



By E-mail & Hand

April 16, 2010

Mr. Usman Saadat
Director of Policy & Regulation
Utilities Regulation and Competition Authority (URCA)
Agape House
4th Terrace Centreville
Nassau, Bahamas


Dear Mr. Saadat:

Re: Proposed Regulatory Cost Accounting Requirements

Reference is made to your letter dated April 14, 2010. Please find herewith our further submission:

We trust that this information is of assistance to you. Please let us know if we can be of any further assistance.

Sincerely yours,



Judith Smith
Legal Counsel
jms



**RESPONSE TO URCA's POSITION
PAPER
ISSUED 19 MARCH 2010**

**REGULATORY COST ACCOUNTING
PROPOSAL**

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Confidential Cover

Appendix 1

1. Introduction

From the inception of these interim SMP proceedings, Cable Bahamas Ltd. ("CBL") has maintained that it would completely disproportionate, unnecessary and unreasonable for URCA to impose an accounting separation obligation on CBL, particularly in the context of an interim SMP process. CBL continues to believe that there is no basis upon which URCA can or should attempt to extend telco-type accounting separation obligations to apply to its operations. The cost burden for a small company like CBL, operating in a very small market like The Bahamas, is simply not justifiable; nor would the information collected be of greater use to URCA than a targeted stand-alone cost study tailored to the specific purpose, should a particular regulatory concern arise.

However, in a spirit of compromise, and without prejudice to CBL's right of appeal under the Communications Act, 2009, CBL is submitting a regulatory cost reporting proposal, as set forth below, which we believe will be more than adequate for URCA's purposes in the circumstances pertaining to CBL. This proposal has been developed with the assistance and guidance of the accountancy firm PricewaterhouseCoopers LLP UK (PwC) for the specific purpose of this proceeding.

2. Background

On 30 September 2009 the Utilities Regulation and Competition Authority (“URCA”) issued a consultation document entitled “Types of obligations on Cable Bahamas Ltd. under s.116(3) Communications Act 2009” and a draft set of guidelines “Access and Interconnection”. These documents introduced proposals for new obligations which would apply to the Bahamas Telecommunications Company Limited (“BTC”) and CBL in relation to markets where they were designated as having significant market power (“SMP”), and set out various proposed requirements in relation to the provision of a reference interconnection and access offers (RIO/RAIO) for wholesale/interconnection products to be offered to other licensed operators. In addition URCA issued draft guidelines “Accounting Separation and Cost Accounting issued to Cable Bahamas Ltd” on 30 September 2009. In this document URCA outlined the draft Accounting Separation requirements it proposed should be applied to CBL. CBL made its formal response to these documents on 18 December 2009 where it outlined its significant objections to the proposed SMP designations and the accompanying guidelines.

As part of the ongoing consultation process, and reflecting representations and new information received from both CBL and BTC, URCA issued a position paper “Regarding types of obligations on Bahamas Telecommunications Company Ltd and Cable Bahamas Ltd. under s.116 (3) of Communications Act 2009”, dated 19 March 2010. In this document URCA clarified, refined and amended its proposals in relation to various regulatory obligations it proposed to impose on BTC and CBL, including Accounting Separation.

In order to assess the available precedents and need for telco-style Accounting Separation in the case of a stand-alone cable television operator and the feasibility of establishing the type of system under consideration by URCA, CBL contracted PricewaterhouseCoopers LLP UK (PwC) to examine URCA’s amended proposals for Accounting Separation in relation to CBL. In particular, CBL asked PwC to assess whether, in PwC’s opinion, these proposals are reasonable, necessary and proportionate. Their findings indicate that the proposed Accounting Separation obligations meet none of these criteria. As a result, and in a spirit of compromise, PwC has worked with CBL to develop a workable and proportionate alternative, which is set forth in section 4 below.

2.1. PwC’s qualifications in Accounting Separation

PwC’s experience in the area of Accounting Separation in the telecommunications industry is substantial. They have been the auditors of all of BT’s regulatory

accounts since their inception in 1995. They assisted *eircom* in the implementation of their regulatory reporting capability including Historic Cost Accounting and Current Cost Accounting separated accounts incorporating long run incremental costing. They have been the auditors of these separated accounts since their inception in 1999. They have advised and led Accounting Separation implementations for a number of other incumbent telecommunications operators including Batelco (Bahrain), Brasil Telecom, Jersey Telecom, Romtelecom, Telefonica Brasil, and Telecom New Zealand.

PwC, however, have no prior experience of Accounting Separation applied to cable operators. To our knowledge there is only a single instance of an Accounting Separation obligation being imposed on a stand-alone cable operator anywhere in the world and thus it has been extremely difficult to find advisors with actual experience of applying accounting separation rules to cable television companies.

The remainder of this submission is structured as follows:

- Section 2 URCA's rationale for Accounting Separation:** In this section we review the rationale put forward by URCA for Accounting Separation both in terms of the objectives it set out and the cost-benefit analysis that it performed.
- Section 3 Cost Accounting proposal:** In this section put forward a proposal for the provision of Accounting Separation/cost accounting information that we believe is both justified and proportionate given the state of the market and our position in it.

3. URCA's rationale for Accounting Separation

In this section, following PwC's guidance, we examine the reasons put forward by URCA to justify imposing an Accounting Separation obligation on CBL.

3.1. The requirement for proportionality

The first issue is the extent to which URCA's proposed Accounting Separation obligation could be considered to be proportionate. For this purpose we consider that a proportionate obligation should have the following characteristics:

- any obligation should be expressly designed to remedy a clearly identified market failure associated with designated SMP in a specific market; and
- any obligation should be the least intrusive remedy for the identified market failure.

Furthermore we consider that the decision to impose any obligation should have proper regard to the interim nature of the process which URCA has indicated will extend for between 12 to 24 months pending a full market review.

3.2. Objectives identified by URCA

URCA's position paper of 19 March 2010 enumerates the objectives of the proposed Accounting Separation requirements as follows:

- To support retail price regulation where applied;
- To promote transparency and non-discrimination, especially between an SMP operator's retail business and its downstream competitors;
- To support any setting or assessing of cost-oriented wholesale charges, such as those required by a RAIO;
- To overcome the information asymmetry between the regulator and regulated entities;
- To support any ex-post assessment under the competition provisions of the Act (e.g. margin squeeze, predatory pricing and excessive pricing); and
- To provide for audit independence and objectivity.

We consider each of these objectives in turn to assess the degree to which they could be proportionately achieved by the imposition of an Accounting Separation obligation on CBL.

3.2.1. Retail price regulation

URCA has stated that an objective of Accounting Separation is to support retail price regulation.

In a general sense, Accounting Separation could provide useful information to support the setting and compliance monitoring of certain forms of retail price regulation – namely those explicitly targeting cost oriented retail tariffs¹ (e.g. through a CPI –X style price control). However, the only form of price regulation proposed for CBL is a “rules-based” regime for the SuperBasic cable TV package whereby CBL must submit an application for any tariff changes it wishes to seek. URCA can then accept, reject or ask for further supporting information to justify the requested tariff change.

In these circumstances, CBL is the instigator of any tariff change and the onus is on CBL to provide the necessary justification and sufficient supporting information to facilitate URCA’s review.

Given the form of price regulation proposed for CBL, Accounting Separation could provide only very limited support for retail price regulation.

Proportionality assessment

Criterion	Narrative	✓ / ✗
Expressly designed to remedy a clearly identified market failure	Accounting Separation seeks to describe the financial situation and performance of a broad range of retail and network products and services which goes far beyond the requirement to justify potential tariff changes for the SuperBasic service.	✗
Least intrusive possible	Cost information could be compiled specifically for tariff change application on a case by case basis. This does not require the implementation of a recurring Accounting Separation extending beyond price regulated service across whole CBL service portfolio	✗

Accounting Separation therefore is not a proportionate or appropriate obligation to support retail price regulation in CBL’s case.

3.2.2. Transparency and non-discrimination

URCA has stated that a further objective of Accounting Separation is to promote transparency and non discrimination, especially between a vertically integrated SMP operator’s retail business and its downstream competitors.

¹ Even in such cases Accounting Separation is not required and is unlikely to be justified on such grounds. Retail price regulation is commonplace in many markets and industries but is seldom accompanied by Accounting Separation.

This is the overriding logic of Accounting Separation as a remedy for market failure. However, in URCA’s latest position paper, it no longer proposes that there should be a requirement to provide cost-based wholesale network services. Rather, the obligation, in this respect, to be imposed on CBL will be a requirement to make available a “white label” broadband resale product or products. Under this revised obligation, it is not necessary for URCA to determine whether the downstream retail business is bearing the same price for upstream inputs as its downstream competitors. The non-discrimination rationale therefore falls away along with any “arm’s-length” transparency benefits. A more general non-discrimination obligation could, if necessary, be established by means of a retail-minus pricing obligation should negotiations between the parties not yield a mutually agreeable white label broadband product, as discussed in the following section.

Proportionality assessment

Criterion	Narrative	✓ / ✗
Expressly designed to remedy a clearly identified market failure	Accounting Separation as a means of demonstration that there is no price discrimination between the price of upstream inputs sold to a vertically integrated SMP downstream business and its competitors does not apply in CBL’s case.	✗
Least intrusive possible	Not applicable	✗

We therefore conclude Accounting Separation is not a proportionate or appropriate obligation to facilitate transparency and non-discrimination.

3.2.3. Cost oriented wholesale charges

URCA has identified another purpose of Accounting Separation as the ability to support any setting or assessing of cost-oriented wholesale charges, such as those as required by a RAIO. However, URCA is not seeking to impose any requirement on CBL to offer cost- oriented RAIO products.

In the event that a price for the wholesale broadband service could not be set by mutual agreement, URCA could consider imposing a retail-minus pricing obligation. If that eventuality were to arise, the wholesale/retail price differential could be derived from an analysis of the expected costs avoided by selling the product through a wholesale rather than a retail channel. If such a method were used, an understanding of the retail cost structure of the product(s) in question would be required. In the event this became necessary, specific analyses could be performed for the products in question. This would be a far less burdensome (and potentially far more useful) undertaking for both CBL and URCA. In any event, we understand that it is common for retail-minus discounts to be set without recourse to specific cost

information, for example by reference to relevant benchmarks or even based on heuristic views of appropriate discount levels.

Proportionality assessment

Criterion	Narrative	✓ / ✗
Expressly designed to remedy a clearly identified market failure	Accounting Separation extends across the full range of retail and network products and services, far beyond the simple analysis of retail costs for resale products. Accounting Separation would thus amount to an obtuse and grossly excessive way of estimating a simple retail discount to be applied to a small subset of a firm's product portfolio.	✗
Least intrusive possible	Retail minus discounts can be estimated more simply and efficiently using a bespoke cost analysis focused on the specific retail costs of the relevant products or even without recourse to any cost data.	✗

We therefore conclude Accounting Separation is not a proportionate or appropriate obligation to impose on CBL to inform the setting of cost-oriented wholesale charges.

3.2.4. Information asymmetry

We recognise that URCA has a legitimate need for up-to-date financial and operational information to facilitate the proper performance of its duties. This makes a case for fit-for- purpose and proportionate regulatory cost accounting and operational information to be made available to the regulator; however, it does not indicate the necessity to create an elaborate system of Separated Accounts in CBL's circumstances. Indeed, apart from the fact that there are virtually no stand-alone cable television companies in the world that are subject to Accounting Separation regulation, it is not the norm to apply Accounting Separation to mobile operators unaffiliated with incumbent PSTN operators, even when they are found to have SMP in one or more mobile markets. It is therefore not the case that an SMP designation must necessarily lead to the imposition of an onerous Accounting Separation obligation.

In section 4 we describe a detailed proposal setting out the disaggregated cost accounting information based on our current management and financial accounting information systems that we can provide to URCA which would meet URCA's legitimate information needs in the case of CBL.

Because such regulatory cost accounting information is sourced directly from our internal management information systems it represents our own view of its performance. It is therefore arguably a superior means of addressing concerns of information asymmetry – in effect providing the regulator access to the same

information source available to the company. Furthermore, since the management information is maintained on a continuous basis, it offers the possibility of providing URCA with more timely and frequent data. Typical Accounting Separation statements, by way of contrast are usually provided annually and often many months after the year end to which they relate.

We also note that while the need for suitable information is common to all regulated sectors --- whether it is electricity, water, or financial services -- very few sector regulators impose Accounting Separation at all. Where Accounting Separation is mandated – notably in the case of incumbent fixed line PSTN operators – it is used expressly or primarily as means of overseeing non-discrimination requirements in response to a specific market failure in the case of dominant firms.

Proportionality assessment

Criterion	Narrative	✓ / ✗
Expressly designed to remedy a clearly identified market failure	The requirement of a regulator for information is a general requirement. It is not a remedy for market failure associated with SMP.	✗
Least intrusive possible	In section 4 we describe an alternative means of satisfying URCA's informational requirements which is significantly less onerous and in many respects superior to Accounting Separation.	✗

We therefore conclude Accounting Separation is not a necessary, proportionate or appropriate mechanism for dealing with information asymmetries between regulator and regulated firm in the case of CBL. In any event, we wish to note that section 77 of the Communications Act, 2009 allows URCA to require relevant information from regulated entities. However, that provision does not, in and of itself, authorise URCA to impose a completely new system of accounting on a regulated entity in a case where, as here, such an obligation cannot otherwise be fully justified as a means of implementing properly established SMP obligations.

3.2.5. Ex-post competition inquiries

URCA has stated that a further application of Accounting Separation is to provide a starting point for cost analysis in the potential event of an *ex-post* investigation that may occur in the future. It is correct that in a jurisdiction where Accounting Separation is already required, it may provide some information that could be used as a very basic starting point for an *ex post* investigation, but this of itself is not a sufficient or acceptable reason to drive a requirement for the production of Separated Accounts.

Potential *ex post* assessments are a feature of every market and sector. However, Accounting Separation is not a requirement in almost the entirety of these markets/sectors; yet, these *ex post* investigations are successfully carried out by regulatory and competition authorities as a matter of routine. Further, we are advised that the information available within a set of Separated Accounts is never suitable for fully satisfying the needs of such an enquiry, and typically more detailed information is required than can be obtained from the separated accounts, and such information must be gathered separately.

In any event, there is no basis in Part XI of the Communications Act, 2009 for imposing an Accounting Separation obligation *in advance* of a potential, hypothetical *ex post* investigation. If Accounting Separation is not justified to support the type of *ex ante* SMP obligations that URCA intends to impose (which CBL strongly believes to be the case), then such an obligation could only be imposed for purposes of *ex post* review following a full investigation and *ex post* assessment concluding that such an obligation is necessary based on clear evidence of abuse of a dominant position. Any pre-emptive application of an *ex post* remedy would raise serious issues of due process and fundamental fairness.

Proportionality assessment

Criterion	Narrative	✓ / ✗
Expressly designed to remedy a clearly identified market failure	By definition the <i>ex ante</i> application of Accounting Separation on the presumption that the information it could provide may be helpful in a future and unidentified competition action cannot be designed to remedy an identified market failure. In the event of a competition investigation it is highly unlikely that the information available through an <i>ex ante</i> Accounting Separation obligation will satisfy the specific requirements of the particular inquiry.	✗
Least intrusive possible	<i>Ex post</i> competition inquiries are a feature of all markets but Accounting Separation is rarely encountered. In most investigations specific standalone cost analysis is undertaken. This approach is significantly less onerous than imposing Accounting Separation just in case there is an investigation.	✗

We therefore conclude Accounting Separation is not a necessary, proportionate, appropriate or sufficient mechanism for supporting *ex post* competition investigations in the circumstances.

3.2.6. Audit independence, objectivity, and publication

The audit and publishing of regulated accounts is by no means a common practice in the telecommunications sector. Clearly for cable TV companies the production, auditing and publishing of Separated Accounts lacks any precedent in a jurisdiction

such as The Bahamas. The only standalone cable TV company in the world with an Accounting Separation requirement is Singapore Cable TV, a much larger company in a significantly larger market. Even in the case of incumbent PSTN operators which are more likely to be subject to an Accounting Separation requirement, publication is rare, and provisions are made for confidential treatment of the data below the balance sheet level. In all cases, it is recognised that the transparency objective must be balanced against legitimate confidentiality concerns.

Particularly in a small market like The Bahamas, the publication of such data can contribute to behaviour that could constitute tacit collusion, and any such requirement must therefore be evaluated in that context as well. The Communications Act, 2009 makes no provision for the publication of actual cost data, but is limited (section 40(3)(c)) to publication of URCA's determination of the cost accounting system, the main categories under which costs are grouped and the applicable cost allocation rules. Moreover, section 14 and other relevant provisions of the Act require URCA to provide confidential treatment to "commercially confidential" data. There is thus no lawful basis upon which URCA can compel the publication of sensitive cost data, and there are important policy reasons for it to refrain from doing so.

In a recent document published by the European Regulators Group ("ERG")² reviewing Accounting Separation practice among the EU or aspiring EU countries, it was found that of 28 countries examined, only 19 had produced audited Separated Accounts of which only 6 were for the 2008 year. We are advised that only five of those countries reviewed by the ERG have their Separated Accounts published (UK, Ireland, Italy, The Netherlands and Romania) although the Netherlands has recently removed the obligation for Accounting Separation completely. And even in these cases, confidential treatment is provided to cost data below a certain level of detail.

In the case of CBL, there is no justification for the imposition of an Accounting Separation obligation. As such, it logically follows that an audit of Separated Accounts is similarly unjustified, and that publication of anything beyond what is required by the Communications Act would exceed URCA's statutory remit.

As will be discussed in the section 4, CBL proposes to provide URCA with management account information tailored and enriched to meet URCA's requirements. This information can be reconciled to the audited Statutory Accounts at least on an annual basis.

It is conceivable that CBL may, if URCA requires it, engage auditors to carry out certain "agreed upon procedures" in order to give URCA comfort over specific

² ERG (09) 41 – ERG Regulatory Report – Regulatory Accounting in Practice 2009 – October 2009

standalone analysis prepared to support, for example, a tariff approval application or an *ex post* competition investigation.

It would not be appropriate to publish the information that CBL is proposing to supply to URCA (see section 4) as this information will contain significant confidential information that should not be shared with its competitors. The information, will, however, be available to URCA for purposes of future analysis and can, if necessary, be referenced in any decisions relying on it with appropriate redactions.

3.3. URCA cost benefit analysis

URCA's preliminary view that Accounting Separation is a justified and proportionate remedy to be applied to CBL appears in large part to derive from the qualitative cost benefit analysis which it sets out at Table 8, Appendix 1 of its Position Paper of 19th March 2010.

We note that URCA presented a single table which purports to make the case for imposition of Accounting Separation for both BTC and CBL, even though their circumstances are fundamentally different. Having reviewed Table 8, we are of the view that the presentation and discussion on the sources and quantum of costs and benefits is partial, is focussed primarily on BTC's situation, and insufficiently reflects CBL's specific circumstances in the following respects:

- URCA appears to fail to recognise sufficiently the absence of a requirement for CBL to offer any cost-based RIO/RAIO style wholesale products;
- URCA appears to fail to recognise sufficiently that in case of rules based price regulation, which in CBL's is limited to the SuperBasic service, the obligation is on CBL to justify tariff revisions;
- URCA appears to assume unduly that the implementation of a prescriptive AS system for apportioning fixed common and joint costs, prevalent in cable sector, will contribute incremental management insight into the economics of its business;
- URCA overstates the incremental risk of anti-competitive effects in the cable sector in the absence of Accounting Separation; and
- URCA identifies but appears not to take proper account of international precedents.

The implementation of Accounting Separation is a complex and time-consuming undertaking with significant costs. The complexity and cost arises because Accounting Separation requires the presentation of financial and operational

information by disaggregated products and hypothetical businesses which do not align with the regulated firm's organisation structure or traditional financial accounting and control systems.

Simplifying somewhat, a cable operator (or indeed a PSTN operator) manages a ubiquitous network that supports a myriad of products. Accounting Separation requires that the investment and costs in the network together with all the process and support costs be attributed to products. This is a major and costly undertaking. Add to this the requirement to have individual product profit and loss accounts and balance sheets audited each year and it becomes a very material undertaking.

While we do not assert that a national telco in a market of 60 million people describes a close peer of CBL, we note that British Telecom in the UK devotes "75 full-time equivalent employees" to the production of its Separated Accounts, and "BT currently incurs in excess of £7m annually in running its regulatory accounting processes"³ We understand that the annual audit of these accounts cost BT nearly £2m in the year ending 31st March 2004. We understand that *eircom*, the Irish incumbent PSTN operator, employs approximately 35 full time equivalent staff in the production of its Separated Accounts with an annual audit fee in excess of €1m. BT is nearly 27 times larger than *eircom* (in terms of exchange lines) and more than 17 times larger by revenue. Thus, it can be observed that the costs of Accounting Separation are not entirely scalable to the size of the company or the turnover. By extension, the cost of implementing a similar Accounting Separation obligation for CBL will represent an even large proportion of its turnover, and would therefore be wholly disproportionate to the relatively low level of competition concerns that have been identified by URCA.

In summary, we believe that the cost benefit analysis as it applies to CBL is substantially flawed and as a result of these significant flaws draws the wrong conclusion in relation to the best approach to monitoring CBL against its regulatory requirements.

³ [Data sourced from BT's response dated 31 July 2003, to Ofcom's consultation document "Financial reporting obligations in SMP markets, a consultation on accounting separation and cost accounting" dated 22 May 2003.]

4. Proposal for provision of cost accounting information

In the previous section we have argued that there is no justification for imposing on CBL an *ex ante* obligation to produce Accounting Separations statements. However, we do accept that URCA has a legitimate need for financial and operational information in order to be able to carry out its regulatory duties.

We believe that a proportionate approach to satisfy these requirements, having regard to the transitional nature of the current regulatory process, can be developed relatively easily from the financial, management and operational information that is used to manage the business. Such information, in the form of a 'regulatory cost accounting pack' would be consistent with CBL's chart of accounts and cost centre structures and would be available on a more frequent and timely basis than Separated Accounts (typically 6-12 months after the year end) and could be reconciled to the audited Statutory Accounts annually.

We are prepared to work with URCA to develop the precise form of the 'regulatory cost accounting pack', which would be structured around an income statement and capital employed statement, each segmented as appropriate by major line of business, to ensure that it satisfies URCA's reasonable requirements within the constraints of the following logical structure:

	Superbasic TV	Digital TV	Broadband	Leased Lines	Other
Revenue		By product	By product	By product	By product
Cost of sales					
Network activities/depn Analog TV	By business				
Network activities/depn Digital TV		By business			
Network activities/depn BB			By business		
Network activities/depn LL				By business	
Network activities/depn O					By business
Network activities/depn Shared 1	By family of businesses				
Network activities/depn Shared n	By family of businesses				
Non-network depn	By family of businesses				
Retail activities	By business				
Retail activities n	By family of businesses				
General management	By family of businesses				

Revenues and cost of sales are specifically identified in the general ledger will be able to produce information down to gross margin on a product basis.

The remaining cost information can be broken down into network activities, retail activities, network depreciation and non-network depreciation. CBL will analyse these costs and for those costs that are specific to a product or Business will be recorded against that product or Business. To the extent that an activity or category of depreciation straddles more than one Business, that cost will be shown as a common cost to the relevant group of Businesses and will not be allocated between the Businesses. This means that the results as reported to URCA will have costs against each individual Business as well as costs against each combination of Businesses representing the common costs between those Businesses. Any costs which are common to all the Business lines such as General management costs will only appear against the total costs for CBL as a whole.

A list of activities and depreciation categories that could be supplied within the reports are shown in Appendix 1. This list is comprehensive and supplies URCA with a great level of detail.

In addition to the P&L information shown above, we would provide a similar analysis in relation to Capital Employed. The equivalent schematic would be as follows:

	Superbasic TV	Digital TV	Broadband	Leased Lines	Other
Fixed Assets Analog TV	By business				
Fixed Assets Digital TV		By business			
Fixed Assets BB			By business		
Fixed Assets LL				By business	
Fixed Assets O					By business
Network Fixed assets Shared 1	By family of businesses				
Network Fixed Assets Shared n	By family of businesses				
Non-network Fixed Assets	By family of businesses				
Debtors, Creditors etc	By business				
Debtors, Creditors etc Shared 1	By family of businesses				
Debtors, Creditors etc Shared n	By family of businesses				

In order to assist URCA in understanding the information provided to them we could produce high level documentation which would focus on describing the content of each caption within the information, i.e a definition of each product, a description of each activity describing what is included and a description of each fixed asset category describing what assets or range of assets are included within a category.

In addition to the information described above, we would provide URCA with additional operational information such as subscriber numbers by product, ARPUs by product, staff numbers by cost centre etc.

As discussed earlier in this report, we do not believe that publication of any of this information is appropriate. The information being supplied to URCA under this proposal is to further URCA's understanding of the market, not as part of an Accounting Separation requirement. The information being supplied is of a confidential nature being shared with URCA. Publication would be wholly inappropriate.

In terms of "confirmation of compliance" for purposes of section 116(5) of the Communications Act, 2009, CBL proposes that compliance with this cost reporting obligation should constitute the submission of CBL's 2009 management accounts as proposed in this section and Appendix 1.