



STATEMENT OF RESULTS

URCA DRAFT ANNUAL PLAN for 2014

ECS 09/2014

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UTILITIES REGULATION & COMPETITION AUTHORITY

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1. INTRODUCTION

Under section 41(4) of the Utilities Regulation and Competition Authority Act (URCA Act), the Utilities Regulation and Competition Authority (URCA) is statutorily mandated to publish a draft annual plan on its website no later than the end of the financial year¹, and afford interested third parties the opportunity to comment on the draft plan prior to its final publication. In compliance with this statutory requirement, on December 31, 2013, URCA published its draft Annual Plan for 2014 (Draft Annual Plan) and invited comments from the general public. The deadline for submission of responses was January 31, 2014.

URCA's Draft Annual Plan sets out in detail the programme of work URCA proposes to undertake for the forthcoming financial year commencing January 1, 2014 and ending on December 31, 2014.

The Draft Annual Plan outlined, inter alia, the following:

- A Review of URCA's Achievements in 2013;
- URCA's Focus Areas for 2014;
- URCA's Key Projects for 2014; and
- URCA's Draft Budget for 2014.

This Statement of Results document now provides a summary of written responses to the Draft Annual Plan. The full text of submissions can be found on URCA's website at www.urbahamas.bs.

URCA received written responses to the Draft Annual Plan from the following stakeholders:

- 1) The Bahamas Telecommunications Company Limited (BTC); and
- 2) Cable Bahamas Ltd. and its subsidiaries² (CBL).

URCA thanks the respondents to this consultation for their contributions. All comments and suggestions received have been carefully considered by URCA as part of its process to refine the Draft Annual Plan and create an appropriate final plan for 2014.

Structure of the remainder of this Document

Section 2: Summary of Responses Received

Section 3: Conclusion and Next Steps

¹ "Financial year" is defined in s. 2 of the URCA Act as "a calendar year".

² Caribbean Crossings Ltd. and Systems Resource Group Limited (SRG).

2. SUMMARY OF RESPONSES RECEIVED

2.1 General Comments

BTC

BTC commented that it is pleased with the progress and development of the electronic communications sector (ECS) as well as the anticipated progress for the industry during 2014. However, BTC expressed concern regarding increased taxes on market players, particularly an increase in business licence fees, an increase in the Communications Licence fees and the recent amendment to the URCA Act which requires URCA to transfer surplus funds into the Government's Consolidated Fund at the end of the financial year. BTC recommended that the government revisit the issues of fees since, in its opinion, they have the potential to stifle growth of the telecommunications industry.

CBL

CBL commended URCA for hosting a meeting for stakeholders on January 21, 2014 and expressed that it was a welcomed addition to the annual report and it was an opportunity to understand URCA's plans for the forthcoming year. CBL also commented that it was very timely for the Ministry of Finance to be in attendance at the meeting to discuss Value Added Tax (VAT) and its implications to the ECS. CBL lauded URCA for introducing fixed number portability in The Bahamas in December 2013 and described it as significant for improving the competitive landscape of the sector. Further, CBL reaffirmed their strong support for the establishment of an independent regulator that is administered by an experienced team of executives and staff, under the direction of the Board adhering to Government policies. CBL also indicated its support of URCA's efforts to ensure that the public is provided with high quality products and services, and expressed its willingness to work with URCA in improving the customer experience. CBL highlighted that URCA, as an independent body, has a special responsibility to ensure that its operations are efficient and that due consideration is given to the cost burden on industry participants in order to properly prioritise its programmes. CBL opined that this is particularly important at a time of economic recession in The Bahamas and the current financial challenges within the sector.

URCA's Response

URCA thanks BTC and CBL for their positive comments regarding URCA's efforts to assist in the development of the ECS, and for their continued support of URCA's work during the past year.

URCA notes BTC's and CBL's concerns regarding the economic challenges operators are faced with in the ECS. URCA is aware of the increase of licensees' cost of doing business in The Bahamas, particularly as it relates to taxes on operators. URCA notes BTC's recommendation to the Government to revisit its fees. However, URCA is also cognizant of the need of the Government to address the country's national debt. URCA agrees with CBL that URCA has to ensure that its operations are efficient and that due regard is had to the costs and implications of its regulatory and other measures on affected parties. This is enshrined in the Communications Act and URCA is mandated to comply with this principle, inter alia, when introducing all policy, regulatory and other measures to take effect in the ECS in The Bahamas.³

2.2 URCA's Budget and Fees

BTC

BTC proposed that URCA reconsider its proposal to increase fees charged to operators. BTC speculated that the increase in 2014 fees is due to an increase in resources necessary for the introduction of mobile competition in 2014 and the introduction of VAT. BTC further expressed disappointment in the proposed increase in fees considering that operators are already faced with significant Communications Fees, Business Licence fees, operating fees and spectrum licence fees. BTC expressed that the cost of participating in the ECS appears to be a deterrent to the promotion of competition which is evidenced by the slow growth in the number of operators entering the market.

BTC further commented that the URCA (Amendment) Act, 2013 has diminished the goodwill between operators, URCA and the Minister with responsibility for URCA. BTC opined that the requirement for URCA to transfer any surplus at the end of the year into a consolidated fund has resulted in operators being deprived of funds that would ordinarily have been applied to the following financial year or years. In its view, the transfer of the surplus funds into the Consolidated Fund is "unfortunate and unnecessary". BTC implored URCA and the Minister with responsibility for URCA to reduce the annual fees so that the sector may remain attractive to investment and to ensure the sustainability of existing operators. BTC therefore recommended that the Communications Fee be reduced from 3% to 2%.

CBL

CBL commented that it is imperative for URCA to ensure that its operations and programmes are justified as a matter of need and priority each year. CBL believes that the absence of a published ECS Policy makes it difficult for market operators to gauge

³ Section 5(b) of the Communications Act, 2009.

current and potential opportunities. CBL also expressed concern regarding the new legal requirement for URCA to transfer surplus funds into the Consolidated Fund. CBL stated that URCA should have done a better job of communicating this change in legislation to licensees when it was being contemplated and also when it was implemented. CBL considers that this change in legislation amounted to a breach of the trust and legitimate expectation of stakeholders and taxation without representation. CBL also considered that URCA neglected to appropriately challenge this amendment to the URCA Act. Based on this change in legislation, it is CBL's position that URCA should not forecast increases or VAT in its budget. Should VAT be delayed or should the increases not materialize, CBL stated that is very likely that funds received from operators would be transferred into the Fund.

URCA's Response

URCA notes both BTC's and CBL's comments regarding its 2014 budget and fees. URCA particularly notes BTC's and CBL's contention and disappointment regarding the recent amendment to the URCA Act which mandates URCA at the end of each financial year to pay into the Consolidated Fund all surplus funds, which are, according to the Act, funds not immediately required by URCA. URCA notes that legislation is the prerogative of Parliament but assures BTC and CBL that URCA has made appropriate representations to the Government regarding the likely impact of the changes on the sector.

URCA also notes BTC's and CBL's concerns that the increase in the budget is primarily due to the anticipation of VAT. However, the majority of the increase in the budget can be attributed to an increase in consulting fees due to the introduction of mobile liberalisation and an increase in consumer education initiatives, particularly as it relates to mobile liberalisation. URCA must, however make appropriate budgetary provisions for any reasonably anticipated change in the environment in which URCA operates, and therefore URCA cannot ignore the possibility that VAT will be implemented in The Bahamas during 2014.

Further, URCA notes that each year it prepares its budget as prudently as possible seeking to ensure that budgeted amounts reflect as closely as possible the likely revenues and expenses URCA will face during the year.

URCA also notes BTC's recommendation that the Communications Fee be reduced from 3% to 2% and will refer BTC's recommendation to the Government. URCA notes that the Government has outlined in its draft ECS Policy⁴ that it will consider the development and introduction of new initiatives that would encourage new market entrants as well as existing market players to increase their investment and expand their participation in

⁴ [ECS 10/2013] at paragraph 81, page 33.

the market. URCA notes that some of these initiatives include a reduction in import duties applicable to electronic communications equipment and a review of business licence fees.

2.3 Revised ECS Policy

CBL

CBL noted that in 2013 it expressed concerns about the lack of a revised ECS Policy for 2012 – 2015. CBL pointed to the conclusion of the consultation period for the new draft Policy in August 2013 and noted that six (6) months later the final revised Policy has not been published. CBL stated that it believed that the Comms Act was drafted in a manner to allow for URCA to have consulted with stakeholders on the policy then formulated a revised draft policy to the Minister. If the Minister then failed to start a consultation with URCA, then after the prescribed time, a new policy would come into effect. CBL stated that it considered the aim of the provisions in the Comms Act relating to the ECS Policy was to avoid situations where the government leaves URCA and the sector adrift without a revised Policy.

URCA's Response

URCA notes CBL's concerns regarding the lack of a published revised ECS Policy. URCA notes that it has presented a revised draft Policy to the Minister as required by the Comms Act, and that during 2013 URCA conducted a consultation on that revised policy on behalf of the Government. Upon conclusion of that consultation, URCA prepared a letter of advice to the Government and included the comments from respondents to the consultation document for the Government's consideration in finalising and publishing a revised Policy. URCA looks forward to the publication of the revised policy by the Government.

2.4 SMP in Call Termination

BTC

BTC commented that it considered URCA's recent public consultation on Significant Market Power (SMP) in Call Termination Services (ECS 13/2013) a missed opportunity for proper regulation of the market. BTC stated that by deferring its substantive decision on SMP in Call Termination, URCA failed to produce a complete decision on the primary issue. BTC is concerned that URCA did not address nor complete the public consultation in a timely manner. BTC also commented that it is optimistic that upon completion, the regulatory requirements for more detailed Separated Accounts and a Reference Access and Interconnection Offer will also be applied to CBL.

Additionally, BTC commented that it may be necessary for URCA to conduct a review of operators' fulfillment of obligations placed on them in the Final Determination on Call Termination. BTC noted that in the Final Determination, CBL was required to publish on its website tariffs and non-price terms and conditions for interconnection and wholesale services after having been declared as having SMP for calls terminated to its network. BTC submitted that there is no evidence on CBL's website to suggest that CBL has complied with this obligation.

Further, BTC stated that the review of fixed termination charges by CBL and other URCA licensees is vital to the promotion of competition within the sector. BTC commented that it is placed at a competitive disadvantage because it pays CBL more than 100 percent premium on calls terminated to its network. In BTC's view, the distortion of competition as a result of CBL's wholesale charges being unregulated is not sustainable in the future. BTC recommended that URCA places the review of the fixed termination charges of CBL and IPSI as a high priority on its list of projects for the upcoming year.

CBL

CBL expressed that URCA's consultation on SMP in Call Termination should be given a very low priority in 2014. It is CBL's belief that this issue should be addressed only if and when problems arise regarding the pricing of fixed termination by operators, excluding BTC. CBL contended that while URCA has directed it and IPSI not to change current termination rates, BTC charges its customers for calling SRG customers. Therefore, CBL considers that for the time being, the need for any further work on SMP in Call Termination should be postponed until issues develop.

URCA's Response

URCA notes BTC's concerns regarding the consultation on SMP in Call Termination Services in The Bahamas. URCA is aware of the obligations placed on CBL and IPSI after being declared as having SMP in call termination over their respective public networks. URCA advises that all SMP operators are expected to adhere to these obligations in compliance with URCA's Final Determination..

URCA disagrees with CBL's comments that SMP in Call Termination should be given low priority in 2014 and should only be addressed if and when problems arise. URCA takes this position as there is a risk that operators not declared as having SMP in Call Termination may charge unreasonable rates or cause delay in interconnection rates. Moreover, it is URCA's position that regulatory intervention is necessary in order to prevent an SMP Operator from abusing its absolute control over essential terminating facilities on its network.

BTC and CBL will have since noted that URCA, as outlined in its draft plan, commenced its review of CBL and IPSI's fixed termination rates on 10 March, 2014, the consultation on which is ongoing

2.5 Enforcement

CBL

CBL commented that a major initiative that URCA can include in its monitoring and enforcement activities is the detection and control of electronic communications services that are being provided illegally. CBL also encouraged URCA to enforce number portability and the reference access and interconnection agreement in a swift manner. CBL further suggested that operators that fail to comply with such agreements should face a commercial premium and appropriate compliance measures should be taken to protect consumers and ensure a level playing field for existing providers.

URCA's Response

URCA notes CBL's concerns regarding enforcement and compliance with regulatory measures issued by URCA. URCA is aware of attempts made by persons to provide electronic communication services unlawfully without first obtaining a licence and has taken a more targeted approach against such persons. URCA will continue its efforts to resolve such matters under its powers bestowed by the Comms and URCA Acts. Further, URCA plans to take internal steps to effectively address enforcement of matters such as those mentioned by CBL in an effort to ensure that complaints of this nature are adequately and promptly addressed.

2.6 Alternative Dispute Resolution

CBL

CBL referred to URCA's indication in its Annual Plan that a consultation on Alternative Dispute Resolution (ADR) was commenced in December 2013. CBL commented that it is not aware of the ADR consultation and that it was unable to locate it on URCA's website.

URCA's Response

URCA notes CBL's comments regarding the ADR consultation. URCA clarifies that work has commenced on this consultation document and it is expected that the consultation on the ADR scheme for the ECS will commence in the first quarter of 2014.

2.7 Public Consultation and Research

CBL

CBL commented that URCA does not appear to have a consistent procedure when publishing responses to its public consultations. CBL gave various examples of responses to public consultations that were not published until the statement of results were published as well as examples where the comments were published prior to the statement of results being published. CBL pointed to the annex in URCA's Draft Consultation Procedure Guidelines (ECS 01/2009) which indicate how the consultation process should work and in particular, a stage for publication of responses is outlined. CBL suggested that URCA publish the responses received from stakeholders as soon as the consultation has ended as it is interested in reading the responses independent and irrespective of URCA's analysis and conclusion. CBL also suggested that URCA conduct more research on the electronic communications sector and publish the results of such research. CBL asserted that this would create improved policies and decisions by URCA which are fit for purpose

URCA's Response

URCA notes CBL's concerns regarding the procedure used by URCA to publish responses to its public consultations. The draft guidelines provides URCA with sufficient flexibility, based on particular circumstances of a consultation process (such as the impact on the public) to determine the dates for publication of responses received to a consultation document after the conclusion of a consultation process. URCA will continue to do this on a case by case basis to ensure that the process allows for the most productive consultation in each instance.

URCA also notes CBL's suggestion for URCA to conduct and publish more research on the sector. As URCA currently collects and publishes information on the ECS on an annual basis, it would have been useful for CBL to give an indication of the specific areas that it would like to see further research on. URCA however is willing to receive further commentary on this proposal by CBL and is willing to continue to develop its collection and publication of information on the ECS.

2.8 Regulation of Retail Pricing Rules

BTC

BTC commented that it anticipates the conclusion of URCA's public consultation on the Proposed Review and Revisions to the Regulation of the Retail Prices for SMP Operators

– Rules (ECS 15/2010). BTC noted URCA’s consideration of whether mobile services should be subject to retail price regulation. BTC asserted that the current Retail Pricing Rules are onerous and that the Rules impede competition and the ultimate provision of benefits to consumers.

CBL

CBL repeated that it is important for URCA to move towards a different type of price regulation than the current Retail Pricing Rules. CBL is of the belief that the current consultation document appears to create a more burdensome process for operators. CBL argued that the resources and finances spent on the consultation would have been better allocated to creating a more modern type of price regulation. CBL commented that the proposed revision appears to be more costly and manpower intensive. CBL contended that this will only exacerbate URCA’s manpower challenges, increase operators’ regulatory costs and divert manpower from focusing on customer service and enhanced product offering to more administrative tasks and a reliance on external consultants. CBL asserted that URCA is increasing regulation and becoming heavy-handed. CBL argued that the process continues to impede operators’ ability to react quickly to opportunities that can benefit consumers. CBL also described the process as “invasive, time consuming, arbitrary and expensive.

URCA’s Response

URCA acknowledges the above comments made by both operators. URCA notes that the consultation process on this framework ended on December 6, 2013 and URCA is now considering the comments received. URCA will formally respond to the comments received and publish its Final Decision by the second quarter of 2014.

2.9 National Spectrum Plan and Fees

BTC

BTC commented that while it welcomes the introduction of URCA’s proposed National Spectrum Plan 2013-16, it is concerned that the proposed review of the pricing of radio spectrum is due to the presumption that the current prices are too low. BTC expressed difficulty with any attempt to place additional financial burdens on operators. BTC further commented that inclusive of its review of the National Spectrum Plan and fees, URCA should regularize the excessive amounts of 2.5 MHz of spectrum allocated to CBL as this is an outstanding matter that has not been corrected.

URCA's Response

URCA notes BTC's comments regarding the National Spectrum Plan and spectrum fees. URCA notes that current spectrum prices need to be realigned to ensure that moving forward a fair price is paid for the amount of spectrum allocated, and that the fees reflect properly the costs incurred in managing the spectrum.

2.10 Facilities Sharing

BTC

BTC commented that while it notes URCA's intention to lessen the high level of investment for market entry by establishing facilities sharing regulations, BTC cautioned URCA to be mindful that sustainable competition is best ensured where mobile operators build their own tower networks with limited reliance on facilities sharing. BTC further commented that creatively concealing towers would address duplication of the construction of new, unsightly towers. BTC also stated that if URCA proceeds to mandate facilities sharing without conducting a public consultation and giving due regard to the submissions of licensees, then URCA must remove regulatory restraints on retail mobile pricing in order to ensure a level playing field with the entry on a second mobile licensee.

CBL

CBL noted that a consultation on infrastructure sharing was not listed as a planned project for 2013, yet URCA decided to include this project in the 2014 work plan because of the expiry of BTC's cellular exclusivity this year. CBL commented that it found it interesting that URCA did not consider it significant to support the implementation of the award of spectrum in the 700 MHz band with infrastructure sharing requirements. CBL expressed that it agrees that it may be useful to limit the infrastructure regulations to promoting the sharing of antennae and sites for base stations or the coordination of civil works. However, CBL stated that it would not support a public consultation on issues such as unbundled local loop or other similar, complex wholesale access obligations at this time.

URCA's Response

URCA notes BTC's and CBL's comments regarding facilities sharing. As pointed out by BTC, URCA is cognisant that the creation of facilities sharing regulations should not prevent or discourage new operators from constructing new facilities where appropriate and desirable to extend the quality and reach of electronic communications services. URCA clarifies for BTC that it is not its intent to introduce such regulations without firstly having regard to licensees' and other interested parties' comments. URCA has indicated

in its Draft Annual Plan that it intends to commence a public consultation on regulations for facilities sharing in the first quarter of 2014 and proposes to publish such measures by September 2014 upon completion of the public consultation process. In response to CBL, URCA considers that the introduction of facilities sharing regulation is irrelevant to the award of spectrum in the 700 MHz band. URCA does not consider this to be an issue as BTC was the only operator to accept the spectrum allocation in this band. Further, while URCA notes CBL's preference on what the regulations should and should not cover, URCA advises that it will make this decision and that stakeholders will be given the opportunity to submit their comments on the draft regulatory measure.

2.11 Competition Complaints

CBL

CBL emphasized the importance of timely action on the part of URCA in handling general complaints inclusive of competition complaints. Additionally, CBL stated that there are major commercial implications stemming from competition complaints and that a delay in addressing the same ultimately increases operational costs. CBL further referenced a complaint submitted in 2012 by SRG against BTC which remains unresolved and reiterated the particulars of that complaint.

BTC

BTC also commented on the speed with which competition complaints are addressed by URCA and notes that the handling of complaints in a timely manner fosters competition and is in the benefit of all concerned parties. Additionally, BTC suggested that URCA implement measuring of its timeliness in responding to competition complaints and suggested a measure of less than 30 days, more than 30 days but less than 45 and 45 days or more as a benchmark. Finally, in relation to the resolution of competition complaints, BTC suggested that URCA consider a service level agreement with industry partners.

URCA's Comments

Firstly, URCA states its commitment to ensuring that complaints are handled efficiently and as quickly as possible through its established internal processes. URCA notes that it is not unusual in any jurisdiction for competition complaints to take up to three years before resolution. That said, URCA states that historically the collection of information from parties involved in disputes has caused significant delay. Once in receipt of a complaint, URCA has found that the thoroughness of the complaint is lacking and that it becomes necessary to request further particulars and supporting information from licensees. Further in order to properly address such complaints URCA must then ensure the accuracy of such complaints before taking necessary action. Because complaints are

not as comprehensive as required and because there is usually a delay in receipt of additional information from licensees, URCA is not in agreement with the benchmark measurements as suggested by BTC but assures licensees that all efforts are being made to ensure that competition complaints and complaints in general are being dealt with in the most efficient manner.

2.12 Mobile Liberalisation

CBL

CBL encourages URCA to quickly establish the legal, technical and operational infrastructure in preparation for mobile liberalisation. CBL also encourages a process that allows Mobile Virtual Network Operators (MVNOs).

BTC

BTC notes URCA's initiatives as it relates to its preparation for mobile liberalisation and reminds URCA of Section 114 of the Communications (Amendment) Act which restricts the Minister in commencing the processes involved in awarding a second mobile operator license until after the end of BTC's exclusivity on April 7, 2014.

URCA's Comments

URCA reiterates that all initiatives undertaken by URCA as it relates to mobile liberalisation are being carried out in accordance with the law. URCA reminds BTC that the restrictions contained in section 114 of the Communications (Amendment) Act are restrictions placed on the Minister and do not fetter URCA in ensuring that the requisite regulatory framework is established and that the requisite preparatory activities have been completed. This will ensure that following the expiration of BTC's exclusivity, URCA is prepared to effectively regulate a competitive mobile market. URCA notes CBL's suggestion regarding MVNOs. URCA will ensure that the merits of all possible forms of competition will be duly considered by URCA in making any recommendations or decisions in relation to cellular mobile competition.

2.13 Universal Service Obligations

BTC

BTC noted the Supreme Court proceedings initiated by CBL with respect to URCA's Universal Service Obligation (USO) Implementation Framework and the resulting effects on URCA's planned USO activities. BTC also stressed the importance of continuing the work already commenced at it relates to the Universal Service Fund.

CBL

CBL stated that the Universal Service Obligations (USO) proposed by URCA is contrary to economic and commercial best practices and principles. CBL further submitted that the draft ECS Policy complicates the issues involved in the implementation of Universal Services. CBL further detailed its activities in the provision of free off-air television and internet in the Bahamas and notes that while it understands that social inclusion in technology is necessary, CBL stated that Universal Service must be offered in a way that is reasonable and cost effective.

URCA's Comments

URCA notes BTC's comments in relation to USO and states that the Universal Service Fund will be established in 2014 although this project will not have priority over URCA's intended activities related to mobile liberalisation. URCA does not agree with the comments on the USO Framework made by CBL but notes CBL's comments in relation thereto. As the issue is currently the subject of legal proceedings initiated by CBL, URCA does not find it appropriate to address CBL's comments in detail in this forum.

2.14 Growth of Competition

BTC

In its comments BTC expressed its concerns at URCA's commitment to the principles of ex-ante regulation and which BTC considers equates to stringent regulations and outdated administrative procedures. BTC urged that URCA exercise its ex-post powers which BTC considers a proven mechanism for stimulating competition. BTC's position is that continued ex-ante regulation is likely to inhibit development of competition. Further, BTC is of the view that a departure from ex-ante regulation would assist in dispelling suggestions of self-perpetuation which may result with continued adherence to ex-ante rules.

URCA's Comments

URCA notes BTC's comments regarding its regulatory framework and the exercise of its ex-ante regulatory measures. URCA commenced a comprehensive review of key retail markets in 2013, which review remains ongoing. Once the Market Review is completed, URCA will be in a better position to determine whether the status of competition in the markets in The Bahamas warrants more significant changes to the regulatory framework. While URCA notes BTC's resistance to ex-ante regulation, URCA also notes that it must continue to regulate the market consistently with best practices and that

unless the market is such that competitive forces are thriving and producing the desired effects, URCA must exercise vigilance in ensuring a level playing field through appropriate ex-ante and ex-post measures.

2.15 Legislation

CBL

CBL has suggested that URCA conduct a review of both the URCA Act and the Communications Act 2009 with a view to correcting provisions of the Acts which CBL considers to be inconsistent. CBL further comments that the roles of Government, URCA, the UAT and Stakeholders are not functioning as envisaged in 2009 with the establishment of URCA.

URCA's Comments

URCA notes CBL's comments regarding the legislation. While the amending and tabling of legislation are activities to be undertaken by the Government, URCA has begun to engage the Government on the desirability of certain amendments and that dialogue is continuing. For the avoidance of doubt, URCA notes that its willingness to open dialogue regarding amendments should not be interpreted as indicating URCA's agreement with any of CBL's views or proposals for amendment as set out in its comments or otherwise.

2.16 Board of URCA

CBL

CBL noted the composition of URCA's board and in particular as posted on URCA's website. CBL requested that information relative to URCA Board members' appointment dates and expiration should be made available. CBL also requested that proposed sequence of the new appointments.

URCA's Comments

URCA notes CBL's comments. URCA has no objection to the inclusion of the requested information regarding Board Appointments.

Board Member	Date of Appointment	Appointment Expiration Date
Randol Dorsett – Chairperson	1 st August 2012	1 st August 2015
J. Paul Morgan - Deputy Chairperson	1 st August 2009	1 st August 2013
Katherine Doehler	1 st August 2011	1 st August 2014
Kathleen Riviere-Smith – Chief Executive Officer	2 nd April 2012	1 st April 2017
Stephen Bereaux – Director of Policy and Regulation	17 th July 2012	16 th July 2015

As to the proposed sequence of new appointments URCA refers CBL to Section 18 of the URCA Act which sets out the procedure followed by the Governor General in appointing non-executive board members.

2.17 Rate Rebalancing

CBL

CBL in its comments urged URCA to address the issue of cost in the fixed line telephone market. CBL's position is that the competitive landscape of the electronic communications market is tilted toward the dominant voice operator, especially in circumstances where entry into the cellular mobile market is restricted. CBL suggests that URCA consider the fixed line market in the period before another cellular operator begins offering its services.

URCA's Comments

URCA notes CBL's comments notes that in addressing these issues careful attention must be paid to the social and regulatory issues involved.

2.18 Mobile Regulation

BTC

BTC in its comments encourages URCA's intended review of the mobile charging regime. In particular, BTC noted URCA's intention to direct its consideration as to whether a new cellular operation should be treated as having SMP in mobile termination. It is BTC's position that the current retail price regulations applied to fixed voice services would be to BTC's detriment on inception of mobile competition in the Bahamas. BTC also urged URCA to take into consideration the views and proposals of stakeholders as it conducts its review.

URCA's Comments

URCA notes BTC's comments in relation to URCA's commitment to review the Mobile Charging Regime. As usual, URCA will ensure that the views and interests of stakeholders as well as the effects on consumers will be considered throughout the review process.

2.19 Encouraging Competition

BTC

BTC's position is that in order to promote effective competition, it is necessary to complete and publish the Review of Retail Pricing Rules, to revise the Fixed Termination Rates of Cable Bahamas Limited and IPSI, to conduct Market Reviews and Consultations and to implement ex-ante remedies arising from Market Reviews. BTC also encouraged URCA's commitment to commence a public consultation on the Revision of Fixed Termination Rates of Cable Bahamas and IPSI as outlined in URCA's draft Annual Plan.

URCA's Comments

URCA notes BTC's comments with regard to the importance of encouraging competition.

2.20 Institutional Capacity Building

BTC

BTC is of the view that URCA's plans and initiatives geared toward institutional capacity building will be beneficial to and assist in the development of the sector.

URCA's Comments

URCA notes BTC's comments and thanks it for its support regarding URCA's proposed institutional capacity building initiatives for 2014.

3. CONCLUSION AND NEXT STEPS

The publication of this Statement of Results document formally concludes the public consultation on URCA's Annual Plan for 2014. URCA once again thanks the stakeholders for their feedback on the Draft Plan. Having considered the comments, URCA notes that the responses do not warrant significant changes to the projects proposed in URCA's Annual Plan. URCA has, however, reviewed the timeframes for projects in 2014 and made minor changes and has also made changes to its budget as follows:

Table 1 – Amended Planned Consultation Schedule 2014

Consultation Document	Draft Annual Plan Anticipated Publication Period	Draft Annual Plan Anticipated Closing Period	Final Annual Plan Anticipated Publication Period	Final Annual Plan Anticipated Closing Period
Consultation on ADR Scheme for the ECS	January 2014	March 2014	April 2014	May 2014
Spectrum Pricing Review	January 2014	March 2014	April 2014	June 2014
Review of CBL/IPSI Call Termination Rates	February 2014	April 2014	March 2014	April 2014
Market Reviews	March 2014	June 2014	April 2014	June 2014
Consultation on Network Quality of Service Standards	June 2014	August 2014	July 2014	September 2014
Review of Licensing Guidelines	June 2014	August 2014	August 2014	September 2014
Implementation of Ex Ante Remedies Arising from Market Reviews	July 2014	September 2014	September 2014	November 2014

Consultation on FM Radio Technical Standards	August 2014	October 2014	September 2014	November 2014
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In addition to publishing this Statement of Results, URCA has today published its Final Annual Plan for 2014 on its website. URCA will also include the Annual Plan with its Annual Report for 2013 which will be published by April 30, 2014 in compliance with section 41 of the URCA Act. Further, URCA will arrange for at least one public oral hearing to be conducted to present the Annual Plan and Annual Report and to answer questions from interested parties. URCA will publish the date and time for the public oral hearing on its website and in the media.