PUBLIC ABRIDGED VERSION

APPLICATION FOR A PERMANENT PRICE CHANGE TO CABLE BAHAMAS LTD.'S SUPERBASIC SERVICE

Submitted to the

Utilities Regulation and Competition Authority

December 1, 2011

Filed by

Cable Bahamas Ltd.

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EXECUTIVE SUMMARY

Cable Bahamas Ltd. ("CBL" or the "Company") is seeking approval from Utilities Regulation and Competition Authority (URCA) to implement an $8 permanent increase in the monthly price of its residential "SuperBasic" cable TV service (which is currently marketed under the brand name "RevTV Prime"). The price change, if approved, would increase the price of the service from the current level of $30 to $38 per month. The proposed effective date of the proposed price change is April 1, 2012.

SuperBasic was launched sixteen years ago in 1995. Since that time, the retail CPI in The Bahamas has risen by 37% on a cumulative basis or about 2% annually. In marked contrast, the price of SuperBasic has remained fixed at $30.

Based on CBL's 2010 audited regulatory financial results, there was a significant shortfall between SuperBasic's revenues and costs, including in the latter case, the cost of capital based on CBL's allowed return on mean capital employed ("RoMCE") of 10.86%. As demonstrated in the Application, the SuperBasic revenue shortfall has increased significantly in 2011. Absent a price increase, the SuperBasic revenue shortfall is expected to grow further still in 2012, resulting in a negative RoMCE for SuperBasic.

CBL's proposed price increase is intended to address the current 2011 SuperBasic revenue shortfall. A further price increase would be required to address the expected 2012 shortfall; however, CBL has nevertheless limited its price increase request to $8, which is fully justified on the basis of current year estimates of SuperBasic revenues and costs.

CBL is sensitive to the harsh economic reality The Bahamas is currently experiencing, and the fact that these are difficult financial times for our subscribers. However, after careful deliberation and weighing of all the facts involved, CBL has decided that proceeding with this application is the only way it can safeguard the continued viability of the product.

CBL has also conducted a benchmarking analysis of comparable basic cable TV packages and prices in 25 Caribbean jurisdictions. Based on that analysis, CBL found that the current average price of comparable residential basic cable TV package in the surveyed jurisdictions is roughly $38. Adjusting for the number of channels offered, CBL found that the average benchmark fee per TV channel is $0.66, which is well above CBL's current rate of $0.56 per channel. CBL also found that over the course of the last 17 months alone (the period covered by the benchmarking analysis), the price of the average comparable residential basic cable TV package has increased close to 4% in total, which stands in marked contrast to the 0% increase over 16 years in SuperBasic's case.

CBL submits that its proposed $8 permanent price increase for its residential SuperBasic is fully justified and supported by the evidence provided in this Application. CBL respectfully requests that the proposed price increase be approved expeditiously so that the price change can be implemented as proposed on April 1, 2012.

1.0 INTRODUCTION

With this Application, CBL is seeking approval from the URCA to introduce a permanent price increase of $8 to the monthly price of SuperBasic. The proposed price change would increase the price of the service from the current level of $30 to $38 per month. The proposed effective date of the proposed price change is April 1, 2012.[1]

In its 2010 Final Decision on *Obligations imposed on Operators with Significant Market Power (SMP)* (the "SMP Decision") URCA deemed CBL's SuperBasic TV package as a "high level SMP market". As such, URCA classified SuperBasic as a Price Regulated Service.[2]

Sections 13 to 23 of URCA's *Regulation of Retail Prices for SMP Operators – Rules*[3] (the "Price Regulation Rules") set out the approval requirements for any proposed permanent change to the price of a Price Regulated Service. The following sections of this Application address each of these requirements in order to provide the required rationale and supporting evidence justifying CBL's proposed permanent price change to its residential SuperBasic service.

2.0 SECTION 16 & 17 REQUIREMENTS

Sub-sections 16.1 to 16.8 of the Price Regulation Rules set out a number of specific informational and data requirements that must be included in any application submitted to URCA requesting a permanent price change to a Price Regulated Service. In reference to the specific cost data required under sub-section 16.8.4, section 17 indicates that, where possible, such cost data should satisfy URCA's established *Accounting Separation and Cost Accounting Guidelines*[4] (the "Accounting Guidelines"). Each of the requirements set out in section 16 and as qualified in section 17 of the Price Regulation Rules is addressed below.

2.1 Service Description (Section 16.1)

"SuperBasic" cable TV is now marketed as "RevTV Prime"; however, for the purpose of this Application, CBL refers to its basic cable TV service using its longstanding service name, "SuperBasic".

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1 CBL notes that in the financial analysis included in subsequent sections of this Application regarding the proposed residential SuperBasic price increase of $8 as of April 1, 2012, has also assumed a simultaneous and equivalent percentage price increase (i.e., of 8/30 or 26.7%) is applied to commercial SuperBasic prices.

2 URCA, ECS11/2010, 22 April 2010, pages 30-31.

3 URCA, ECS15/2010, 22 April 2010.

4 In CBL's case, URCA ECS 13.2010, 22 April 2010.

When first launched in 1995, SuperBasic was provided using analogue technology. In 2010 CBL began to satisfy its SMP obligation imposed by URCA to offer standalone broadband by converting its analogue facilities to digital. Currently, approximately ### of SuperBasic subscribers are served on digital cable network facilities, while the balance remains on the Company's legacy analogue facilities. Over the course of approximately the next 18 months (i.e., by June 2013), CBL expects to complete its network upgrade program so that virtually all of SuperBasic subscribers will be served by digital technology. At that same time, CBL's untying obligation will also be fully satisfied.

The vast majority of our SuperBasic subscribers receive 54 television channels,[5] which has remained relatively constant since the service's launch. In a relatively small number of cases, some subscribers receive 48 television channels with SuperBasic. This occurs on isolated, less populated islands where signal delivery is served via satellite only.

2.2 Proposed Effective Date of the Price Change (Section 16.2)

Subject to URCA's approval of this Application and the associated subscriber notification requirements set out in section 12 of the Price Regulation Rules, CBL proposes that the proposed price change be effective April 1, 2012.

2.3 Current Prices (Section 16.3)

The current price of the SuperBasic service is $30 per month for residential subscribers. CBL notes that this price has been in effect since 1995 when the service was launched.

2.4 Proposed Prices (Section 16.4)

CBL is proposing to increase the monthly price of residential SuperBasic service by $8. This would raise the price of the service from the current $30 to $38 per month, and would apply to all current and future residential subscribers of the service.

2.5 Any Proposed Changes to Applicable Terms & Conditions (Section 16.5)

Other than the above-noted change in monthly prices, CBL is not proposing to change any of the existing terms and conditions for SuperBasic service.

5 A list of available television channels is on CBL's website: http://www.cablebahamas.com.

2.6 Commercial Rationale for the Proposed Price Change (Section 16.6)

CBL's commercial rationale for the proposed price increase is to ensure the revenues derived from SuperBasic reflect the costs of provisioning the service, including the cost of capital.

As the financial evidence provided in section 2.8 below shows, SuperBasic's current 2011 revenues fall significantly short of covering the associated costs of the service, including the cost of capital, as measured following the Accounting Separation Guidelines (altogether, the "revenue shortfall"). Based on the current estimated 2011 revenue shortfall, CBL's rate of return on mean capital employed ("RoMCE") for SuperBasic is ####### – well below the URCA-approved regulated RoMCE of 10.86%.[6]

CBL's proposed price change of $8 is intended to address the current SuperBasic revenue shortfall, which is based on estimates of 2011 SuperBasic revenues and costs. However, CBL expects the SuperBasic revenue shortfall to increase further in 2012 (absent any change in price). Therefore, an even larger price increase would be required to address the expected 2012 shortfall. CBL has nevertheless limited its price increase request to $8, which is based on estimated current (2011) rather than projected (2012) revenues and costs.

CBL's proposed price increase is based on several other important considerations.

First, CBL is sensitive to the harsh economic reality The Bahamas is currently experiencing, and the fact that these are difficult financial times for our subscribers. However, after careful deliberation and weighing of all the facts involved, CBL has decided that proceeding with this application is the only way it can safeguard the continued financial viability of the product.

Second, CBL's proposed price increase also leaves ample provision for any potential differences between the current estimated and future actual SuperBasic revenues and costs. In other words, CBL's proposed SuperBasic price change, would pose effectively no risk of SuperBasic's RoMCE exceeding the regulated RoMCE in 2012, when the proposed price change takes effect.

Third, CBL also notes that it has maintained the price of SuperBasic at $30 for 16 years now (since the service's launch in 1995). Over that same period, consumer price inflation in The Bahamas has grown on a cumulative basis by roughly 37% or 2% annually.[7] Had the price of SuperBasic kept up with the rate of inflation since its launch, it would be just over $41 today.

6 URCA, *Final Determination on: The Cost of Capital for designated SMP Operators*, ECS 23/2009, 2 November 2009.

7 The Bahamas Bureau of Statistics, Key Statistics – CPI, see: http://statistics.bahamas.gov.bs/key.php?cat=33.

Lastly, CBL has conducted a benchmarking analysis of comparable basic cable TV packages and prices in 25 Caribbean jurisdictions. Based on that analysis, CBL found that the average price of comparable residential basic cable TV package in the surveyed jurisdictions is currently $37.60. In addition, the benchmarking analysis shows that the average fee per TV channel in the surveyed jurisdictions is $0.66, which is well above CBL's current rate of $0.56 per channel. CBL also found that over the course of the last 17 months alone (the period covered by the analysis), the price of the average comparable residential basic cable TV package has increased close to 4% in total. This evidence suggests that CBL's proposed price increase for residential SuperBasic service to $38 is fair and reasonable in view of the average price and rate of change of comparable basic cable TV service prices in other Caribbean jurisdictions.

The methodology and results of the basic cable TV service benchmarking analysis are provided in Annex 2 to this Application.

2.7 Pricing Principle for the Service in Question (Section 16.7)

The pricing principle that CBL considers should apply in the case of SuperBasic is that the price of the service be cost-based. In other words, the price of SuperBasic should reflect as closely as possible the underlying costs of the service, including CBL's cost of capital, so that the RoMCE for the service should be close to or equal to the URCA-approved regulated RoMCE of 10.86%.

As noted above, and described in more detail below, the proposed SuperBasic price increase of $8 is intended to address the current 2011 SuperBasic revenue shortfall; however, since the price increase can only be implemented in 2012, it falls short of stemming the expected growth in the revenue shortfall in 2012. CBL has chosen to limit the magnitude of the proposed price increase in this Application for the reasons noted above.

2.8 Relevant Data (Section 16.8)

2.8.1 Current and Projected Demand (Section 16.8.1)

Section 16.8.1 of the Price Regulation Rules requires that applications for permanent price changes include the volume of current and projected demand for the Price Regulated Service, where the projected demand should provide the operator's forecast of demand over the following year. For completeness, CBL is providing the required demand information (i.e., in this case residential SuperBasic subscribers) for both 2009 and 2010 (recent "actual" results) as well as projections or forecasts for the current year 2011 (which are based on nine months of actual data) and for the following year, 2012. All of the data provided in the subsequent sections of this Application covers the same four-year period.

Table 1 below provides the total number of residential SuperBasic subscribers as of year-end 2009 and 2010, along with forecasts for year-end 2011 and 2012. The table also provides the annual average number of residential SuperBasic subscribers for each of the same years.[8]

Table 1 – Residential SuperBasic Subscribers

	2009	2010	2011F	2012F
Year-end Subscribers	67,657	67,715	#	#
Percent Change		*0.1%*	#	#
Annual Average Subscribers	#	#	#	#
Percent Change		#	#	#

The market for basic cable TV service in The Bahamas is mature and has been for some time. This is reflected by the fact that the growth rate of SuperBasic subscribers has been very low in recent years and, moreover, has been steadily declining. The average annual rate of growth in residential SuperBasic subscribers over the last five years (2006-10) was 1.1%. In 2010, growth in residential subscribers dropped to almost zero. CBL expects the number of residential SuperBasic subscribers to grow by ### by year-end 2011 relative to the previous year. However, the number of year-end SuperBasic subscribers is expected to ### in 2012 largely due to market maturation, the effects of untying of cable TV and broadband Internet services and growing competition (including from the anticipated launch of an IP-based TV service).

The gap between the annual average and year-end numbers of SuperBasic subscribers shown in Table 1 is largely due to the fact that a considerable number of existing subscribers disconnect their service during the year and later reconnect (often in the last month of the year before the holiday season). Otherwise, as Table 1 shows, based on nine months of actual data for 2011, the Company expects the annual average number of subscribers to ### . The same market factors noted above are driving the annual average number of SuperBasic subscribers downwards.

2.8.2 Subscribers affected by the Proposed Price Change (Section 16.8.2)

All residential SuperBasic subscribers, as identified in Table 1, would be subject to the price increase proposed in this Application.

8 The annual average number of subscribers is calculated by dividing annual residential SuperBasic revenues by the current monthly charge of $30, and then divided by 12 months.

2.8.3 Current and Projected Revenues (Section 16.8.3)

Residential SuperBasic monthly charge revenues for 2009 and 2010 along with forecasts for 2011 and 2012 are provided in Table 2. The forecasts do not include any provision for the price increase proposed in this Application.

Table 2 – Residential SuperBasic Monthly Charge Revenues
(with no change in the price of residential SuperBasic)

	2009	2010	2011F	2012F
Residential	#	#	#	#
Percent Change		#	#	#

#################.

The revenue forecast for 2011 is based on nine months of actual revenue data for the year.

For 2012 ##############.

Table 3 below provides "separated" SuperBasic revenues for 2009 and 2010 along with forecasts for 2011 and 2012 consistent with the *Accounting Separation and Cost Accounting Methodology* (the “Separations Methodology”). Details of the revenue forecast and revenue separations methodology and assumptions for 2011 and 2012 are described in Annex 1.

CBL notes that the development of 2011 and 2012 "separated" SuperBasic revenues is based on the implicit allocation factors for 2009 and 2010 derived from CBL's audited 2010 Regulatory Financial Statements. The Company's 2010 Regulatory Financial Statements include a separated regulatory aggregate or business segment labelled "Basic TV Business". For the purpose of this Application, CBL refers to this business segment as "SuperBasic". Thus, throughout this Application, separated "SuperBasic" revenues, costs and MCE are equivalent in definitional terms to separated "Basic TV Business" revenues, costs and MCE as reported in CBL's Regulatory Financial Statements.

Table 3 – "Separated" SuperBasic Revenues
(with no change in the price of residential SuperBasic)

	2009	2010	2011F	2012F
Residential	#	#	#	#
Commercial	#	#	#	#
One-off Charges	#	#	#	#
Other Charges	#	#	#	#
Total	**$29,014,851**	**$29,348,579**	#	#

Percent Change		*1.2%*	#	#

Note: 2009 and 2010 results drawn from CBL's Regulatory Financial Results, December 31, 2010, as per the "Basic TV Business" regulatory aggregate; 2011 and 2012 forecast methodology and assumptions provided in Annex 1.

As per the Accounting Separation methodology, Table 3 shows the monthly charge revenues associated with SuperBasic, along with associated one-off (e.g., installation and reconnection) and other (e.g., late payment fee) revenues. The residential SuperBasic revenues match those shown in Table 2 above.

CBL notes that commercial SuperBasic revenues are expected to ######. With the objective of providing the most accurate "base case" financial estimates for 2012, CBL has included an increase in commercial SuperBasic monthly charges equal to the proposed increase for residential SuperBasic in percentage terms and implementation timing (April 1, 2012). ## #.[9]

##############################.

Overall, forecast total SuperBasic revenues are ####################### .

2.8.4 Total Cost of providing SuperBasic Service (Section 16.8.4)

Section 16.8.4 of the Price Regulation Rules requires that applications for permanent price changes include data on the "current" total cost of providing the service in question – showing separately network (wholesale) and downstream costs, and inclusive of the operator's cost of capital. In this respect, CBL is providing estimates of the current 2011 and forecast 2012 total costs of SuperBasic service, following the Separations Methodology.

For comparative purposes, Table 4 below provides CBL's "separated" operating costs for 2009 and 2010 – including cost of sales, retail specific, other operating expenses and depreciation and amortization costs – as reported in its 2010 Regulatory Financial Statements filed with URCA. In addition, Table 4 also provides CBL's forecast "separated" operating costs for 2011 and 2012. The details of the operating cost forecast and separations methodology and assumptions are described in Annex 1.

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[9] ############################ #.

Table 4 – "Separated" SuperBasic Operating Costs

	2009	2010	2011F	2012F
Cost of Sales	#	#	#	#
Retail Specific	#	#	#	#
Other	#	#	#	#
Depr. & Amort.	#	#	#	#
Total	#	#	#	#
Percent Change		#	#	#

Note: 2009 and 2010 results drawn from CBL's Regulatory Financial Results, December 31, 2010, as per the "Basic TV Business" regulatory aggregate; 2011 and 2012 forecast methodology and assumptions provided in Annex 1.

Over the past few years, CBL has faced significant upward pressure on its operating costs, which have placed similar significant upward pressure on SuperBasic related operating costs. These include the fact that the Company's content or signal fee costs, for instance, have increased at a rate of over ### per year over the last five years (2006-10) and are expected to increase by over ### in 2011 alone. The Company's retail specific cost have also increased significantly as a result of the Company's rebranding initiative (largely completed this year) and its cable TV and broadband untying program. Similarly the Company's maintenance, operations and network operations costs have also risen significantly – i.e., at a rate of close to ### annually on average over the last five years (2006-10) and by over ### alone in 2011. The more recent upward cost pressures are due to the Company's network upgrade and untying programs as well as other factors such as significantly higher electricity and fuel costs.

The Company's SuperBasic related depreciation and amortization costs have risen steadily and are expected to continue to do so primarily as a result of ongoing investments in the Company's network upgrade and untying programs.

Overall, the Company expects SuperBasic related operating costs, including depreciation and amortization, to increase at a rate of roughly ### in 2011 and ### in 2012, both of which are consistent with trends over the last five years or so.

Additional details on the Company's recent operating cost trends is provided in Annex 1.

2.8.5 Summary of "Separated" SuperBasic Revenue and Cost Results

In this section, the above-noted "separated" revenues and costs are used to determine the profit/loss results for the SuperBasic service. As well, to estimate the RoMCE, CBL has also developed a forecast of mean capital employed ("MCE") for SuperBasic service for the years 2011 and 2012. The methodology used to develop this forecast is described in Annex 1.

Table 5 provides a summary of the profit/loss results of SuperBasic for the years 2009 and 2010 along with forecasts for 2011 and 2012. The "revenue shortfall" is calculated as the difference between actual/forecast operating income and the income level required to generate the approved regulated RoMCE of 10.86%.

Table 5 – "Separated" SuperBasic Profit & Loss Account
(with no change in the price of residential SuperBasic)

	2009	2010	2011F	2012F
Residential SuperBasic price	$30	$30	$30	$30
Revenue	$29,014,851	$29,348,579	#	#
Operating Costs	#	#	#	#
Operating Income	#	#	#	#
MCE	#	#	#	#
Return on MCE (RoMCE)	#	#	#	#
Return on Turnover	#	#	#	#
Revenue Shortfall	#	#	#	#

Note: 2009 and 2010 results drawn from CBL's Regulatory Financial Results, December 31, 2010, as per the "Basic TV Business" regulatory aggregate; 2011 and 2012 forecast methodology and assumptions provided in Annex 1.

The SuperBasic revenue shortfall in 2010, which was based on audited cost separations results, was roughly ### million. Based on forecast revenues and costs, CBL expects that the SuperBasic revenue shortfall will double to roughly ### million for the current year, 2011. Absent any change in the SuperBasic price, CBL expects the revenue shortfall to increase further still to ### million next year. The 2012 revenue shortfall is lower than otherwise due to the fact that the commercial SuperBasic revenue forecast includes the effect of a commercial price increase equivalent in scale and implementation timing to the residential SuperBasic price increase proposed in this Application.[10]

To eliminate the estimated revenue shortfall of roughly ### million in 2011, an increase in the residential SuperBasic price of roughly ### would have been required at the beginning of this year.[11] Even if such price increase had been implemented, a forecast revenue shortfall

[10] If the commercial rate were not changed in 2012, the SuperBasic revenue shortfall would increase to # million in 2012.

[11] This rate increase amount was calculated using the annual average number of residential SuperBasic subscribers in 2011 shown in Table 1 above, and also assumes that an equivalent percentage price increase was also applied to commercial SuperBasic rates as of January 1, 2011.
It is important to note that the calculated revenue impact of the ### [Revised] rate increase does not take into account any potential price elasticity effect. Normally subscribers curtail their demand to some degree when price rises or, alternatively, increase demand to some degree when price falls. However, CBL has no experience with subscriber response to changes to price of SuperBasic since the current rate for the service has been in place since its launch in 1995. To the extent that existing subscribers disconnect and/or potential subscribers fail to subscribe to SuperBasic due to the implementation of a

of roughly ### million would still exist in 2012 and the RoMCE in 2012 would be ### (well below the regulated rate of 10.86%). This is set out under Scenario 1 in Table 6 below.

Given that the proposed price increase could only now be implemented in 2012, an increase of roughly $11.30 in the price of residential SuperBasic would be required to eliminate the forecast revenue shortfall of roughly ### million in 2012 (assuming the increase was implemented on January 1st of 2012). Under this scenario, CBL would have a reasonable expectation of earning its regulated RoMCE of 10.86% on SuperBasic service in 2012. This is set out under Scenario 2 in Table 6 above.[12]

price increase, then an even greater price increase (i.e., above the ### [Revised]) would be required to eliminate the revenue shortfall in 2011.

12 This scenario assumes that an equal percentage increase in commercial Basic Cable TV rates is implemented at the same time. Again, no account is taken for any potential price elasticity effect.

Table 6 – "Separated" SuperBasic Profit & Loss Account
(Scenario analysis with theoretical price increases in SuperBasic)

	Scenario #1		Scenario #2	
	2011F	**2012F**	**2011F**	**2012F**
Residential SuperBasic price	$38.40	$38.40	$30.00	$41.30
Revenue	#	#	#	#
Operating Costs	#	#	#	#
Operating Income	#	#	#	#
MCE	#	#	#	#
Return on MCE (RoMCE)	#	#	#	#
Return on Turnover	#	#	#	#
Revenue Shortfall	**~ $0**	#	#	**~ $0**

As indicated above, CBL is proposing to increase the monthly residential SuperBasic charge by $8.00 effective April 1, 2012, raising the current monthly price from $30 to $38. An increase of this magnitude is justifiable on the basis of the current costs of SuperBasic service. Had such a price increase been implemented at the start of 2011, it would have largely eliminated the current 2011 revenue shortfall of ### million. However, at this stage, the earliest time at which an increase to the SuperBasic price can be implemented is early 2012. As shown in Table 7 below, the proposed price increase of $8 would significantly reduce CBL's SuperBasic revenue shortfall in 2012 relative to 2011 (i.e., cutting it from ### million to ### million [Revised]), but would still leave CBL SuperBasic RoMCE at only ### [Revised] – considerably below the allowed level of 10.86%.[13]

Table 7 – "Separated" SuperBasic Profit & Loss Account
(with proposed price increase in residential SuperBasic)

	2011F	**2012F**	
Residential SuperBasic price	$30.00	$38.00*	
Revenue	#	#	R
Operating Costs	#	#	
Operating Income	#	#	R
MCE	#	#	
Return on MCE (RoMCE)	#	#	R
Return on Turnover	#	#	R
Revenue Shortfall	#	#	R

* *Price increase assumed to be implemented April 1, 2012.* R = Revised

13 Note that the results in Table 7 include the effects of an equivalent percentage increase in commercial SuperBasic prices as of the same date, April 1, 2012.

While a higher price increase would be required to fully address the forecast SuperBasic revenue shortfall in 2012, CBL has chosen to limit its proposed price increase to $8 at this time, which is fully justifiable based on the current 2011 revenue shortfall. However, in view of the continued expected SuperBasic revenue shortfall, CBL intends to assess the effects of the price increase on subscriber demand and Company revenues in 2012 – assuming the proposed price increase is approved – and determine what further steps may be required to eliminate the remaining revenue shortfall on SuperBasic.

3.0 OTHER RELEVANT AND REQUIRED INFORMATION

3.1 Benchmarking Evidence

Section 18 of the Price Regulation Rules states that in the absence of costing information that satisfies the Accounting Guidelines, other information may be provided to support a proposed price change, including:

- Benchmark study of prices in comparable jurisdictions along with supporting information; and
- Verifiable financial management information in respect of providing the service.

CBL notes that it has provided costing information in this Application that is consistent with the Accounting Guidelines, albeit in estimate form for 2011 and 2012. While not strictly required in this case, CBL is also providing a benchmarking study of comparable basic cable TV package prices in the Caribbean region to further support this Application. A detailed description of the benchmarking methodology and results is provided in Annex 2.

As noted above in Section 2.6, the results of the benchmarking study show that the current SuperBasic price of $30 is well below the average comparable price of $37.60 found in the Caribbean jurisdictions surveyed in the study. CBL's proposal to increase the SuperBasic price to $38 would lift the price in line with the benchmark average. CBL also found that prices have been increasing, on average, in the surveyed jurisdictions, unlike CBL's price which has been frozen for 16 years now. In CBL's view, the benchmarking evidence provides further compelling evidence in support of the proposed price increase in this Application.

3.2 Declaration

DECLARATION PURSUANT TO CONDITION 20 OF THE REGULATION OF RETAIL PRICES FOR SMP OPERATORS – RULES

I hereby confirm that this application complies with these rules, the Communications Act, 1999, the operating licence issued to Cable Bahamas Ltd on October 13, 2009 and the Sector Policy.

I further confirm that the proposed price change is not anti-competitive and in particular that it:

a. does not result in predatory pricing, and

b. will not result in a margin squeeze on other operators.

I hereby submit that the proposed SuperBasic price increase does not raise any potential anticompetitive concerns, including those noted above. As discussed in sections 2.6 and 2.7 of the Application, the intent of this Application is to increase the price of SuperBasic so that the revenues generated better reflect the costs of providing the service, including CBL's cost of capital. Approving the proposed price increase cannot in any manner be construed as raising any predatory pricing concern. In addition, in view of the fact that CBL does not and is not required to provide a wholesale service, there is equally no potential concern of a margin squeeze on other operators.

Barry Williams
Senior Vice President, Finance

ANNEX 1 – Projected Revenue and Cost Methodology & Results

Introduction

This Annex describes the methodology and assumptions used to develop projected or forecast "separated" revenues, operating costs and MCE for CBL's "SuperBasic" service consistent with URCA's established Separations Methodology.

The forecast process followed by CBL involves two primary steps:

i) Development of forecasts of CBL's 2011 and 2012 "consolidated" revenues, operating costs and MCE based on 9 months of actual data for 2011 and current expectations for 2012 (excluding any price changes with respect to residential SuperBasic service).

ii) Development of forecasts of CBL's 2011 and 2012 "separated" SuperBasic revenues, operating costs and MCE based on the average implicit allocation factors for 2009 and 2010 included in CBL's audited 2010 Regulatory Financial Statements.[14]

Each of the steps is described below with respect to the 2011-12 forecast and separations of revenues, operating costs and MCE. For reference and comparison purposes, actual results for 2009 and 2010 are also included in the tables provided in this Annex.

CBL notes that the Company's 2010 Regulatory Financial Statements include a separated regulatory aggregate or business segment labelled "Basic TV Business". For the purpose of this Annex, CBL refers to this business segment as "SuperBasic". Thus, throughout this Annex, separated "SuperBasic" revenues, costs and MCE are equivalent in definitional terms to separated "Basic TV Business" revenues, costs and MCE as reported in CBL's Regulatory Financial Statements.

Revenues

Table A1 below provides actual residential and commercial SuperBasic revenues for 2009 and 2010 as well as forecast revenues for 2011 and 2012. In addition, the table also includes total

[14] More specifically, implicit allocation factors are derived by calculating the ratios of "separated" SuperBasic revenues, operating costs and MCE components by their corresponding "consolidated" revenues, operating costs and MCE components using actual , audited data for 2009 and 2010. The average implicit allocation factors for the two years are used to determine forecast "separated" SuperBasic revenues, operating costs and MCE components for 2011 and 2012, unless otherwise noted in this Annex.

one-off charge (e.g., installation and reconnection) and other charge (e.g., late fees) revenues, which not only include revenues associated with the provision of SuperBasic, but also other services such as digital TV and broadband Internet services. Accordingly, only a portion of total one-off and other charge revenues are allocated to SuperBasic (as shown further below).

Table A1

CBL Consolidated - SuperBasic and Other Related Revenues

	2009	2010	2011F	2012F
SuperBasic				
Monthly Charges - Residential	#	#	#	#
Monthly Charges - Commercial	#	#	#	#
Other				
One-off Charges	#	#	#	#
Other	#	#	#	#
Total	**$31,852,196**	**$32,221,600**	#	#
Percentage Change		*1.2%*	#	#
Digital Cable TV	#	#	#	NA
Broadband Internet	#	#	#	NA
National Leased Lines	#	#	#	NA
Other	#	#	#	NA
Total	**$84,696,490**	**$88,862,436**	#	NA
Percentage Change		*4.9%*	#	

The 2011 forecasts are based on nine months of actual revenue and subscriber count results, and are extrapolated to year-end based on expected seasonal run rates.

The 2012 forecasts for revenues reflect the Company's expectation of ####.[15]

#####################.

Table A2 below provides "separated" SuperBasic revenues following the established Separations Methodology. This table replicates Table 3 in the main body of this Application. The results for 2009 and 2010 are drawn directly from the Company's 2010 audited Regulatory Financial Statements. The forecasts for 2011 and 2012 were estimated by applying the average implicit allocation factors used in CBL's 2009 and 2010 separations results. As noted above, these average implicit allocation factors only apply to the one-off and other charge revenue

15 It should be noted that no price elasticity effect was assumed with respect to the assumed commercial price increase.

categories.[16] Residential and commercial SuperBasic monthly charge revenues are attributed in full to the SuperBasic service segment and, therefore, no allocation factors are required in their cases.

Table A2

CBL "Separated" SuperBasic Revenues

	2009	2010	2011F	2012F
SuperBasic				
Monthly Charges - Residential	#	#	#	#
Monthly Charges - Commercial	#	#	#	#
Other				
One-off Charges	#	#	#	#
Other	#	#	#	#
Total	**$29,014,851**	**$29,348,579**	#	#
Percentage Change		*1.2%*	#	#

Operating Costs

Table A3 provides a detailed breakdown of CBL's actual consolidated operating costs for 2009 and 2010, along with forecasts for 2011 and 2012.

Here again, the 2011 operating cost forecast is based on nine months of actual data for 2011. The full year forecast was generated by applying standard run rates to year-end.

Forecast operating expenses for 2012 were generated based on current expected cost trends and forecast changes in demand for all of the Company's services. In 2012, as with recent years, there are a number of sources of significant upward pressure on the Company's operating costs.

In terms of cost of sales, the Company has faced significant year-over-year increases in content costs (signal fees), which have increased by more than ### annually on average over the last five years (2006-10). For 2011 alone, content costs are expected to increase by over ###. In 2012, the Company expects the growth in content costs to ###. The Company has also faced significant increases in regulatory fees in recent years, but expects the growth in these fees to ### in 2012.

16 Taking one-off charge revenues by way of example, consistent with the allocation of these revenues in CBL's 2009 and 2010 Regulatory Financial Statements, roughly ## # of total "consolidated" one-off charge revenues are allocated to the SuperBasic service segment. In other words, of the roughly ## # million in forecast total consolidated one-off charge revenues in 2011, roughly ## # million is allocated to the SuperBasic service segment, consistent with the allocation for this revenue category for the two proceeding years.

Note that the cost of sales – other cost category relates to voice services provided through SRG. As these costs are not related to the provision of SuperBasic, as shown below, they are not in any part allocated to SuperBasic.

In terms of retail specific costs, the Company has faced significant year-over-year increases in all areas including sales & marketing, billing & collection and customer care costs. In 2011, retail specific costs increased significantly (i.e., by roughly ###) as a result of the Company's rebranding initiative, introduction of voice services and the untying program. The Company expects retail specific costs to ### in 2012, ### compared to 2011, given that the Company's rebranding initiative is now largely complete.

Lastly, the Company is also facing significant upward pressure on its other operating costs, specifically including maintenance & operations and network operations costs. Over the last five years (2006-10), maintenance & operations and network operations costs have risen significantly – i.e., at a rate of close to ### annually on average. In 2011, however, both cost categories increased by over ###. The more recent upward cost pressures are due to the Company's network upgrade and untying programs. These cost increases have also been driven by significantly higher electricity and fuel costs. The Company expects that the growth in maintenance & operations and network costs to ### in 2012, ###.

General & administrative cost also fall under the other operating cost category. These costs have grown at a ### over the last five years (2006-10) – i.e., just under ### annually on average. However, given the significant cost pressures faced by the Company this year and next, general & administrative costs ###.

Overall, as shown in the bottom line of Table A3, the growth in the Company's total operating expenses is expected to ### . However, the operating expenses are expected to grow at a significant rate in both years – i.e., at close to ### and ## #, respectively.

Table A3

CBL Consolidated - Operating Expenses	2009	2010	2011F	2012F
Cost of Sales				
Content Cost	#	#	#	#
Regulatory Fees	#	#	#	#
Other	#	#	#	#
Total	#	#	#	#
Retail Specific				
Sales & Marketing	#	#	#	#
Billing & Collection	#	#	#	#
Customer Care	#	#	#	#
Other	#	#	#	#
Total	#	#	#	#
Other Operating Costs				
Maintenance & Operations	#	#	#	#
Network Services	#	#	#	#
General & Admin	#	#	#	#
Other	#	#	#	#
Total	#	#	#	#
TOTAL	**$39,058,175**	**$46,935,995**	#	#
Percentage Change		*20.2%*	#	#

Table A4 below provides "separated" SuperBasic operating costs following the established Separations Methodology. This table presents the details of the summary information included in Table 4 in the main body of this Application. The results for 2009 and 2010 are again drawn directly from the Company's 2010 audited Regulatory Financial Statements. The forecasts for 2011 and 2012 were estimated by applying the average implicit allocation factors used in CBL's 2009 and 2010 separations results, with several notable exceptions which are described below.

Reduced SuperBasic operating cost allocation factors for 2011 and 2012 (relative to the implicit average allocation factors for 2009 and 2010) were used in the following cases:

- Content Costs: a slight reduction in the allocation factor was used to reflect the ###.
- Regulatory Fees: a slight reduction in the allocation factor was used to reflect the ###.
- Sales & Marketing: a reduction in the allocation factor was used again to reflect the ###.
- Maintenance & Operations: a slight reduction in the allocation factor was used again to reflect the ###.

- Cost of Sales – Other: None of this cost category was allocated to SuperBasic given that it relates to the provision of voice services via SRG.

It is important to note that all of the above-noted adjustments have the effect of reducing the operating costs allocated to the SuperBasic and, thereby, reducing the revenue requirement necessary to earn the regulated RoMCE on the SuperBasic service segment.

Table A4

CBL "Separated" SuperBasic Operating Expenses

	2009	2010	2011F	2012F
Cost of Sales				
Content Cost	#	#	#	#
Regulatory Fees	#	#	#	#
Other	#	#	#	#
Total	#	#	#	#
Retail Specific				
Sales & Marketing	#	#	#	#
Billing & Collection	#	#	#	#
Customer Care	#	#	#	#
Other	#	#	#	#
Total	#	#	#	#
Other Operating Costs				
Maintenance & Operations	#	#	#	#
Network Services	#	#	#	#
General & Admin	#	#	#	#
Other	#	#	#	#
Total	#	#	#	#
TOTAL	#	#	#	#
Percentage Change		#	#	#

Depreciation and Amortization

Table A5 provides a detailed breakdown of CBL's consolidated depreciation and amortization costs for 2009 and 2010, along with forecasts for 2011 and 2012.

Table A5

CBL Consolidated - Depreciation & Amortization				
	2009	**2010**	**2011F**	**2012F**
Depreciation				
Land	$0	$0	#	#
Commercial Buildings	$610,741	$760,455	#	#
Vehicles	$509,227	$573,137	#	#
Equipment	$3,158,838	$4,706,171	#	#
Cable Systems	$7,474,592	$7,361,001	#	#
Fiber Optic Network	$1,355,322	$1,064,563	#	#
Web Hosting	$105,725	$8,548	#	#
Other - SRG	$0	$0	#	#
Total	**$13,214,445**	**$14,473,875**	#	#
Amortization	**$338,036**	**$250,536**	#	#
TOTAL	**$13,552,481**	**$14,724,411**	#	#
Percentage Change		*8.6%*	#	#

Once again, the 2011 depreciation and amortization forecast is based on nine months of actual data. The full year forecast was generated by applying standard run rates to year-end. Forecast depreciation and amortization expenses for 2012 were generated based on current expectations for next year given expected changes in demand for all of the Company's services and ongoing network upgrade and untying programs. These latter programs have the effect of driving up cable systems, equipment and vehicle related costs.

Table A6 below provides "separated" SuperBasic depreciation and amortization costs following the established Separations Methodology. The results for 2009 and 2010 are again drawn directly from the Company's 2010 audited Regulatory Financial Statements. The forecasts for 2011 and 2012 were determined based on the average implicit allocation factors used in CBL's 2009 and 2010 separations results. In this case an aggregate implicit allocation factor was applied since the depreciation and amortization cost categories included in the Company's 2010 audited separation results differ from those shown in Table A5 above. The Company is unable to provide directly comparable depreciation and amortization cost results on this same basis as those in Company's 2010 audited Regulatory Financial Statements at this time.

Table A6

CBL "Separated" SuperBasic Depreciation & Amortization				
	2009	2010	2011F	2012F
Depreciation & Amortization	#	#	#	#
Percentage Change		#	#	#

CBL notes that in estimating the 2011 and 2012 depreciation and amortization costs allocated to Basic Cable TV, it applied a slightly reduced allocation factor # ##. In addition, SRG related costs were not in any part allocated to the SuperBasic service segment. It is important to note that this adjustment has the effect of reducing the depreciation and amortization costs allocated to the SuperBasic service segment and, thereby, reducing the revenue requirement necessary to earn the regulated RoMCE on the SuperBasic service segment.

Mean Capital Employed

Table A7 below provides a detailed breakdown of CBL's consolidated MCE for 2009 and 2010, along with forecasts for 2011 and 2012.

The 2011 forecast is based on nine months of actual data. The full year forecast was generated by applying standard run rates to year-end. The 2012 forecast was generated based on current expectations for expected changes in demand for all of the Company's services and ongoing network upgrade and untying programs.

Note that the marked increase in the non-current assets – intangibles category relates to the acquisition of SRG.

Table A8 below provides "separated" MCE breakdown of the SuperBasic service segment following the established Separations Methodology. The results for 2009 and 2010 are again drawn directly from the Company's 2010 audited Regulatory Financial Statements. The forecasts for 2011 and 2012 were estimated by applying the average implicit allocation factors used in CBL's 2009 and 2010 separation results. In addition, costs associated with SRG's acquisition and services were not allocated to SuperBasic (i.e., the majority of the non-current assets – intangibles were excluded from the allocation).

Table A7

CBL Consolidated - Mean Capital Employed				
	2009	2010	2011F	2012F
Current Assets	**$24,970,056**	**$26,241,539**	#	#
Non-Current Assets				
Land	$1,928,748	$1,928,748	#	#
Commercial Buildings	$27,421,114	$26,818,661	#	#
Vehicles	$533,688	$836,658	#	#
Equipment	$22,967,682	$21,375,722	#	#
Cable Systems	$91,166,656	$95,571,330	#	#
Fiber Optic Network	$16,954,302	$16,002,770	#	#
Web Hosting	$43,578	$35,030	#	#
Long-term receivables	$2,727,765	$0	#	#
Intangibles	$3,905,412	$4,873,829	#	#
Total	**$167,648,945**	**$167,442,748**	#	#
Liabilities	**$21,499,604**	**$23,008,954**	#	#
Mean Capital Employed	**$171,119,397**	**$170,675,333**	#	#
Percentage Change		*-0.3%*	#	#

########################.

Table A8

CBL "Separated" SuperBasic Mean Capital Employed				
	2009	2010	2011F	2012F
Current Assets	#	#	#	#
Non-Current Assets	#	#	#	#
Liabilities	#	#	#	#
Mean Capital Employed	#	#	#	#
Percentage Change		#	#	#

ANNEX 2 – SuperBasic Benchmarking Methodology and Analysis

Introduction

This Annex describes the benchmarking methodology and results for SuperBasic service. It builds on the benchmarking analysis carried out by CBL in July, 2009.[17]

The benchmarking information summarized below was collected from cable TV company websites (and through direct inquiries when websites did not offer complete information) for each of the 25 Caribbean jurisdictions included in the analysis.

Methodology for Selection of Benchmarking Jurisdictions

Residential SuperBasic service is a terrestrial cable TV service provided in The Bahamas, a Caribbean island-jurisdiction. With a view to maximizing the comparability of the benchmarking sample to that of the conditions that hold in The Bahamas, the following criteria were used for the selection of the benchmark sample jurisdictions:

1. **Regional Geography:** Only jurisdictions in the Caribbean Region were included. This criteria ensures a reasonable degree of comparability because cable TV operators are providing service in relatively comparable geographic and climatic conditions.

2. **Physical Geography**: Only island-jurisdictions were included. This criteria ensures a reasonable degree of comparability because cable TV operators face comparable cost conditions specifically related to island-jurisdictions that may be different from those cost conditions that apply to continental jurisdictions.

3. **Terrestrial TV Service:** Only terrestrial Cable TV operators were included. This criteria excludes satellite TV companies.

[17] See Annex A of CBL's July 31, 2009 response to the "Public Consultation on Retail Pricing Regulation in the Communications Sector" issued by the Committee for the Privatisation of The Bahamas Telecommunications Company Ltd on behalf of The Government of The Commonwealth of The Bahamas. Note that the results included in this Annex 1 are not directly comparable to the July 2009 benchmarking results because in the current analysis the sample is significantly larger (24 observations to only 12 observations in for July 2009) and some of the comparable cable packages have been discontinued or newly introduced since that time.

4. **Availability of Information**: Only jurisdictions where detailed information required for benchmarking purposes is readily available and independently verified were included. This criteria excludes jurisdictions where the pertinent information was not readily available.

A total of 25 jurisdictions met all the above criteria. In terms of benchmarking observations, however, some of these jurisdictions have been aggregated. In particular, the French West Indies ("FWI") territories of Guadeloupe and Martinique are aggregated to form a single benchmark observation because even though they are different islands, they are both part of the same political entity and served by the same cable TV operator. The other FWI jurisdiction that meets the selection criteria, St. Martin, is included as a separate benchmarking observation because it is served by a different cable TV operator. The same analysis holds for the corresponding former Dutch-speaking colonies of Aruba, Bonaire, Curacao and St. Maarten, all of which are served by different cable TV operators, and hence included as different benchmarking observations. Therefore, the following are the 24 benchmarking observations:

1. **Anguilla**
2. **Antigua and Barbuda**
3. **Aruba**
4. **Barbados**
5. **Bermuda**
6. **Bonaire**
7. **British Virgin Islands**
8. **Cayman Islands**
9. **Curacao**
10. **Dominica**
11. **Dominican Republic**
12. **Grenada**
13. **Guadeloupe and Martinique**
14. **Jamaica**
15. **Montserrat**
16. **Puerto Rico**
17. **St. Kitts and Nevis**
18. **St. Lucia**
19. **St. Maarten**
20. **St. Martin**
21. **St. Vincent and the Grenadines**
22. **Trinidad & Tobago**
23. **Turks and Caicos**
24. **Virgin Islands (US)**

The following jurisdictions did not meet at least one of the criteria listed above and therefore were not included in benchmarking observations

1. **Cuba** (did not meet selection criteria 4 – detailed information not readily and publicly available)
2. **Haiti** (did not meet selection criteria 4 – detailed information not readily and publicly available)
3. **Saba** (did not meet selection criteria 4 – detailed information not readily and publicly available)
4. **St. Bartholomew** (did not meet selection criteria 3 – no terrestrial cable TV service)
5. **St. Eustatius** (did not meet selection criteria 3 - no terrestrial cable TV service)
6. **Other Jurisdictions in the Caribbean Region** (e.g. Guyana, Belize, Suriname, etc. - did not meet selection criteria #2 - not island-jurisdictions)
7. **Other Island-Jurisdictions not in the Caribbean Region** (e.g. U.K., Malta, Cyprus, Singapore, etc. – did not meet selection criteria #1 - not in the Caribbean Region)

In summary, CBL is of the view that these selection criteria provide a reasonable basis for establishing an appropriate and representative sample of comparable jurisdictions for SuperBasic benchmarking purposes. CBL considers that these criteria allow it to establish a sample of 24 benchmarking observations of reasonable breadth (thereby limiting the influence on the results on any one jurisdiction) while at the same time maintaining an appropriate degree of comparability.

Methodology for Selection of Cable TV Operators

In the vast majority (17 of 24) of benchmarking jurisdictions there is only one cable TV operator providing service. In 7 instances, however, more than one operator provides service. These may be classified in 2 categories:

- The first category includes two benchmarking observations: St. Kitts and Nevis, Trinidad and Tobago. In this instance, one operator provides service in the more populous islands (St. Kitts and Trinidad) and another operator provides service in the less populous islands (Tobago and Nevis). In this instance the analysis included the data for the operator providing service in the more populous islands.
- The second category includes five benchmarking observations: Antigua and Barbuda, Curacao, Dominica, Puerto Rico and St. Lucia. In this instance, two or more operators provide service on the same island. In this instance, the analysis included the data for one larger representative operator per benchmarking observation.

In summary, CBL is of the view that the methodology for the selection of cable TV operators provides a reasonable basis for the selection of cable TV operators in the minority of instances (7 of 24) where there are more than two operators in the benchmarking observation.

Methodology for Selection of Cable Packages

Only cable TV packages available to residential subscribers were selected.

In a few of the benchmarking observations (3 of 24: Antigua and Barbuda, Bonaire, St. Martin) the respective cable TV operators offered only one cable TV package and thus this was the one included in the benchmarking analysis.

In most benchmarking observations (21 of 24), however, the respective operators offered multiple cable packages. In this instance, on a jurisdiction-by-jurisdiction basis, the available stand-alone cable packages were analyzed to determine which cable package was most comparable to CBL's residential SuperBasic service. Cable packages were compared based on the number of TV channels offered. By jurisdiction, the single stand-alone package with the closest number of channels (could be higher or lower) to SuperBasic's 54 TV channels was selected.

In most instances, the difference (up or down) between the packages selected for the benchmarking analysis and the "target" of 54 channels was modest. In a few instances the difference is relatively large because of the specific availability of packages in the jurisdiction. For instance, in Guadeloupe and Martinique the lowest-number-of-channels stand-alone cable package is 80 channels. On the other hand, in St. Kitts and Nevis the highest-number-of-channels stand-alone cable package is 17 channels.

In Turks and Caicos Islands and Virgin Islands (US) the situation was slightly different in that no close-to-the-target packages were available, but in each country there were much higher and much lower channel packages available. In this case, so as not to bias the benchmarking, the analysis included the average of these "surrounding" packages. For Turks and Caicos Islands this was an average of a 19 and a 100 channel package; for Virgin Islands (US) it was the average of a 21 and a 89 channel package.

Methodology for Currency and Tax Treatment

All monthly subscription prices (fees) were converted from their quoted local currencies into U.S. dollars, based on the prevailing trend foreign exchange rate during the period from the last week of September to the middle of October, 2011. All prices include applicable taxes (such as VAT).

Summary Results

The Company applied the above-noted methodology on two occasions, in May 2010 and most recently in September/October 2011. The results presented in Table B1 show the benchmarking results at these two times. To aid in comparability, the same cable packages are included in these two times, with the exception of Turks and Caicos, wherein one of the corresponding packages was not available in May, 2010 and hence there is no observation for that date.

Table B1 indicates that the average current price for comparable cable packages from the benchmarking jurisdictions is $37.60. This is well above the current price $30.00 for residential SuperBasic. Further, CBL's proposed increase to $38.00 would generally be in line with this benchmarking average.

Table B1 also shows that during the 17 month period from May, 2010 to October, 2011 the average price of the comparable cable package increased 3.8%.

Table B1 also shows that the number of channels for the benchmarked packages (59 and 62 for May, 2010 and October, 2011, respectively) are comparable to SuperBasic's 54 channels. Therefore, on a fee per channel basis, CBL's current implicit fee of $0.56 per channel is well below the average current benchmark of $0.66 per channel.

In conclusion, the benchmarking analysis indicates that CBL's current price for SuperBasic is well below the average price of comparable cable package. Further, CBL's proposed price increase to $38.00 for residential SuperBasic would simply bring the price to a level which is consistent with the benchmarking average.

Table B1 – Summary of Benchmarking Results

Jurisdictions	Cable Company	Package	Monthly Fee (curr. USD)			Channels		Fee/Channel	
			May-10	Oct-11	Change	May-10	Oct-11	May-10	Oct-11
Anguilla	Carib Cable	Tier Service	$50.41	$50.41	0%	70	70	$0.72	$0.72
Antigua and Barbuda	CNS	Basic	$36.43	$36.43	0%	95	95	$0.38	$0.38
Aruba	Setar	Analog Basic	$32.42	$32.42	0%	42	42	$0.77	$0.77
Barbados	Multi-Choice TV	MCTV Plus	$50.00	$51.50	3%	58	58	$0.86	$0.89
Bermuda	Bermuda Cablevision	Deluxe Tier	$45.00	$45.00	0%	49	49	$0.92	$0.92
Bonaire	Flamingo TV	Digital Package	$36.33	$37.50	3%	62	63	$0.59	$0.60
British Virgin Islands	BVI Cable	Basic Plus	$40.00	$40.00	0%	59	59	$0.68	$0.68
Cayman Islands	WestStar TV	Digital Classic	$82.08	$82.08	0%	46	48	$1.78	$1.71
Curacao	Flow Curacao	Flow Basic	$38.14	$38.14	0%	56	59	$0.68	$0.65
Dominica	Marpin 2K4	Basic	$22.77	$31.88	40%	52	62	$0.44	$0.51
Dominican Republic	Telecable (Tricom)	Plan Compacto	$14.44	$14.44	0%	72	72	$0.20	$0.20
Grenada	Flow Grenada	Flow Classic	$27.72	$27.72	0%	48	48	$0.58	$0.58
Guadelupe & Martinique	Le Cable Caraibes	Prima	$37.67	$40.50	8%	60	80	$0.63	$0.51
Jamaica	Flow Jamaica	Watch Starter	$11.69	$11.69	0%	58	64	$0.20	$0.18
Montserrat	Carib Cable	Tier Service	$38.41	$38.41	0%	57	62	$0.67	$0.62
Puerto Rico	One Link	Basic	$40.63	$43.40	7%	54	55	$0.75	$0.79
St. Kitts and Nevis	The Cable	Basic Cable	$14.65	$17.14	17%	13	17	$1.13	$1.01
St. Lucia	Karib Cable	Basic	$27.72	$27.72	0%	76	80	$0.36	$0.35
St. Maarten	SXM Cable	Basic	$39.14	$39.90	2%	48	50	$0.82	$0.80
St. Martin	St. Martin Cable TV	Basic	$47.25	$48.20	2%	95	95	$0.50	$0.51
St. Vincent	Karib Cable	Basic	$29.60	$29.60	0%	65	75	$0.46	$0.39
Trinidad and Tobago	Flow	Analog Basix	$32.93	$32.93	0%	66	66	$0.50	$0.50
Turks & Caicos	WIV Cable	Avg. of 2 packages*	…	$50.00	N/A	…	60	…	$0.84
Virgin Islands (U.S.)	Innovative Cable TV	Avg. of 2 packages**	$33.25	$35.35	6%	55	55	$0.60	$0.64
Average (excl. Bahamas)			**$36.03**	**$37.60**	**3.8%**	**59**	**62**	**$0.66**	**$0.66**
Bahamas	**CBL**	**RevTV**	**$30.00**	**$30.00**	**0.0%**	**54**	**54**	**$0.56**	**$0.56**

Notes: * Average of "Expanded Digital" ($70.00/100 channels) and "Lifeline Analogue" ($30.00/19 channels) for Oct-11

** Average of "Expanded Service" ($57.09 / 89 channels in Oct-11 and $52.89 / 89 channels in May-10) and "Basic Service" ($13.60 / 21 channels in Oct-11 and May-10).