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FOR IMMEDIATE RELEASE

PRESS RELEASE

URCA PREPARES FOR IMMINENT MOBILE COMPETITION PROPOSED INFRASTRUCTURE SHARING REGULATIONS ISSUED

The Utilities Regulation and Competition Authority (URCA), the independent Electronic Communications Sector (ECS) regulator, today released its proposed regulations aimed at facilitating easier entry into the market by new competitors. According to URCA, one of the most significant barriers to entry in the ECS is the high level of infrastructure costs associated with the deployment of electronic communications networks.

URCA is conscious that with the imminent introduction of mobile competition, there will be an increased need for the construction of facilities by new operators. In an effort to reduce the need to duplicate all existing facilities, thereby reducing the capital investment required to enter the market, URCA proposes to introduce regulations which will require operators, where possible, to share their facilities. This initiative supports one of URCA's key functions of promoting the availability of a wide range of high quality, efficient, cost effective and competitive electronic communications services throughout The Bahamas from those licensees who will be subject to these Regulations.

In addition to the goal of reducing the costs associated with entering the ECS market, URCA must also ensure that electronic communications infrastructure have no adverse impact on the public and therefore URCA strives to maintain a balance between development of the sector and maintenance of public health and safety, and environmental considerations.

The construction of new towers is likely to have an adverse impact on the skyline and the aesthetic environment. Infrastructure sharing seeks to minimize the need for additional towers in congested areas where space is limited; avoid the duplication of towers in areas where towers already exist and minimize the adverse visual and environmental impact of towers.

URCA believes that infrastructure sharing will serve as a catalyst for faster roll-out of new and innovative services by all operators in an effort to differentiate product offerings to consumers.

In a newly liberalized cellular mobile market, it is imperative that the introduction of new entrants is encouraged in order to promote competition. Facilities sharing increases the attractiveness of the market to new players since barriers to the market entry are lower.

Other benefits of infrastructure sharing include:

- Ease of network roll-out by a new entrant
- Availability of a new source of revenue (for operators)
- Improved quality of service and increased consumer choice
- Reduction of negative environmental impact.

Today's release of the proposed regulations marks the beginning of URCA's Consultation Process on the subject. The key objective of the consultation process is to invite public comments on the proposals in order to ensure that any regulatory measure implemented by URCA achieves the ultimate purpose of this initiative in the most efficient manner possible.

The consultation document containing the regulations and URCA's rationale, can be found on URCA's website at www.urcabahamas.bs. http://www.urcabahamas.bs/download/042057400.pdf. invites comments and submissions on this consultation document from members of the public, licensees and other interested parties. Responses should be submitted to URCA not later than 5:00 p.m. on January 30, 2015. The proposed regulations will not be implemented until the conclusion of the consultation process.

URCA reserves the right to make all responses available to the public by posting responses online on its website at www.urcabahamas.bs. Respondents that are participants in the Government of The Bahamas' Selection Process to operate a cellular mobile network and provide cellular mobile services to the public in The Bahamas are invited to mark their comments as 'confidential' and such comments will not be published by URCA in order to preserve the integrity of that process.

URCA will review the responses received and will publish a Statement of Results on the consultation and a finalised version of the Regulations.

Through its effort to reduce and or remove barriers to entry into the sector, URCA is fulfilling one of its 2014 goals articulated in its Annual Plan, which is to encourage the development of competition in the ECS by reducing barriers to entry into the sector. The proposed regulations are also pursuant to the Communications Act 2009 (ch 304 of The Laws of the Commonwealth of The Bahamas), by which, inter alia, URCA is empowered to issue regulatory and other measures for the purpose of carrying into effect the electronic communications policy objectives.

Persons may deliver their written responses or comments to URCA's Chief Executive Officer, by either of the following methods:

> by hand, to URCA's office at UBS Annex Building, East Bay Street, Nassau; or mail to P.O. Box N-4860, Nassau, Bahamas; or fax to (242) 393-0153; or email, to info@urcabahamas.bs.

MEDIA CONTACT

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