 Projects by Trimester

This section provides details, including time schedules of the projects carried over from 2015 as well as the new projects that will commence in 2016.

Projects Continued from 2015

The following projects commenced in 2015 or earlier are currently on-going and will be continued during 2016. These have been discussed in detail above in Section 1.2.

- *Alternative Dispute Resolution (ADR) Schemes for Disputes between Consumers and Licensees*
- *Review of BTC RAI0*
- *SMP in Call Termination for New Mobile Operator*
- *Network Quality of Service Regulations*
- *Universal Service Affordability Guidelines*
- *Review of Licensing Guidelines*
- *Monitoring and Managing the Introduction of Cellular Mobile Competition*
- *Review of Content Codes*
- *FM Broadcasting Technical Standards*
- *Market Review – Implementation of Price Caps*
- *Mobile Number Portability*
- *Review of 2014 Accounting Separation Results of SMP Operators (BTC)*

- *Review of Pricing Rules – Mobile Competition*

2.2.2 New Projects 2016

In 2016 URCA will continue to focus on matters pertaining to the introduction of competition in the mobile sector. More specifically, URCA intends to dedicate most of its resources to ensuring that the roll out of services by the new cellular mobile operator occurs as efficiently and expeditiously as possible. URCA however remains cognisant that while its current responsibilities are limited to the ECS, it was formed as a potential multi-sector regulator and plans are underway for the regulation of electricity to form part of URCA's portfolio in 2016. This will result in a review of the work plan to accommodate work in the electricity sector.

2.2.3 January to April 2016

In addition to the projects carried over from 2015, during the first four months of 2016, URCA expects to commence or continue work on the following projects:

Annual Report 2015

Section 41 of the URCA Act, 2009 requires that URCA, no later than four months after the end of each year, prepare and publish a plan of its proposed objectives for the forthcoming year; and a report of the carrying out of its functions during that financial year. As such, URCA will during the first trimester of 2015, seek to complete its annual report for 2015, as well as to publish the final version of this Annual Plan for 2016.

Consultation Procedure Guidelines

In August 2009 as the newly formed regulator for the electronic communications sector, URCA issued a consultation document on *Consultation Procedure Guidelines* that it wished to adopt in its engagement with the public, licensees and other stakeholders in consultation exercises. The goal of the Consultation Procedure Guidelines is to standardise the process by which consultations are conducted by URCA. Therefore, in the first trimester of 2016, URCA will re-issue the Guidelines, with amendments to reflect URCA's experience over the past six (6) years, for public consultation prior to their formal adoption for the sector.

ICTs for Disaster Preparedness and Management

In October 2015, Hurricane Joaquin made landfall in The Bahamas and had a devastating impact on the southeastern islands of The Bahamas, particularly Crooked Island, Acklins, Long Island and San Salvador. Along with physical damage to infrastructure and personal property, the breakdown of essential communications in some parts of these islands occurred as a result of this Hurricane. Communications services are vital to the dissemination of early warnings, emergency response and disaster relief efforts and in 2016 URCA will work closely with its stakeholders and other

agencies to develop a multi-stakeholder initiative to ensure that critical communications remain operational when disaster strikes.

Digital Switchover – Identification of Available Spectrum

The transition from analogue to digital broadcasting involves the conversion of analogue to digital terrestrial television in order to free up scarce spectrum for other uses such as wireless broadband communications. Spectrum efficiency gained by digital switchover will result in consumer and industry benefits such as more choices in television services as well as new revenue streams. Many countries have already completed the switch off of analogue terrestrial television services such as the USA, Germany, Sweden, Switzerland and The Netherlands. In 2016, URCA will commence the digital switchover process by identifying available spectrum in line with Guidelines introduced by the ITU for the transition from analogue to digital broadcasting.

2.2.4 May to August 2016

Universal Service Implementation Plan

The provision of basic electronic communications to persons throughout The Bahamas at prices they can afford is the overall goal of the universal service framework. To further the work commenced on universal service, URCA will establish a Universal Service Plan which will outline the universal service initiatives to be implemented in the near future as well as long term initiatives. These initiatives will focus on the underserved and unserved population in The Bahamas that require access to affordable electronic communications services. URCA will seek and consider public and stakeholder input prior to the development of the Universal Service Plan in the second trimester of 2016.

Net Neutrality and Over-the-Top (OTT) Services

Over-the top or OTT services refers to the delivery of audio or video content or services over a network that is not under the administrative control of a service provider. OTT applications and services exist “over the top” of a network and cannot exist without a network. Examples of OTTs include WhatsApp and Skype and these “apps” have become increasingly popular and are more widely used compared to traditional telephone calling and SMS messaging due to their affordability and accessibility on many smart devices. URCA is aware that OTT services may adversely impact licensed service providers’ revenues derived from voice and SMS messaging and in 2016 URCA intends to assess the current regulatory environment and framework for OTT services in The Bahamas and will seek public input on the recommended regulatory treatment of such services.

In seeking to address this problem, URCA will also carefully consider the extent to which regional cooperation and alignment may enhance the effectiveness of any Bahamas based remedies.

2.2.5 September to December 2016

Review of Accounting Separation Results of SMP Operators

The Separated Accounts of SMP operators are submitted to URCA annually and are reviewed by URCA to ensure that they have been prepared consistently with URCA's Accounting Separation Guidelines, and to identify any regulatory impact. The review will commence on submission of the accounts (due for CBL on 30 June and for BTC on 30 September) and is expected to continue for approximately six months in each instance.

2.2.6 On-going Activities

In addition to the list of projects that URCA has outlined above, there are additional activities which URCA is obliged to undertake in the fulfilment of its responsibilities under the URCA and Comms Acts. These activities are particularly related to administrative functions and the handling of ad hoc regulatory matters. These include, but are not limited to the following:

- Statutory duties such as satisfying URCA's accountability to its stakeholders by publishing its work plans and annual reports within the statutory periods;
- Monitoring compliance by licensees with licence conditions and regulatory measures and taking enforcement action where appropriate;
- Investigations and enforcement in respect of complaints of anti-competitive behaviour;
- Spectrum monitoring activities;
- Reviewing and investigating complaints under the Content Code;
- Handling consumer complaints regarding electronic communications services as they arise; and
- Various consumer awareness and publicity initiatives undertaken by URCA to ensure that members of the public are aware of key issues and URCA's role in the regulation of the electronic communications sector.

These activities have been taken into account as far as practicable in estimating the above timeframes. However, the nature of URCA's duties is such that unforeseen work may impact on URCA's ability to complete or even commence the aforementioned projects.

2.3 URCA Project Timelines for 2016

Based on the foregoing, the projects which URCA proposes to focus on in 2016 are set out in tabular form below.

2.3.1 2016 Project Schedule

Based on the foregoing, URCA's project plan for 2016 is set out in Table 2 below. It should be noted that the table provides URCA's total work period on the project, and therefore reflects time taken on internal development policy and regulatory positions, the external engagement on any initiative and the publication of a final regulatory measure (where relevant).

Project	Start Date	End Date
ADR Schemes for Disputes between Consumers and Licensees	Commenced in 2014	T2, 2016
Licensing of New Cellular Mobile Operator	Commenced in T2, 2015	T1, 2016
Review of BTC RAIO	Commenced in T2, 2015	T2, 2016
SMP in Call Termination for New Mobile Operator	Commenced in T2, 2015	T2, 2016
Network Quality of Service Regulations	Commenced in 2014	T2, 2016
Universal Service Affordability Guidelines	Commenced in 2014	T2, 2016
Monitoring and Managing the Introduction of Cellular Mobile Competition	Commenced in T2, 2015	Ongoing
Review of Content Codes	Commenced in 2014	T1, 2016
FM Broadcasting Technical Standards	Commenced in T1, 2015	T1, 2016
Review of 2014 Accounting Separation Results of SMP Operators (BTC)	Commenced in T2, 2015	T1, 2016
Annual Plan 2016	Commenced in T3, 2015	T1, 2016
Mobile Number Portability	T1, 2016	T2, 2016
URCA Annual Report 2015	T1, 2016	T1, 2016
Market Review – Implementation of Price Caps	Commenced in T1, 2015	T3, 2016
Review of Consultation Procedures	T1, 2016	T1, 2016
Review of Pricing Rules – Mobile Competition	T3, 2015	T2, 2016
Review of Accounting Separation Results (CBL)	T3, 2016	T3, 2016
ICTs for Disaster Preparedness and Management	T1, 2016	T3, 2016
Universal Service Implementation Plan	T2, 2016	Ongoing

Project	Start Date	End Date
Digital Switchover – Identification of Available Spectrum	T2, 2016	T3, 2016
Net Neutrality and OTT Services	T1, 2016	T3, 2016
Annual Plan 2017	T3, 2016	T1, 2017
Review of Accounting Separation Results (BTC)	T3, 2016	T1, 2017
Revised Licensing Guidelines	T2, 2015	T2, 2016

2.3.2 Planned Consultation Schedule for 2016

While URCA will carry out several activities during 2016, not all of these will involve public engagement and consultation throughout the process. Table 3 below outlines the major public consultations proposed for 2016, including anticipated publication dates.

Consultation Document	Anticipated Publication Period	Anticipated Consultation Closing Period
URCA Annual Plan 2016	Published in 2015	T1, 2016
FM Broadcasting Technical Standards	Published in 2015	T1, 2016
Review of Consultation Procedures	T1, 2016	T1, 2016
ADR Schemes for Disputes between Consumers and Licensees	T2, 2016	T2, 2016
Network Quality of Service Regulations	Published in 2015	T1, 2016
Review of Content Codes	T1, 2016	T1, 2016
Market Review – Implementation of Price Caps	T1, 2016	T2, 2016
Review of Pricing Rules	T1, 2016	T1, 2016

ICTs for Disaster Preparedness and Management	T2, 2016	T3, 2016
Digital Switchover – Identification of Available Spectrum	T2, 2016	T3, 2016
Net Neutrality and OTT Services	T3, 2016	T3, 2016
Annual Plan 2017	T3, 2016	T1, 2017
Revised Licensing Guidelines	T1, 2016	T1, 2016

3. Evaluating Our Effectiveness

In line with good corporate practice, and to ensure accountability to relevant stakeholders, URCA proposes to evaluate its effectiveness through:

- Identification and adoption of appropriate key performance indicators (KPIs), based on statutory requirements and regulatory and management best practices;
- Measurement and monitoring of those KPIs; and,
- Publication of an Annual Report on its operations and performance.

KPIs for URCA’s work completed in 2015 will be tabulated and included in URCA’s Annual Report, which will be published by the end of April 2016.

For 2016, URCA proposes to use the KPIs provided in Table 3 below and publish the results as part of the 2016 Annual Report to be published by the end of April 2017.

Table 4 – URCA Key Performance Indicators 2016

Statutory/Regulatory	Finance	HR	IT
Draft Annual Plan & Strategy published before end of financial year	Cost of Finance function as a percentage of total operating expenditure	Cost of HR function as a percentage of total operating expenditure	Cost of IT function as a percentage of total expenditure
Annual Report and final Annual Plan published within 4 months of year end	Period-end cycle time (working days to close) Year-end cycle time (working days to close)	Cost of HR function per employee	Organizational ICT spend (investment in ICT infrastructure & hardware across the organization)
Final Determinations to be published within one month from closing date for comments on Preliminary Determination	Forecasting accuracy	Ratio of employees (full time equivalent) to HR staff	Percentage who are able to access the network and system remotely
Percentage of public consultations started within period stated in Annual Plan	Cost of Licensee invoicing	Average days for full time employee per year invested in learning and development	

Time to publish results, decisions, and other regulatory measures after close of consultation:	Debtor Days	Cost of learning and development activity as percentage of total payroll
45-60 days		
60-90 days		
>90 days		
	Number and Value of Creditor Notes and Adjustments	Cost of advisors as a percentage of the total payroll
<u>Consumer Complaints</u>	Long outstanding debt (>90 days) as a percentage of total debt	Percentage of roles filled by permanent and contract staff
Number of complaints received;		
Percentage of total complaints resolved;		
Average time taken to resolve complaints		
		Percentage of people in role after 12 months of service
Licenses issued within:		Percentage of staff who received face to face performance appraisal
30 days - individual licences		
45 days - class licences		
Volume of licences processed in the year		

4. URCA's Draft Budget 2016

URCA's Budget

The full-time staff complement is anticipated to be thirty-two (32) including proposed new hires in 2016. In an effort to continuously improve URCA's effectiveness and to secure the desired levels of knowledge transfer, there are plans to augment staff complement with emphasis being placed on new hires with economics and technical expertise. Over the long run, it is anticipated that this should result in a decreased reliance on external professional service providers.

URCA will ensure that it has sufficient finances to meet its regulatory mandate and will make sure that it delivers the best possible service to its stakeholders. In so doing, URCA will also ensure that it provides full accounting of its activities as required by Section 41(1)(b) of the URCA Act. In avoidance of doubt, URCA shall publish its Annual Report and Accounts for 2015 on or before 30 April 2016.

URCA's Operating and Capital Budget for 2016 is provided in the table below:

	2015	2016
Non-Executive Members Honoraria and Expenses	203,040	189,500
Executive Members Compensation	341,883	350,754
Staff Costs	1,909,174	1,926,750
Professional Services	1,413,000	1,265,444
Conferences, Training and Travel	575,996	902,800
Rent and Utilities	553,844	647,181
Consumer Education and Public Relations	325,000	250,000
Office Services	226,000	242,500
Information Technology	80,600	81,300
General and Administrative Expenses	319,751	327,260
Total Operating Expenditure (OPEX)	5,948,288	6,183,489
Depreciation	357,608	277,793
Total Operating Budget Recovered through URCA fees	6,305,896	6,461,282
Capital Expenditure	690,500	385,000

The budgeted operating expenditure inclusive of depreciation is factored into the calculation of the URCA fee; in 2016 the depreciation is anticipated to decrease by approximately \$80,000. Additionally, there is an expectation that URCA will have the remit of regulating the electricity sector in 2016, which will result in the reallocation of overhead expenses between the electricity and electronic communication sectors.

Further explanation of each expense category is as follows:

- Non-executive members' compensation includes honoraria of \$11,000 per month (for all 3 non-executive members of the Board) and business related travel expenses for the non-executive member who is resident overseas. This expenditure decreased 7% compared to 2015 budget due to reduced expatriate non executive travel;
- Executive members' compensation includes salaries and other benefits for executive members and represents approximately 6% (2015: 5%) of the operating expenditure for the period;
- Staff costs which increased to 31% of the total operating budget (2015: 30%) and is anticipated to increase approximately 1% notwithstanding increased staff levels (7 new hires and summer interns) and increases in line with the performance management system;
- Professional services expenditure is anticipated to decrease by 10% due to significant progress being made in prior year to major regulatory projects. In current year, there is an allocation of funds for mobile roll-out (\$120k), other regulatory projects planned for commencement in 2016 (\$520k), financial/internal audits and continued legal matters;
- Conferences, Training and Travel is anticipated to increase 57% over the previous year; it is anticipated that there will be travel for Executives and other staff related to training and engagement with international organizations, through attendance at meetings, conferences, seminars and workshops. Significant funds have been allocated in the budget for preparatory work relative to hosting of ITU's GSR conference scheduled for 2017;
- Rent and utilities increased due to movement of operations from UBS Annex to larger premises at Frederick House in July 2015 ;
- Consumer Education and Public Relations is anticipated to decrease by 23% which will fund continued initiatives aimed at educating and informing consumers on various electronic communications sector including public consultations on sector issues community outreach and utilizing other advertising media;
- Office services are budgeted to increase by 7% over prior year due to inclusion of security of Frederick House. Also included is anticipated expenditure for office supplies, printing, general insurance and miscellaneous items;
- Information technology expenditure includes LAN maintenance, cloud backup monitoring and numerous software renewals;

- General and administrative expenses are budgeted to moderately increase by 2%, which is anticipated to cover the funding of regulatory contributions, professional memberships and subscriptions.

5. Responding to this Draft Plan

The timetable for responses to this Annual Plan will be as follows:

- All submissions to this consultation should be submitted by 5pm on 29 January 2016.
- URCA shall endeavour to publish these responses by 5pm on 5 February 2016.
- URCA shall publish its Final Annual Plan by 25 March 2016.

In addition, prior to publication of the final plan and as part of the consultation on this draft URCA will hold at least one oral hearing to present the Annual Plan and to allow interested parties an opportunity to provide input to the plan. URCA will communicate the date and venue, with advance notice, for this hearing in early 2016.

Persons may obtain copies of this document by downloading it from the URCA website at www.urbahamas.bs.

Persons may deliver their written submissions or comments on the public consultation document to the Chief Executive Officer, URCA either:

- by hand, to URCA's office at Frederick House, Frederick Street, Nassau;
- by mail to P.O. Box N-4860, Nassau, Bahamas; or
- by fax, to 242 393 0237; or
- by email, to info@urbahamas.bs