



ELECTRONIC COMMUNICATIONS SECTOR POLICY

**CONSULTATION DOCUMENT
ECS 10/2013**

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UTILITIES REGULATION & COMPETITION AUTHORITY

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1 OUTLINE OF THIS PUBLIC CONSULTATION

1.1 Background

- (1) The Utilities Regulation and Competition Authority Act, 2009 (URCA Act) came into effect on 1 September 2009, creating the Utilities Regulation and Competition Authority (URCA). URCA is the independent regulator and competition authority for the Electronic Communications Sector (ECS) in The Bahamas. URCA is responsible for licensing all electronic communications services including telecommunications, broadcasting, pay TV and internet services and will manage radio spectrum and numbering. URCA regulates the ECS through the Communications Act, 2009 (Communications Act).
- (2) The initial Electronic Communications Sector Policy (ECS Policy) was published on 6 October 2009 pursuant to section 6 of the Communications Act, 2009 (Communications Act). The ECS Policy outlines the regulatory structure for the electronic communications sector to operate under, it sets out the Government's objectives and vision for the sector in The Bahamas and it sets regulatory priorities for URCA to implement.
- (3) Section 6(3) of the Communications Act provides for URCA to prepare and present a revised draft policy to the Government within three (3) years of publication of each policy. In compliance with this provision, on 6 October 2012 URCA submitted a revised draft policy to the Prime Minister of the Commonwealth of The Bahamas to commence consultation. On 4 January 2013 a notice was published in the Official Gazette of The Bahamas declaring that the Minister with responsibility for the Electronic Communications Sector and URCA had agreed to extend the consultation period for an additional period of three (3) months, ending on 5 April 2013.
- (4) On 5 April 2013 URCA submitted a revised draft policy to the Government that took into account the views expressed by or on behalf of the Minister with responsibility for the ECS during consultation with URCA. On 17 June 2013 the Government advised URCA that it was authorized to release the draft revised policy for consultation with relevant stakeholders.
- (5) The purpose of this consultation document is to invite comments from interested persons on the draft revised ECS Policy. URCA is conducting this consultation on behalf of the Minister with responsibility for the Electronic Communications Sector. When completed, this policy will reflect the Government's overall plans for the ECS in the Bahamas and input from key stakeholders received in response to this consultation will be taken into consideration prior to publishing the new Sector Policy.

1.2 How to respond to this Consultation

- (1) URCA invites comments and submissions on this consultation document from members of the public, licensees and other interested parties. Responses to this consultation should be submitted to URCA not later than 5:00 p.m. on Friday, 2 August 2013.
- (2) Persons must send their written responses or comments to URCA's Director of Policy and Regulation, either:
 - by hand, to URCA's office at UBS Annex Building, East Bay Street, Nassau; or
 - by mail to P.O. Box N-4860, Nassau, Bahamas; or
 - by fax, to (242) 393-0153; or
 - by email, to info@urcabahamas.bs.
- (3) Once the consultative period is completed, URCA will compile and forward the comments received to the Government for its review, together with URCA's recommendations thereon.
- (4) Persons may obtain copies of this consultation document by downloading it from the URCA website at www.urbahamas.bs.

2 DRAFT ELECTRONIC COMMUNICATIONS SECTOR POLICY

2.1 Preface

The Communications Act, 2009 (Comms Act) sets out the framework for the regulation of electronic communications in The Bahamas, and affirms that electronic communications perform an essential role in promoting the economic and social welfare of The Bahamas.

The Government of The Bahamas, mindful of this key role of electronic communications has outlined in this Electronic Communications Sector Policy (ECS Policy) dated 02 July 2013 its vision and objectives for the electronic communications sector (ECS) in The Bahamas, within the context of the Government's wider vision and objectives for the social, cultural and economic development of The Bahamas.

The purpose of this ECS Policy is to:

- outline the Government's policy objectives for the electronic communications sector for the period from 2013 to 2016;
- inform all stakeholders, including the public, businesses providing electronic communications services, persons wishing to provide such services, and other interested persons, of the Government's policy in relation to the Sector; and,
- to guide the sector regulator, the Utilities Regulation and Competition Authority (URCA), in the performance of its duties and responsibilities under the Comms Act so as to ensure that its regulation of the ECS is consistent with the Government's policy objectives.

This ECS Policy remains in force for a period of three (3) years subject to the right of the Government, in the interim, to amend or revise this ECS Policy as may be necessary or appropriate to respond to changes in the ECS, or to international developments impacting the ECS. At the end of the three year period this policy will be reviewed and revised as necessary in accordance with the process set out in the Comms Act.

2.2 Introduction

1. Electronic communications, as defined in the Comms Act, means the *“conveyance, by the use of electrical, magnetic or electromagnetic energy, of signals of any description”*. Electronic communications therefore includes mobile and fixed voice telephony, data communications (including the provision of internet access), two way radio communications, paging, and television and radio broadcasting. The electronic communications sector (ECS) comprises *“the economic sector encompassing the provision of all electronic communications”*.
2. Electronic communications form an essential part of the backbone infrastructure supporting the social and economic progress of The Bahamas. Increasingly, access by persons to information and communications technology (ICT) enabled by affordable and effective electronic communications determines the economic activity and social participation of individual residents and commercial entities alike. The Government believes that those not connected are not empowered: personally, socially and economically. Connectivity facilitates learning, communication and trade. The Government is particularly cognisant that in the current global environment, being “connected” means having access to, at a minimum, a high speed broadband internet connection. The Government therefore formulates its policy for the ECS with this in mind.
3. The Government wants to ensure that the ECS continues to be an engine for economic growth, supporting the development of individuals and commercial entities in The Bahamas to engender economic activity and fuel The Bahamas’ competitiveness on the international stage.
4. A thriving ECS itself can be a significant contributor to GDP growth and job creation in the context of persons employed and wealth created directly by electronic communications service providers. The ECS also creates economic activity indirectly through businesses and industry agents engaged in providing support services to providers, construction firms engaged in building electronic communications infrastructure and ICT firms capitalising on the environment created by availability of efficient, effective, robust, high quality, compatible, interoperable, electronic communications systems and services.
5. The Comms Act (at section 4) provides the following objectives for the ECS Policy:

To further the interest of consumers by promoting competition and in particular:
 - enhancing the efficiency of the Bahamian electronic communication sector and the productivity of the Bahamian economy;

- promoting investment and innovation in electronic communications networks and services;
- encouraging, promoting and enforcing sustainable competition in the sector; and,
- promoting the optimal use of state assets, including radio spectrum.

To further the interests of persons in The Bahamas in relation to the electronic communications sector by:

- promoting affordable access to high quality networks and carriage services in all regions of The Bahamas;
- maintaining public safety and security;
- contributing to the protection of personal privacy;
- limiting public nuisance through electronic communications;
- limiting any adverse impact of networks and carriage services on the environment; and
- promoting availability of a wide range of content services which are of high quality.

6. The Government, in its guidance of the ECS to achieve those broad objectives, seeks to strike the balance between the need to safeguard consumers through effective regulation, and the desire to provide incentives for investment in new technologies and services. In doing so the Government will take such action as is necessary to prevent anticompetitive behaviour while opening the sector up to competition to bring variety and choice of high quality services to all electronic communications users in The Bahamas, at internationally competitive prices.
7. The ECS requires substantial investment in infrastructure to establish and deliver cutting edge services to Bahamian households and businesses. The Government recognises that in furtherance of the foregoing objectives, it is critical that the overall policy and regulatory framework governing the sector is set out clearly and that it strikes the right balance between regulatory oversight and commercial freedom.
8. Above all, at the core of the Government's policies for the ECS is the promotion of the interests of Bahamian residents, individually and collectively.
9. The Government recognises that the ECS, as an economic sector relying on the use of the latest communications technologies, is a dynamic sector and as a result this policy must

itself be able to keep pace with the evolution of the ECS. The Government is therefore committed to on-going review of the policy within the context of a three year review cycle.

Regulatory Framework and Recent Developments

10. The ECS experienced significant regulatory change during the period from 2009 to 2012. The introduction of a new sector regulator URCA¹ as part of an entirely new modernised regulatory framework created an independent regulatory body, with responsibilities for the regulation of all forms of electronic communications (including telecommunications, broadcasting and spectrum management). URCA was given a broad range of regulatory powers, including competition and merger control powers to be applied consistently and transparently regardless of the services offered by a licensee.
11. URCA is independent and is accountable for its budget and actions in a transparent framework of legal provisions and published policies and regulations. URCA is tasked with establishing processes and procedures that ensure consistency, transparency and proportionality of its actions.
12. URCA is mandated primarily to further the interests of residents and consumers in The Bahamas through the effective application of its powers as provided through the Comms Act and the URCA Act.
13. The Government considers it appropriate that URCA continues to, where consistent with the core objectives, apply a regulatory approach which does not unduly restrict market entry nor the commercial freedom of providers. At the same time, the Government notes the relatively small size of the local ECS and the unique nature of The Bahamas as an archipelagic nation, and is mindful that the scope for anti-competitive behaviour by providers with market power is significant. URCA is therefore charged with being particularly vigilant in guarding against behaviours which are anticompetitive as these would be inconsistent with the interests of consumers and the country.
14. The Government does not participate in regulatory activities and URCA exercises its powers and duties independently. However, there are some aspects in which the Government retains a level of involvement for policy reasons, including the formulation of this ECS Policy, the approval of the National Spectrum Plan and certain aspects of the universal service framework. These are detailed at paragraph 79 below.
15. The Government continues to believe that a strong, well-resourced and respected regulator minimises regulatory uncertainty in the ECS, and is essential to the achievement

¹ URCA, created by the Utilities Regulation and Competition Act, 2009 replaced the legacy regulator, the Public Utilities Commission on 1 August, 2009, and was vested with the authority to regulate the ECS by the Communications Act as of 1 September 2009

of its policy objectives for the sector. The regulatory framework has been designed to provide URCA with powers to effectively regulate the sector enabling it to intervene if operators breach the terms of their licences or the relevant laws.

16. At the same time, it is paramount that URCA is accountable for its decisions. Explicit and robust safeguards for parties affected by enforcement decisions will ensure that decisions of URCA can be challenged both by customers and licensees. To this end, the Utilities Appeals Tribunal (UAT), established by the Utilities Appeal Tribunal Act, 2009, has the mandate to review and adjudicate decisions made by URCA in accordance with its governing Act. Guided by the previous sector policy dated 6 October, 2009 (as amended on 5 April, 2011), during the period from 2009 to 2012 URCA embarked upon an ambitious agenda to put in place the necessary regulatory framework for the carrying out of its functions, to formulate and implement the safeguards required for a competitive sector, and to create an enabling environment which would encourage the development of sustainable competition within the ECS. URCA also, recognising the need for improved intellectual capacity within the regulatory sphere in The Bahamas, made one of its priorities the development of skilled regulatory professionals in key areas.

17. Key regulatory and other initiatives undertaken by URCA within the scope of the previous sector policy, include:

- Creation of a facilitative, technology and service neutral licensing framework;
- Formulation and implementation of an effective framework for regulation of licensees with significant market power (SMP), including establishing appropriate *ex ante* measures such as retail price regulation, untying of services, publication of reference access and interconnection offers, and separation of accounts²; exercise of merger control powers including approval of changes in control; and use of *ex post* powers relating to investigation and enforcement of allegations of anti-competitive conduct³;
- The drafting, issuance and the implementation of a Code of Practice for the Regulation of Content delivered via broadcasting and carriage services, through a co-regulatory approach with industry and other stakeholders⁴;

² See URCA's SMP Final Decision and related documents available from its website at <http://www.urbahamas.bs/publications.php?cmd=view&id=41&pre=y>

³ See URCA's Competition Guidelines available from its website at <http://www.urbahamas.bs/competitionpolicy.php?cat=134>

⁴ The Code of Practice for Content Regulation is available from URCA's website at <http://www.urbahamas.bs/publications.php?cmd=view&id=111&pre=y>

- The drafting and consultation on an approach to Public Service Broadcasting, and submission of same to the Minister responsible for the sector;
- Delivery of a comprehensive spectrum management framework, including the National Spectrum Plan⁵, and implementation of an advanced spectrum management and monitoring system;
- Implementation of a Bahamas telephone number administration scheme, under the aegis of the North American Numbering Plan⁶;
- Opening up and licensing of spectrum in the 700 MHz band for fixed and mobile wireless broadband networks and services;
- Comprehensive capacity building initiatives including recruitment, training and development, and participation in international organisations and initiatives.

18. The services provided within the ECS have also undergone development during the period from 2009 to 2012. Most notable among these has been the privatisation of the Bahamas Telecommunications Company Limited (BTC) through the sale by the Government of The Bahamas in April 2011 of a 51% shareholding to Cable and Wireless Communications plc⁷. BTC is the monopoly provider of cellular services in The Bahamas, and the SMP provider of fixed voice services. BTC continues to provide a range of services in The Bahamas including fixed voice, internet and leased lines, and mobile voice and data services. During the period, BTC has launched a 4G mobile service, implemented reductions to the prices on which it provides its mobile voice and data services, and significantly improving the speeds offered on its fixed broadband services.

19. The sector has also seen consolidation amongst existing players with the merger, in 2010 of Cable Bahamas Limited (CBL) the SMP provider of pay television services and high speed connectivity, with Systems Resource Group Limited (SRG) a provider of fixed voice and data services. This was followed by CBL in 2011 entering the fixed voice market with new product offerings, leading to further competitive activity in the fixed voice market and the roll out of new service plans.

⁵ The Bahamas National Spectrum Plan is available from URCA's website at <http://www.urbahamas.bs/publications.php?cmd=view&id=35&pre=y>

⁶ The Bahamas National Numbering Plan is available from URCA's website at <http://www.urbahamas.bs/publications.php?cmd=view&id=43&pre=y>

⁷ CWC is a significant provider of electronic communications in the Caribbean region under the brand "LIME".

20. The period also saw consolidation in the radio broadcasting market and a general increase of activity in that sector through the introduction of new radio broadcasters, resulting in 31 entities being licensed to operate radio stations as at the end of 2012.⁸

⁸ From 2010 through 2012, fifteen (15) new radio stations were licensed, and there have been two mergers of existing radio stations. A Register containing details of all URCA Licensees is available for download from URCA's website at <http://www.urcabahamas.bs/publications.php?cat=140>

2.3 Electronic Communications for Development

National Development Plans

21. The Government continues to develop and maintain a slate of policies intended to improve the life of persons in The Bahamas in several key social and economic areas. The Government believes that increasing the use of ICTs have a direct positive impact upon quality of life, and their integration into other areas of everyday life are an enabler for social and economic development. The ECS is a critical player in the promotion of access to ICTs in that electronic communications provide the artery through which ICTs enable social and economic development. For these reasons the Government believes that the development of the ECS is of critical importance in achieving its overall development goals for The Bahamas.
22. Research has shown that productivity has increased through the use of ICT in several countries and further evidence illustrates a positive relationship between productivity and broadband availability.⁹ The implementation of modern ICT in a society promotes innovation and increases a country's available pool of resources based on knowledge and skills, and ICT, additionally, empowers and improves the lifestyle of Bahamians generally.
23. The Government also considers the ECS to be a key component of Bahamian social and economic development in itself. A thriving ECS is a significant source of jobs. In 2012, information collected by URCA indicates that the ECS employed more than 1,300 people directly. Further, the jobs created are skilled and an active ECS provides a demand for trained and educated workers which will provide stimulus for the Government's education goals. In 2012 the ECS, with total estimated revenues just over B\$460 million (growing from \$444 million in 2011), represented an estimated 5.83% of Bahamian GDP for 2012¹⁰ (up from 5.72% of GDP in 2011). This creates a significant amount of economic activity in itself thereby driving growth and development. The ECS provides work in several related sectors including construction, services and indirect sales. A vibrant ECS also attracts other businesses which are dependent on effective and efficient communications and which would drive further economic growth.
24. It is the vision of the Government that the Electronic Communication Sector (ECS) will continue to play a critical role in the development of our nation, into an *Intelligent Archipelago* as a knowledge driven society. It is our primary objective to transform the islands of The Bahamas into a premier Global Hub for the Financial, Tourism, and other international services pillars upon which our economy is based. The Government sees that

⁹ See www.euklems.net (as cited in Caricom Draft Regional Information and Communication Technology (ICT) for Development Strategy).

¹⁰ Estimates used for sector revenues are based on preliminary information collected by URCA from its licensees. The 2012 GDP used is the Preliminary estimate published by the Department of Statistics on 8th April 2013.

the ECS will play not only the major role in integrating, transferring information and enabling the various sectors of the economy to communicate ubiquitously but that it is also an industry or sector in and of itself. The Government will also promote the development of technology parks within The Bahamas which provide a world-class hub for technology-based industries. The parks will provide facilities, services and a dynamic environment which will enable companies to nurture ideas, innovate and develop. Underpinning these parks will be a world class, state of the art communications infrastructure to enable fast, robust and cost effective communications between the occupants of the parks and the world.

25. The potential that the ECS sector has and the role that it can play in bridging the digital divide is an immense opportunity, one that will be felt by generations yet to come. It is the Government's intention to create a *knowledge-based society*, one where being digitally connected is a way of life, and where open and secure electronic transactions, are a daily occurrence. An environment where creativity is stimulated and the various advances in the use of IT is encouraged, nurtured, and fully developed, so that the gifts, talents and capabilities of each individual is fully developed, and that a citizenry is created who are self-confident, mature, progressive-thinking, and intelligent human beings, who not only are well informed of the experiences and occurrences which take place in countries around the world, by listening to the radio, watching the news, or reading a published journal article, but are articulate having the capacity to effectively communicate these thoughts both locally and on-line via the internet.
26. The ECS will also be enhanced by the building and development of high-capacity communications infrastructure and solutions, which will allow the various Government Ministries not only to communicate with each other, but to create synergies for the continued acquisition and transference of knowledge. This will, in turn, facilitate the Government's efforts to modernise public administration, and, ultimately, the delivery experience not only within the government service, but also between the government and users of its services as the foundation for more open Government approaches. Through digitization of the Bahamian economy also there will continue to be an improvement in the services provided in the public sector as a whole. The improvements in the levels of efficiency garnered through the development of this sector will also provide opportunities for technological advancements, in addition to continued research and development, which will be beneficial for all residents of The Bahamas.
27. Global studies indicate that ICTs are a powerful driver of growth and employment. In the European Union, for instance, 40% of productivity growth and one quarter of Gross Domestic Product (GDP) growth are attributable to ICT. The Government is cognizant of the

value and potential of ICTs and therefore regards ICTs as part of the country's critical infrastructure.

28. The Government in recognising that the ECS is a sector in its own right, wants to ensure that the sector achieves its full growth potential in order to boost economic growth and increase economic productivity and efficiency. Having regard to this, the Government will introduce incentives and new opportunities for development of the sector to increase investments in new technologies, infrastructure and services. Specific examples of incentives under consideration by the Government are set out in paragraph 81.
29. The ECS is also a key enabler in other sectors of the society, and the Government envisions that the use of ICTs in various sectors of Bahamian life needs to be enhanced as part of its national strategy, some of which are outlined below.

Community Development

30. A primary objective of the Government is to assist in creating an environment where education, training initiatives, creating sustainable jobs, and emphasizing the continued development of the Bahamian culture are a priority. The vision for the Government's community development initiatives is to provide relevant information and knowledge to residents of The Bahamas, and take prompt and affirmative action where necessary to ensure that all residents of The Bahamas live in a safe and peaceful environment where all the basic necessities of life are accessible and attainable. To this end, the electronic communications sector can play a critical role in creating the nucleus by which information is gathered, analysed and transmitted.
31. Encouragement of ICT's as an agent for community development will expand the opportunity for residents to take advantage of additional educational and training initiatives, which previously may have been unattainable.

Crime Prevention and National Security

32. Another major priority of the Government is to maintain public safety and security. One of the ways it plans to achieve this is by ensuring that the Royal Bahamas Defence Force is adequately equipped and kept at the forefront of modern technology in order to protect our borders. The ECS plays a critical part in this task through satellite monitoring, scanning and other electronic techniques that are utilized to detect illegal activities such as poaching, drug smuggling and human trafficking. The Government also plans to provide regional and international exposure and training to officers within the Bahamas Immigration Service in relation to the best immigration practices, which will be extremely useful when aiming to

facilitate the full implementation of the border management system, including utilising electronic identification cards and e-passports.

33. The Government will also use electronic communications as a tool for crime prevention through uses such as closed circuit cameras for public surveillance and other electronic devices which may assist in the broadcasting and reporting of criminal, or anti-social activities.

Disaster and Emergency Management

34. Electronic communications also play an important role in emergency and disaster preparedness. The Government proposes to implement an improved communication network, including radio, television and telephone systems in order to communicate with all areas of The Bahamas and to ensure rapid response capability in times of disasters. Disaster risk reduction in an archipelago depends heavily on electronic communications services for the timely dissemination of storm warnings, emergency preparedness and mitigation activities to residents on different islands. Electronic communication is essential in establishing effective hurricane and storm alerts and forecasting systems in order to reduce risks and losses to individuals and communities throughout The Bahamas.

Tourism

35. The Government intends to be the catalyst for and to provide assistance to attract a mix of substantial tourism projects, small Bahamian-owned hotels, accommodations and attractions. All of these are enhanced by the integration of competitively priced electronic communication services into their daily operations. ICT together with electronic communications are used to collect, store, and distribute data that is obtained from visitors upon their arrival or departure from the various points of entry into and exit leaving The Bahamas, which is vital in allowing locals to better target the development of their tourism based projects, initiatives and objectives. A quality high speed internet connectivity product is also key in improving The Bahamas as an attractive location for conferences, conventions and other enterprise related tourism activities. This has taken on greater importance with the increase in large tourism facilities in The Bahamas.
36. In addition to increasing the number of embassies and consulates abroad, which will strengthen efforts towards visa free travel for Bahamians around the world, the Government intends to find ways to increase the number of tourists who visit The Bahamas from various countries such as, China, India, Brazil and South Africa, and will therefore take steps to facilitate entry visas for potential visitors from these countries. The verification of the authenticity of travel documents and the issuance of visas can be greatly enhanced by increasing the accuracy, reliability and speed in which such processes are carried out.

Agriculture

37. In the field of agriculture, the Government intends to establish in North Andros a post-secondary/tertiary entity geared to teaching the practical and theoretical elements of food science. Electronic communications will play a pivotal role in research, teaching i.e. via the internet, data gathering, and the dissemination of information throughout the various islands of the archipelago.

Governance

38. In order for the Government to function more efficiently among the different islands, high-speed, high-quality communication, including broadcasting, connecting all of the populated islands of The Bahamas, is essential. The introduction and expansion of e-Government initiatives by the Government of The Bahamas will promote accessibility by individuals and businesses in The Bahamas to key government services thereby increasing the quality of life and the ease of doing business in The Bahamas and with the government.

39. The Government plans to modernize various sectors of the public service thereby improving the quality and accessibility of the services provided by the Government to residents of The Bahamas, including the following:

- to continue the development and computerization of the Registrar General's Office;
- to implement new technologies within government agencies to attain a higher level of efficiency and access to services; and
- to reinforce the central Information Technology Department role to enable it to be more central to the running of all government ministries and departments.

40. The Government will adopt and implement ICT(s) and electronic communications as a key enabler for the realization of these specific goals. Public sector investment in the use of ICT in various government departments will facilitate good governance and increase efficiency in operations. ICT also has the potential to add economic value to the Bahamian society.

Financial Services

41. In the area of Financial Services, the Government has re-established the Ministry of Financial Services and Investment which will collaborate with the Ministry of Tourism on an initiative designed to encourage more companies to create and/or expand their bases of operation in The Bahamas. The Government will aggressively promote The Bahamas as a superior world-level provider centre for international operators. To achieve these objectives, the Government will embrace the use of ICT in this context. With the adoption

of the appropriate technology in the Financial Services Sector, connectivity will be enhanced thus increasing the global impact of the sector.

Health Care

42. The Government intends to reform the healthcare infrastructure by streamlining and computerizing records and inventory to ensure adequate supply of critical drugs and the easy retrieval of patient records across the health care system. The adoption of ICT and electronic communications in this sector will prove vital in providing the technical support for hospitals and clinics on different islands of The Bahamas. The Government would seek to create opportunities for the development of e-medicine services, enabled and supported by world class electronic communications, so as to enable doctors to access patients' medical records whatever the geographical location and to access test results directly from the laboratory. Additionally, health care providers would be able to communicate more effectively and work more closely together to conveniently organize and carry out treatment for patients on different islands.

Education

43. The Government proposes to undertake various initiatives in education with an ultimate goal to create an educational system, using technology platforms that are sound and robust, to enhance competitiveness and develop the strengths of each child, whether academic or otherwise, towards the maximum contribution that he or she is able to make to the national development of The Bahamas. The integration of ICTs supported by robust and ubiquitous electronic communications connecting educational institutions, students and knowledge bases will facilitate universal access to education in The Bahamas, the delivery of quality teaching, and will assist in the professional development of teachers and the most efficient management and administration of education.
44. It is not difficult to conceive how the Government's various initiatives will be enhanced by the development and success of the ECS, however in order for maximum effectiveness it will be necessary for the ECS to deliver reliable electronic communications which are ubiquitous throughout The Bahamas, of a high quality and are competitively priced.

Global Competitiveness

45. The Government is mindful that in addition to ensuring that electronic communications services are provided within The Bahamas at a level which directly and indirectly supports its social and economic development plans, it is also important that The Bahamas remains competitive internationally and that residents of The Bahamas are afforded opportunities to participate in the Global community which are on par with those afforded to persons in developed countries around the world. The Bahamas must remain competitive. A number

of key international initiatives highlight the importance of development and integration of ICTs in our daily lives in The Bahamas, and the critical need for residents of The Bahamas to be connected to the internet with fast reliable high speed broadband connections. This is the Government's goal.

Broadband Commission for Digital Development

46. The Broadband Commission for Digital Development¹¹ in its report entitled "A 2010 Declaration of Broadband Inclusion for All" outlined recommendations to the United Nations on how broadband access and broadband inclusion for all can help to achieve the Millennium Development Goals¹² by the internationally-agreed deadline of 2015. The Commission expressed that the strategic deployment of broadband infrastructure will bring about the economic and social change to be realized by the achievement of the MDGs. Further, broadband inclusion for all would facilitate in promoting access to education, health services, agricultural and environmental information. In its report, the Commission confirmed that ICTs and broadband can help to generate jobs, productivity and long-term economic competitiveness. Critically, the Commission quoted international estimates which suggest that for every 10 per cent increase in broadband penetration, an average of 1.3 per cent additional growth in national gross domestic product (GDP) can be expected. With The Bahamas' key economic sectors experiencing international slowdowns, the Government is committed to ensuring that every advantage is seized in ensuring development. The advantage presented by broadband access cannot be ignored.
47. In a subsequent report¹³, the Commission identifies key areas where broadband can be integrated for further advancement. These include e-commerce, e-governance, healthcare and education.
48. In the area of e-commerce, broadband accelerates financial transactions and banking, making them faster and more convenient to customers. Banking and other financial institutions are now able to offer more attractive and a wider range of products and services that are delivered electronically by broadband networks. In many developing countries, mobile banking or m-banking is becoming more popular for consumers to conduct financial transactions, where they would not otherwise have access to such services.

¹¹ Established in May 2010 by the International Telecommunication Union (ITU) and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

¹² The Millennium Development Goals are eight goals towards ending poverty by 2015, adopted by the UN in the Millennium Declaration agreed to in September 2000.

¹³ "Broadband: A Platform for Progress – A Report by the Broadband Commission for Digital Development", June 2011.

49. Further, the Commission indicates in its report that government departments globally have become more efficient by coordinating their systems through broadband networks. The Commission elaborated that governments are increasingly using broadband to provide online portals where residents and interested parties can receive information and interact with the administration.
50. The Commission has argued that healthcare is considered as one of the most important sectors where broadband can make an impact. It reported that medical advice, monitoring, diagnosis and training are all activities delivered through the innovative use of broadband. The report also highlighted that students and professionals in a country can be trained through broadband video and other applications, which has the effect of transmitting education in general to every school or home, however remote. Additionally, e-newspapers, e-books and digital libraries are delivered through broadband which further enhances educational possibilities.
51. Moreover, the Commission pointed out that companies and corporations also benefit from the use of broadband networks. Broadband assists companies and corporations by making sharing information easier and by providing users with alternative methods for storing data, rather than having to store data and programs on their own computers. These systems are based on broadband networks and offer substantial savings in costs of hardware and software.
52. The Commission's reports prove that the ICT is a necessary tool in the Government's work toward the social and economic development of The Bahamas'.

World Summit on the Information Society (WSIS)

53. The Government has also taken note of initiatives spearheaded by the International Telecommunication Union, formulated at the World Summit on the Information Society (WSIS), under the umbrella of the United Nations' Millennium Development Goals (MDGs). One of the chief aims of WSIS, is to raise awareness of the benefits that ICTs can bring to humanity and the manner in which they can transform people's activities, interactions and lives. Another goal of WSIS is to "promote universal, ubiquitous, equitable and affordable access to ICTs". WSIS, therefore, serves as a catalyst to aid in achieving the internationally agreed MDGs.
54. WSIS has emphasized that removing barriers to universal, ubiquitous, equitable and affordable access to ICTs will bridge the digital divide and will promote access to information and sharing, which will significantly strengthen economic, social and cultural development and help all countries realize the United Nations MDGs.

55. WSIS supports ICTs as effective tools to promote security and stability, to enhance social cohesion and good governance nationally and internationally. In its Tunis Commitment dated November 18, 2005, WSIS declared that ICTs have vast potential to enhance access to quality education, literacy and to facilitate the learning process itself, thus forming the basis for the establishment of an inclusive and diversified Information Society.
56. Furthermore, WSIS calls on the private sector, civil society, the United Nations and other international organizations to work together to improve access to information and communication infrastructure and technologies. The Bahamas must participate fully in WSIS to ensure that the benefits of ICTs are maximised in The Bahamas and that we are not left behind.

CARICOM Information and Communication Technology for Development (ICT4D)

57. Closer to home CARICOM has focussed on ICT activities and developments to effectively contribute to the achievement of the MDGs, particularly those related to poverty reduction, education, health and the environment. CARICOM has recognized that ICT is almost certainly the single most important facilitator of the integration process namely, the CARICOM Single Market and Economy (CSME). It also recognizes the strong influence of ICTs in shaping the process of globalization, particularly as it relates to the commercial and financial industry.
58. CARICOM has implemented the Information and Communication Technology for Development (ICT4D) as an instrument to strengthen connectivity and social and economic development globally through the application of ICTs. A goal of the initiative is to maximize the role of ICT as a key enabler in the CSME and the development of the Caribbean Information Society. Further, ICT4D is considered as an avenue to bridge the digital, social and economic divides by increasing knowledge and integration of ICTs as a development tool to assist in alleviating poverty and promoting capacity building, e-governance and e-learning. ICT4D projects include a focus on improving literacy levels and skills, increasing employment opportunities, facilitating information exchange, providing improved health services, and enhancing business practices and productivity through the utilization of ICTs.
59. The Government of The Bahamas reaffirms its commitment to CARICOM's ICT4D strategy and will continue to seek and implement those projects where they are consistent with The Bahamas' overall development goals.
60. CARICOM and the ITU have also joined to conduct a project for the harmonisation of IT policies and regulation ("Enhancing Competitiveness in the Caribbean through the Harmonization of ICT Policies, Legislation and Regulatory Procedures" – HIPCAR). The Bahamas has, through URCA, participated in this process and it is expected that the project

with drive us to closer communication and partnership with our regional neighbours, assisting in the development and implementation of effective ICT governance in The Bahamas.

61. These various global initiatives all recognize and emphasize the importance of broadband and ICTs as an instrument for sustainable, socio-economic development. The Government affirms that it is committed to endorsing the strategic and innovative use of broadband and ICTs to build an inclusive knowledge based society in which citizens and residents can be empowered to enhance their livelihoods and contribute to the social and economic development of society. Therefore, the Government supports access to broadband and ICTs for all.
62. Furthermore, the Government recognizes that neglecting the deployment of broadband networks and services can hinder the countries' economic growth in the future and hinder its competitiveness in a global environment. To this end, the Government affirm access to broadband and ICTs for all as tools for economic growth, generating new skills and creating new job opportunities.

Strategic Aims for the Electronic Communications Sector

63. Therefore, the Government believes that in support of its vision for The Bahamas and to support optimal social and economic development for The Bahamas, the electronic communications sector in The Bahamas must meet the following overarching needs:
 - Provide residents of all populated areas in The Bahamas with a specified basic level of electronic communications services, or where not feasible, access (which may be shared at community or other institutions) to a basic level of electronic communications services, at prices which are affordable. The Government believes that to ensure inclusion of all persons in The Bahamas, those basic electronic communications services should be provided free of charge to certain institutions of social and educational importance.
 - Ensure that key institutions in the public and private sector have access to robust high quality domestic and international electronic communications capable of withstanding natural disasters and supporting the governance, social and economic structures of The Bahamas.
 - Ensure that residents of The Bahamas benefit from a broad range of high quality electronic communications services which are at a minimum on par with the services available in developed countries, at prices and on terms and conditions which reflect and are indicative of an efficient, competitive electronic communications sector, having regard to the specific characteristics of the Bahamian market. Specifically, but without

prejudice to the foregoing, The Bahamas must benefit from reliable, reasonably priced broadband internet access which is available to persons throughout The Bahamas.

- Deliver content to the viewing and listening public in The Bahamas which is consistent with the public interest and reflects and has regard to our cultural, social and moral values, while respecting the rights of individual persons to receive and impart opinions and to partake fully in the expression of socio-political, cultural and artistic expression.
- Utilise those national resources that are required for the provision of electronic communication services in an efficient manner, and at prices which reflect the economic value of those resources and recover in a fair and non-discriminatory manner the costs incurred in their regulation and management.
- Provide to visitors to The Bahamas in all centres of tourism within The Bahamas a suite of services which is at least equivalent in range and quality to the services provided in the home countries of those visitors.
- Provide healthcare institutions with access to robust high quality domestic and international electronic communications services capable of supporting e-medicine and other modern, advanced healthcare applications throughout The Bahamas.
- Provide educational institutions throughout The Bahamas with access to robust high quality domestic and international electronic communications capable of supporting and enhancing a wide range of modern educational applications.

2.4 ECS Provision in the Bahamas

64. Having identified that the ECS in The Bahamas must provide to residents of and visitors to The Bahamas a particular level of connectivity, it is important to assess how the ECS is currently meeting those needs, and the current trends in order to identify the need for specific policy and regulatory actions which should be taken by the Government, URCA and other stakeholders. The Government has taken a brief look at the period of 2009 to 2011, and compared the penetration of key services in The Bahamas with the penetration of those services in various Caribbean countries, the United States of America (USA), and the European Union. It is important to note that penetration is only one indicator of performance, and there are several other factors which should be looked at including prices, choice and quality of service. However, penetration provides a reasonable indicator of performance for the purpose of informing this ECS Policy.¹⁴

Fixed Services

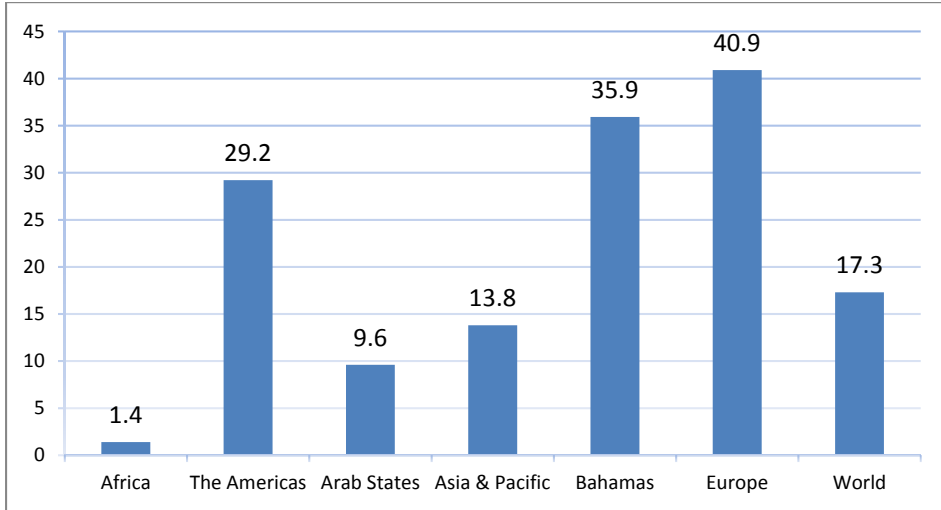
65. At the end of 2012, there were approximately 37.44 fixed lines for every 100 persons in The Bahamas. ITU statistics show that global demand for fixed voice services is declining due to the consumer preferences for mobile voice services. The international average for fixed voice penetration has decreased from 18.3 per 100 persons in 2009 to 17.3 in 2011 and early estimates show this average is expected to decline further to 16.9 by the end of 2012.¹⁵ The fixed-line penetration rate in the Bahamas decreased from 37.64 subscriptions per 100 persons in 2009 to 35.91 in 2011, but had recovered to an estimated 37.44 as at the end of 2012 (perhaps reflecting increased competition in that market which began in late 2011 with the offering of fixed voice services by Cable Bahamas Limited). Despite the downward trend, fixed-line penetration in The Bahamas compares favourably with key global regions, various Caribbean countries and other comparable offshore financial centres.

¹⁴ It should be noted that in accordance with the relevant ITU standards, "penetration" measured by comparing the number of subscribers to a service, with total population, to produce a "Subscribers per 100 population" statistic.

¹⁵ "The World in 2013: ICT Facts and Figures" <http://www.itu.int/ITU-D/ict/facts/material/ICTFactsFigures2013.pdf>

Figure 1 shows the Bahamas' 2011 fixed telephone penetration rate in comparison with key global regions.

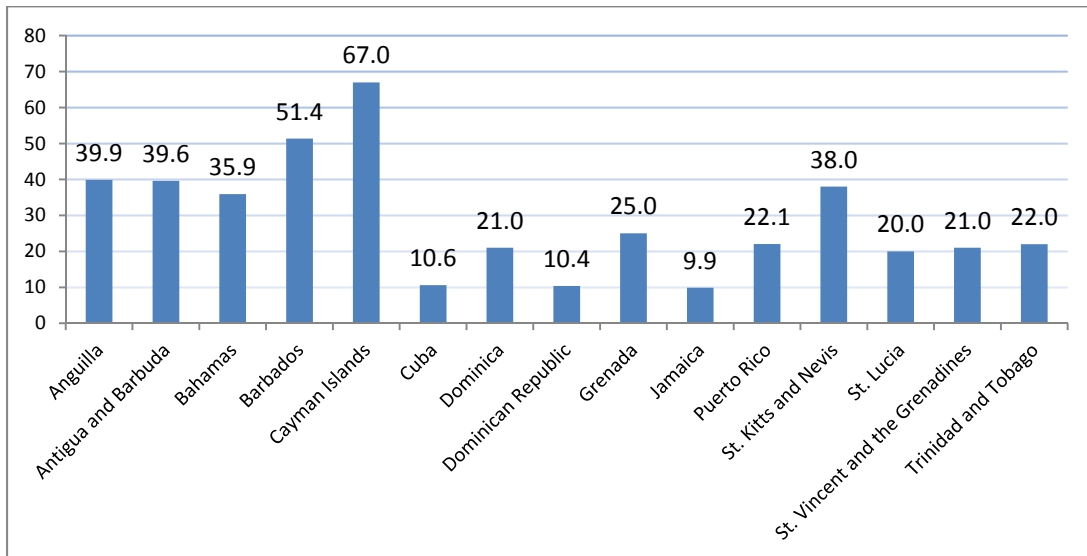
Figure 1 - Comparison of Fixed Voice Subscriptions per 100 Inhabitants in Key Global Regions, 2011



Regions are based on the ITU BDT Regions, see: <http://www.itu.int/ITU-D/ict/definitions/regions/index.html>
 Source: ITU World Telecommunication/ICT Indicators database, URCA information collected from Licensees

Figure 2 shows the comparison of 2011 fixed voice penetration rates across the Caribbean region.

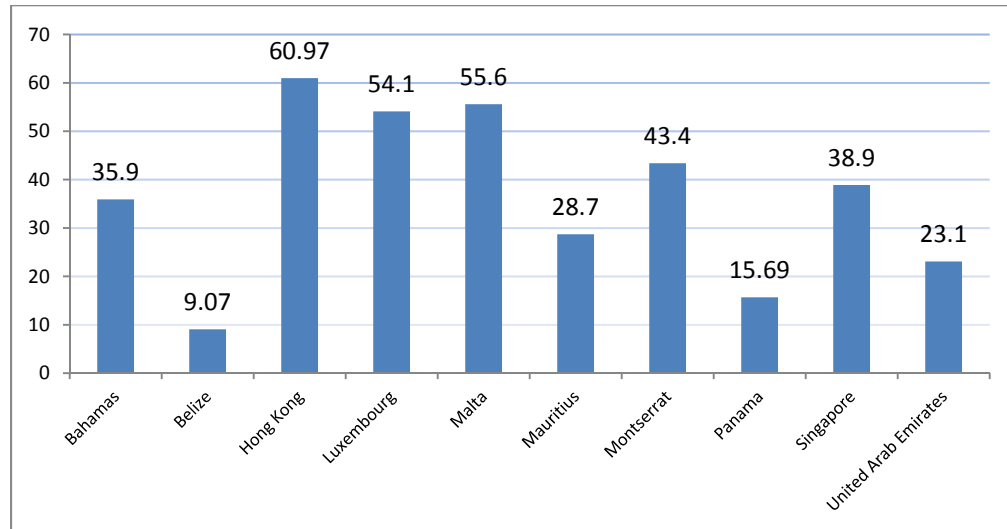
Figure 2 - Fixed Voice Subscriptions per 100 Inhabitants in Caribbean Region, 2011



Source: ITU World Telecommunication/ICT Indicators database, URCA information collected from Licensees, ECTEL Selected Telecommunications Indicators http://www.ectel.int/telecommunications_indicators.htm, ICTA – Cayman Islands Statistics http://www.icta.ky/docs/Stats/Cayman_Islands_ICT_statistics.pdf

Figure 3 shows the comparison of 2011 fixed voice penetration rates across comparable offshore financial centres.

Figure 3 - Fixed Voice Subscriptions per 100 Inhabitants across Offshore Financial Centres, 2011



Source: ITU World Telecommunication/ICT Indicators database, URCA information collected from Licensees

66. In terms of households served, the estimated number of residential fixed line subscriptions per 100 households in The Bahamas as at the end of 2012 was approximately 89¹⁶. It is important to note that VOIP telephones are not included in fixed line numbers and there are homes that have both a traditional telephone in addition to VOIP.

67. The Government is aware that other comparable or substitutable services may have an impact on the penetration of fixed line services and also that the use of traditional fixed voice lines is waning in the face of mobile voice communications and data communications (including VOIP technologies such as Skype). The policies and strategies adopted must ensure that access is encouraged, and that to the extent that the trend is one of decline or stagnation it is as a result of adoption of alternatives that are at least equally effective.

Mobile Services

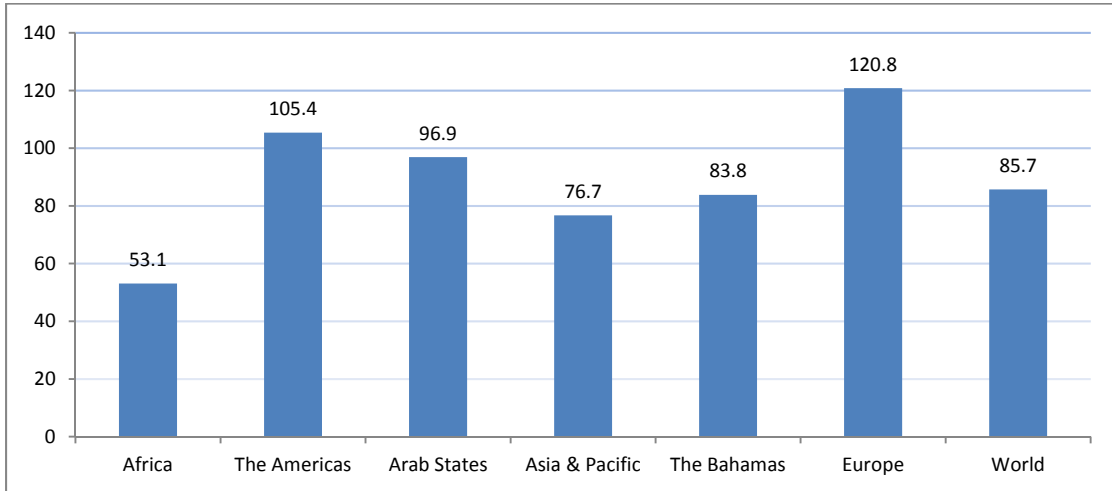
68. At the end of 2012, there were 85.62 mobile voice subscriptions for every 100 persons in The Bahamas. This represents a decrease since 2009 when there were 102 mobile voice subscribers for every 100 persons in The Bahamas. This decrease was mostly due to a reduction of dormant accounts and more accurate information being reported. The Bahamas fairs well in comparison to global averages but a closer look shows that The

¹⁶ Key Statistics Private Dwellings by Type of Tenure – Department of Statistics of the Bahamas
<http://statistics.bahamas.gov.bs/download/003153000.pdf>

Bahamas is lagging behind most of its Caribbean counterparts and other offshore financial centres as shown in the charts below.

Figure 4 illustrates the 2011 comparison of mobile penetration rates across global regions.

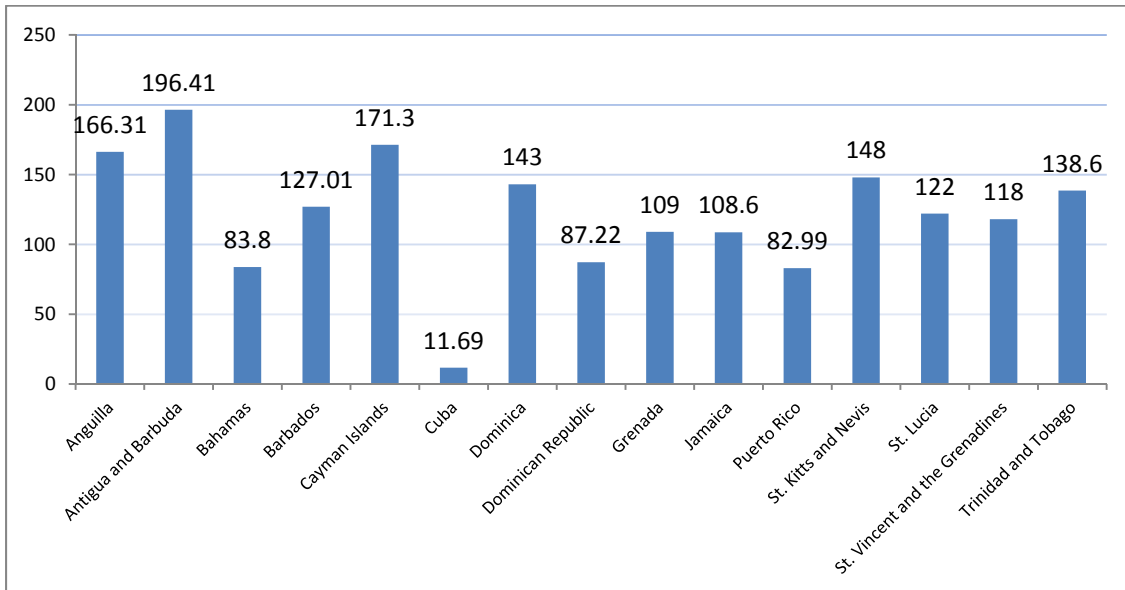
Figure 4 - Active Mobile Telephone Subscriptions per 100 Inhabitants in Key Regions, 2011



Source: ITU World Telecommunication/ICT Indicators database, URCA information collected from Licensees

Figure 5 displays the 2011 mobile penetration rate of the Bahamas in comparison to other Caribbean countries.

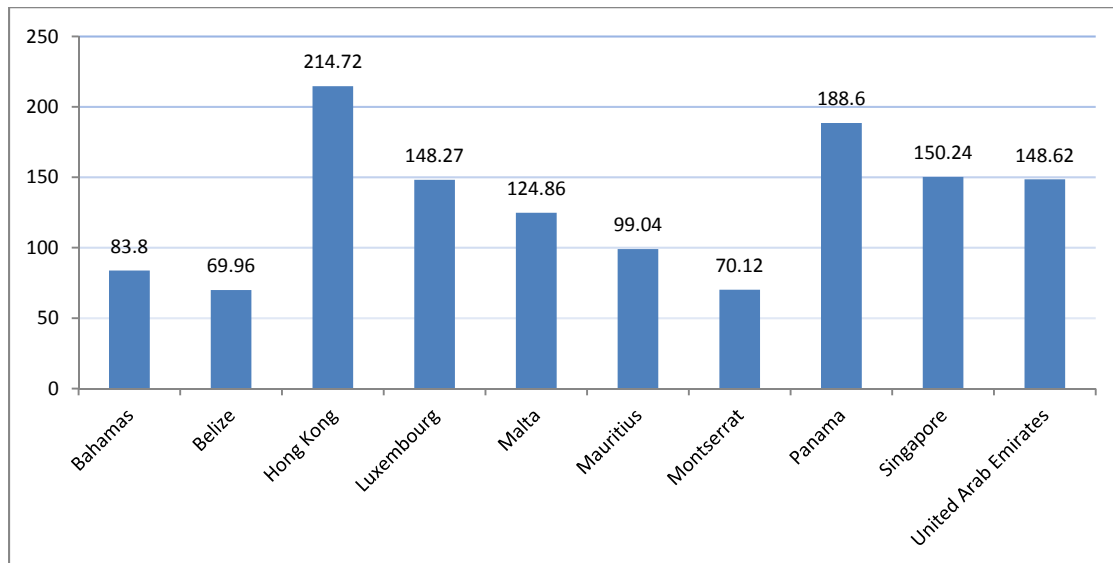
Figure 5 - Active Mobile Telephone Subscriptions per 100 Inhabitants in Caribbean, 2011



Source: ITU World Telecommunication/ICT Indicators database, URCA information collected from Licensees, ECTEL Selected Telecommunications Indicators http://www.ectel.int/telecommunications_indicators.htm, ICTA – Cayman Islands Statistics http://www.icta.ky/docs/Stats/Cayman_Islands_ICT_statistics.pdf, OUR Jamaica 2011/12 Annual Report <http://our.org.jm/images/stories/content/annual%20report/OUR%20Annual%20Report%202011-2012.html>, Telecommunications Authority of Trinidad and Tobago Annual Market Report <http://our.org.jm/images/stories/content/annual%20report/OUR%20Annual%20Report%202011-2012.html>

Figure 6 compares the 2011 mobile penetration rate of the Bahamas in comparison to other offshore financial centres.

Figure 6 - Active Mobile Telephone Subscriptions per 100 Inhabitants in Offshore Financial Centres, 2011

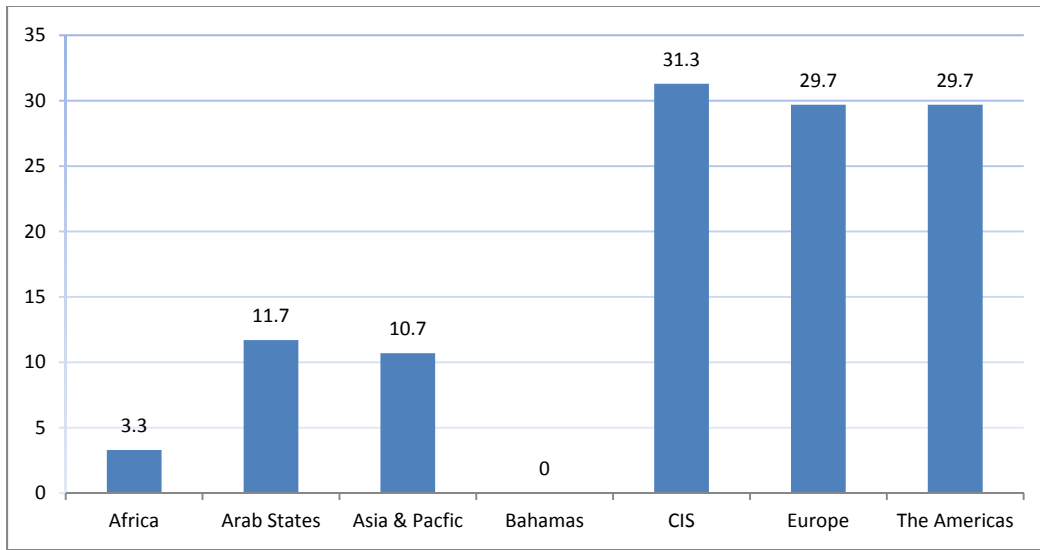


Source: ITU World Telecommunication/ICT Indicators database, URCA information collected from Licensees

69. The Government anticipates an improvement in the mobile voice penetration rate with increased area coverage and affordability with the implementation of Universal Service and the advent of competition in the mobile phone market.

70. It is noteworthy, as shown in Figure 7 that The Bahamas, alone among similar offshore financial centres, lacked mobile broadband data services as at the end of 2011. This placed The Bahamas far behind our regional neighbours and at the bottom of international rankings. The Government is concerned about the apparent lag in the introduction and development of mobile broadband data services in The Bahamas, though it is expected that this area will also experience appreciable improvement with the introduction of competition in the mobile market.

Figure 7 - Active Mobile Broadband Data Subscriptions per 100 Inhabitants, 2011



Source: ITU World Telecommunication/ICT Indicators database, URCA information collected from Licensees

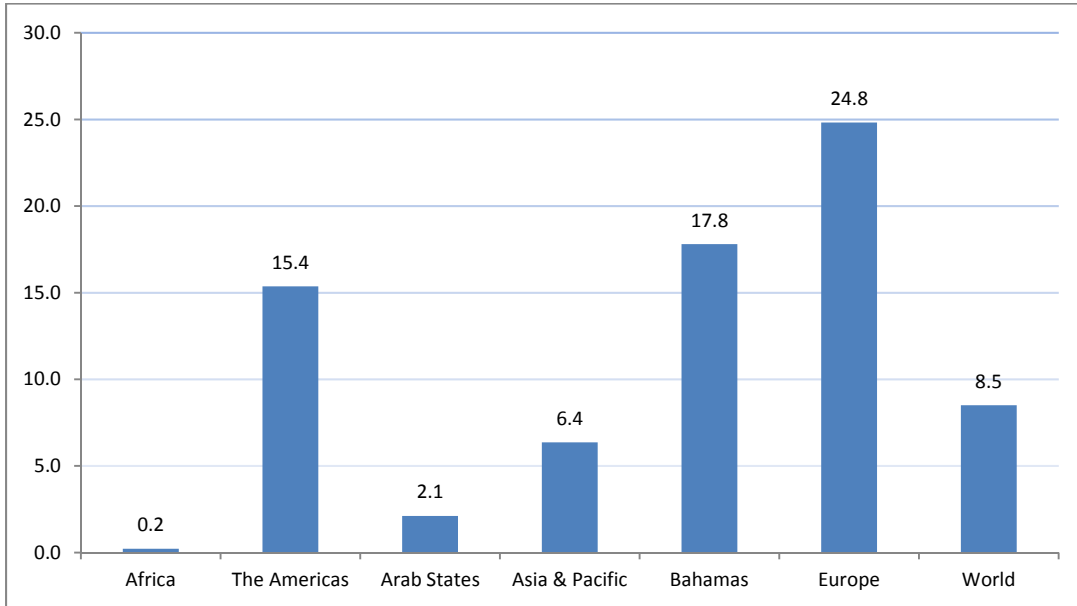
71. The Government is pleased that the launch of mobile broadband services by BTC in 2012 led to a substantial take-up of mobile broadband services within its first year of service, with the number of subscriptions being over 110,000 at the end of 2012, resulting in penetration of 31.27 subscriptions per 100 persons. The Government is satisfied nonetheless that the lack of options for available broadband data services in The Bahamian market is prejudicial to the country's development, as the current market offerings are not sufficient to meet the demands needed to fuel growth and stimulate the economy at the pace that matches the Government's developmental plans and the appetite of consumers. Such deficiencies have typically been met through full competition in all markets, particularly in the mobile market. Currently BTC holds a monopoly on cellular services until April 2014.

Fixed Internet Services

72. At the end of 2011, there were 18 fixed broadband internet subscriptions for every 100 persons in The Bahamas. This rate of penetration places The Bahamas at #50 worldwide in fixed broadband line penetration. Fixed broadband penetration in The Bahamas also compares favourably with the regional average in the Americas of 15.4, and the international average of 8.5. However, the year-on-year trend is less favourable. Fixed broadband line penetration in The Bahamas had actually decreased from 19 broadband internet subscriptions for every 100 persons in 2009. By contrast, fixed broadband penetration rates were increasing elsewhere as the average global fixed-line penetration rate increased from 6.8 in 2009 to 8.5 in 2011. While at the end of 2011 the Bahamas compared reasonably well against global averages, Caribbean counterparts and other offshore financial centres as illustrated in the tables below, the decreasing penetration rate over the period from 2009 to 2011 was a source of concern for the Government. Figures 8

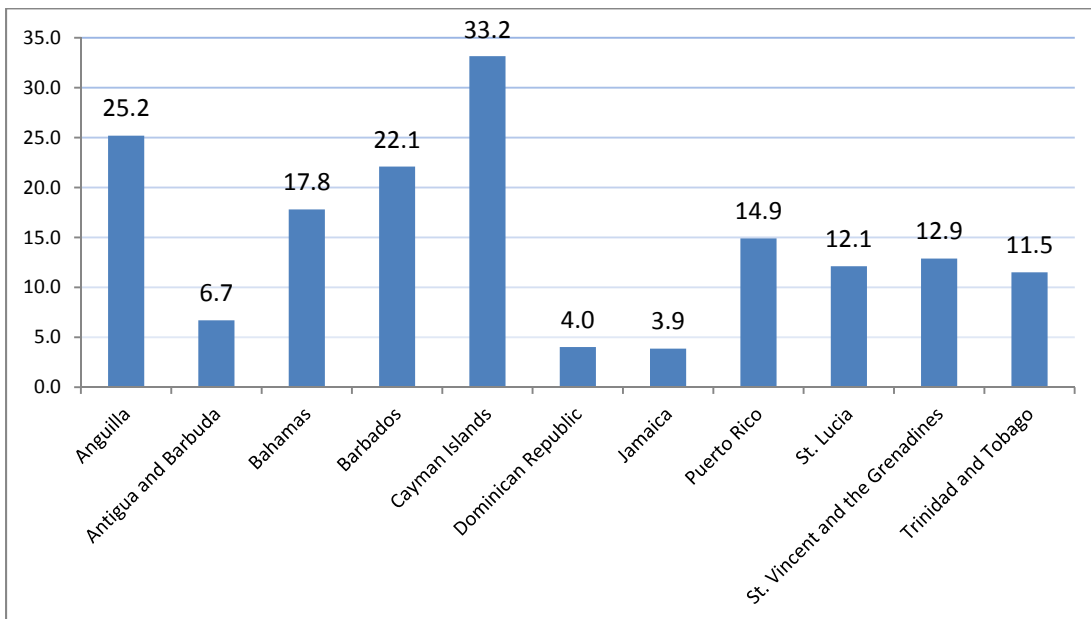
through 10 below illustrate The Bahamas position in fixed broadband as compared with relevant international statistics.

Figure 8 - Fixed Broadband Internet Subscribers per 100 Inhabitants in Key Regions, 2011



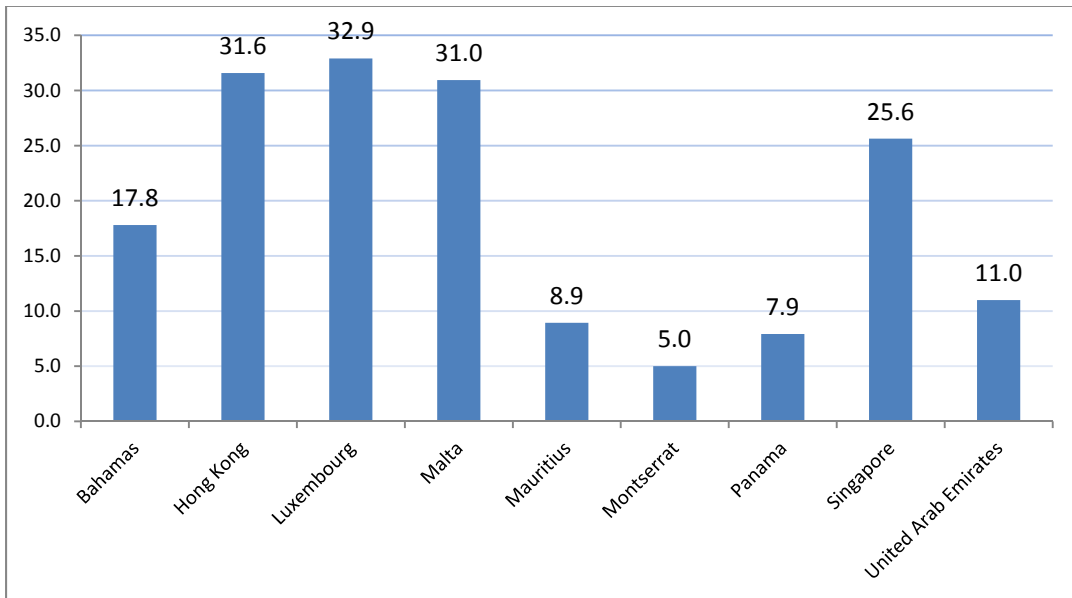
Source: ITU World Telecommunication/ICT Indicators database, URCA information collected from Licensees

Figure 9 - Fixed Broadband Internet Subscriber per 100 Inhabitants across Caribbean Countries, 2011



Source: ITU World Telecommunication/ICT Indicators database, URCA information collected from Licensees

Figure 10 - Fixed Broadband Internet Subscribers per 100 Inhabitants in Comparable Offshore Financial Centres, 2011

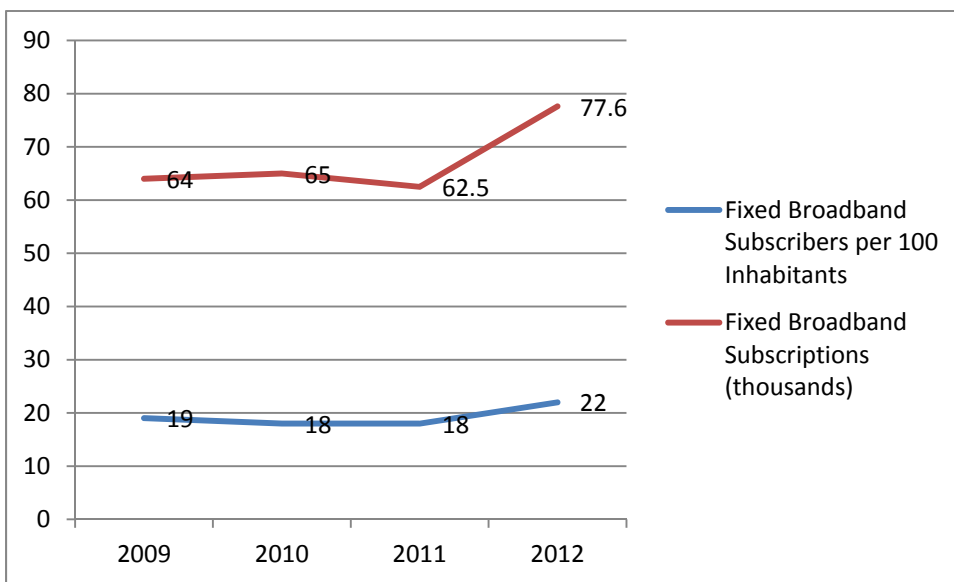


Source: ITU World Telecommunication/ICT Indicators database, URCA information collected from Licensees

73. The Government is pleased to note that based on preliminary figures for 2012 collected by URCA from its licensees, it is estimated that fixed broadband penetration grew materially from 2011 to 2012, with the estimated penetration for 2012 exceeding 22 subscriptions per 100 persons, indicating growth of approximately 25% over the one year period.

74. Figure 11 below illustrates the trend in fixed broadband penetration in The Bahamas from 2009 to 2012.

Figure 11 - Bahamas Fixed Broadband Subscriptions and Penetration 2009 - 2012



75. In terms of households served, the number of residential fixed broadband subscriptions per 100 households in The Bahamas as at the end of 2012 was approximately 72.¹⁷ This grew from an estimated penetration rate of 61 at the end of 2011, meaning that an additional 10,000 residential subscriptions were connected during 2012. While this growth is very encouraging, the Government continues to note that there remain an estimated 30,000 unconnected households in The Bahamas, and the Government will continue to promote policies and regulatory measures which would close this “*digital divide*”. The discussions in the previous section of this Policy highlight the critical role played by broadband internet access in almost every area of development. For The Bahamas to achieve its full potential, the development must reach all of its residents, and therefore the failure of The Bahamas’ electronic communications infrastructure and services to reach any resident is a matter of concern. It is also important that achievement of increased penetration must ultimately translate into positive growth.
76. The comparisons made above present a challenge for the Government in the formulation and execution of a policy for the ECS. If the continued growth of the Bahamian economy is desired, and the ECS is accepted to play a critical role, further and faster development is needed in the ECS. In the context of the international studies which link growth in broadband penetration to GDP growth the Government is particularly concerned about The Bahamas’ performance in broadband connectivity. It is imperative that the development of the ECS be one of the Government’s key areas of focus, with an emphasis on broadband development. It is of critical importance that The Bahamas, as an archipelagic nation, acknowledges and never drops the ball on electronic communications as a key component in development and nationhood. Without an effective electronic communications framework The Bahamas will face significant challenges in its efforts to maintain a cohesive socioeconomic link throughout the country. Likewise, effective central governance would also be compromised.

¹⁷ Key Statistics Private Dwellings by Type of Tenure – Department of Statistics of the Bahamas
<http://statistics.bahamas.gov.bs/download/003153000.pdf>

2.5 The Electronic Communications Sector Policy Objectives

77. Having regard to the preceding discussions, the Government intends that during the next three years, focus will be on reforms and initiatives for the ECS which will ensure that the sector meets the Strategic Aims identified above¹⁸.

Regulatory Principles

78. The foundation upon which the Government builds its policies for the ECS continues to be the regulation of the sector by a modern, converged, independent regulator exercising its jurisdiction consistent with internationally accepted best practices. As stated earlier URCA, in its regulation of the sector endeavours to strike the right balance between regulatory oversight and commercial freedom. In-keeping with this principle, as the market becomes increasingly competitive, the intention is that URCA will exercise less ex ante (i.e. forward looking prescriptive determinations) regulatory control and place a greater emphasis on its general competition enforcement powers to ensure that it achieves and maintains the objectives set out in the Comms Act.

79. The Government's key role is to continue to create an enabling environment for the development of enterprises in the ECS and elsewhere in the economy. As stated earlier, the Government will not ordinarily be involved in the regulation of the sector however it does maintain a level of involvement in certain areas. To maintain URCA's transparency, those cases in which the Government has involvement in regulation of the sector and the extent of the Government's involvement are clearly outlined in the Comms Act, and relate to the following:

- The formulation and approval of the ECS policy;
- The approval of the National Spectrum Plan which allocates specific frequency bands to particular services;
- Deciding the method of allocation and the pricing of those premium spectrum bands identified in the National Spectrum Plan;
- The determination of universal services, and universal service obligations; and,
- Public service broadcasting.

Facilitate and Encourage Competition

¹⁸ See paragraph 63.

80. Effective competition within the ECS is a critical component to ensuring the achievement of the Government's objectives. Competition drives innovation, higher quality and better services and reduction in prices thereby enabling social and economic development in all business sectors, and also facilitates development of the sector itself leading to further economic benefits such as job creation and increased economic activity. The Government is committed to the encouragement and facilitation of competition in all parts of the ECS. URCA should therefore continue to review and monitor its regulation of competition within the ECS and in particular of those licensees with significant market power to ensure that the designations of significant market power, and the remedies imposed by URCA on licenses so designated, continues to be valid and effective in ensuring a fair and level playing field which encourages the entry of new participants and within which competition can flourish.

81. The Government will consider the development and introduction of new initiatives which would encourage persons to enter the market, or encourage existing players in the market to expand their participation in the market and increase their investment. Some of the areas under consideration by the Government are as follows:

- The Government will explore the feasibility of reductions in import duties applicable to electronic communications equipment which would reduce the costs of building and maintaining electronic communications networks. In that context priority is being given to wireless network equipment so as to foster the build out of networks to remote parts of The Bahamas.
- The Government will undertake a review of the current business licence fee arrangements to consider the reduction of business licence fees for Bahamian individuals, and small businesses with Bahamian ownership, operating within the electronic communications sector.
- The Government will ensure that there are adequate laws in place in The Bahamas pertaining to data protection and security, e-transactions, as well as other laws relevant to e-commerce and ICTs for an enabling environment for ICT related businesses, and thereby enhancing opportunities for the ECS.
- The Government will introduce and encourage private and public sector organisations to consider endowing, scholarships, research grants and other forms of funding for ICT related courses of study and research. This will help to ensure that skilled persons are available in ICT related fields to fuel growth, and also to help generate new ideas, concepts and paradigms that would enhance The Bahamas' competitiveness in ICT related areas.

82. URCA will continue to promote growth in the ECS by exploring the full range of possible regulatory incentives to identify and implement those that are appropriate and would be effective in The Bahamian context. These include the continuation of existing initiatives such as number portability which URCA has already commenced and identified for launch on fixed networks in 2013 and mobile networks as soon as competition is introduced, review of markets to ensure that it is applying appropriate remedies to the appropriate entities in each market, and enhanced focus on consumer related issues. URCA should also consider whether new initiatives such as facilities sharing; open access to networks; and incentive based price regulation are necessary or appropriate in the Bahamian context.
83. The licensing regime implemented by URCA is based on principles of technology and service neutrality where appropriate. URCA will continue to review and monitor the licensing regime and to consider ways in which its effectiveness might be enhanced, within the context of achieving the objectives outlined in the policy.

Protection and Promotion of Consumer Interests

84. As stated at paragraph 8, at the core of the Government's policies for the ECS is the promotion of the interests of Bahamian residents, individually and collectively. URCA will ensure that there are adequate regulatory protections in place so that consumers receive electronic communications services that are of a high quality, and that are delivered subject to terms and conditions that are fair, non-discriminatory, and reflect the rights of consumers individually and collectively. Of course, the consumer also has obligations under the contractual arrangements with their providers which must also be respected and which URCA will safeguard and enforce. These rights and obligations will be promoted and enforced through multiple channels including URCA's own complaint handling and enforcement processes, as well as through consumer advocacy and empowerment initiatives.
85. The Government and URCA will also promote the education of persons in The Bahamas about the use of electronic communications services and ICTs generally and their rights and obligations in relation thereto. The Bahamas must be an ICT and media literate society if the objectives outlined in this policy and the Comms Act are to be achieved.

Cellular Liberalisation

86. The achievement of the objectives of the Government outlined in paragraph 63 of this policy, having regard to the analysis of electronic communications services currently delivered in The Bahamas, leads to the conclusion that the lack of competition in the cellular services market is an impediment to the social and economic development of The Bahamas. The lack of choice in The Bahamas reduces the incentives for BTC, currently the

monopoly provider, to achieve the highest quality and best prices which would truly drive social and economic prosperity. The Government therefore sees cellular competition as a key objective for the ECS moving forward.

87. BTC currently enjoys legal exclusivity in the provision of cellular services in The Bahamas. The exclusivity¹⁹ will expire on 5 April, 2014, before which time the Government is prevented from taking steps to make premium spectrum (required for the provision of cellular services) available to any person other than BTC. The provisions also expressly prevent any entity other than BTC from offering cellular services in The Bahamas during the exclusivity period.
88. The Government will and intends that URCA also, immediately upon expiry of the prohibitions contained in the Comms Act, take all necessary steps to introduce competition in the cellular services market in The Bahamas as expeditiously as possible following the expiry of BTC's exclusivity period. The Government further intends that URCA take steps to equip itself with the necessary regulatory tools which would be required to effectively regulate a competitive cellular market in the best interests of The Bahamas, after the expiry of BTC's exclusivity.

Universal Service

89. The Government, mindful of the overarching objectives set out in paragraph 63 to provide all residents of populated areas in The Bahamas with key basic electronic communications services at affordable rates, takes note of and endorses the inclusion in the Comms Act of certain universal services obligations, together with a responsibility on certain providers to meet that those universal service obligations. Notwithstanding the foregoing, the Government is mindful that the services and obligations set out in the Comms Act are interim, and the Government signals its intention to introduce certain updates to those services and obligations which will more closely align with the broad objectives outlined in this policy. The Government will implement this process within the life of this ECS policy but it notes that its revision of the services and obligations will have the effect of *enhancing* the services provided to residents of The Bahamas. It is therefore resolute that its intention to update the universal service framework should not delay or impede the enforcement or achievement of the provisions set out in the Comms Act.
90. In particular, the Government sees the revised universal services in The Bahamas as including, at a minimum, the following:

¹⁹ Section 114 of the Communications Act, 2009 as amended by section 8 of the Communications (Amendment) Act 2011.

- A set of basic electronic communications services, delivered at affordable prices, which comprises:
 - Voice telephony access and services;
 - Broadband internet services offering transmission speeds of a minimum of 512kb download, and 64kb upload;
 - Public access terminals at easily accessible locations throughout The Bahamas, offering both voice and data electronic communications; and,
 - A multichannel television service delivered to all populated areas in The Bahamas and comprising six-channels including any television service provided by the designated public service broadcaster, the Parliamentary Channel, and four other channels of local and/or regional relevance.
- The provision of relevant tools and mechanisms to ensure the ability of persons with disabilities to access all basic electronic communications services.

91. The Government will ensure that the universal service obligations related to any revised universal services are appropriate to the achievement of the needs outlined in paragraph 63, while it intends that URCA will continue to be responsible for designating universal service providers as appropriate and for establishing and managing appropriate funding mechanisms.

Regulation of Broadcasting Content

92. The Government notes URCA's publication of a Code of Practice for Content Regulation (the Content Code) and its application of the Content Code to its relevant licensees. The Government notes URCA's intention, through the use of a joint regulator/industry working group, to monitor the Content Code and its enforcement..

93. It is important for URCA to continue to educate both the public and the sector as to the existence, importance and effect of the Content Code.

Public Service Broadcasting

94. The Government recognises that the achievement of its aims for the broadcasting sector in The Bahamas requires not only effective and appropriate regulation of the content broadcast, but also the introduction of an appropriate framework for public service broadcasting that meets the social, cultural and economic needs of The Bahamas. In this regard, URCA is responsible for making recommendations to the Government regarding proposed changes to the role of public service broadcasting in The Bahamas, the remit and corporate governance of the Broadcasting Corporation of The Bahamas, the preferred method of funding any public service broadcasting obligations recommended, and any

changes that would be required to the Broadcasting Act in order to implement the recommended changes.

95. The Government is aware that URCA has already conducted the necessary review within the context of the previous sector policy, and expects that as soon as practicable following the publication of this sector policy, URCA will present its recommendations to the Government for consideration and appropriate action.

Spectrum Management

96. URCA is the custodian of the radio spectrum in The Bahamas, on behalf of the public. The Government considers it important that URCA continue to review and assess spectrum management activities to ensure that the radio spectrum is managed in a manner which ensures that spectrum is used efficiently by licensees, at prices which reflect as closely as practicable the value of those resources and recover in a fair and non-discriminatory manner the costs incurred in their regulation and management. The Government is cognisant that these objectives should be achieved through appropriate allocation of spectrum bands, assignment of an appropriate quantum of spectrum to users, setting incentive based prices where appropriate, and recovering spectrum from users where their use is not consistent with the established principles and international best practice.
97. In particular, the Government is mindful of the focus internationally on Digital Switchover of television transmissions as spearheaded by the mandate of the International Telecommunication Union (ITU) that the transition to digital television broadcasting should be completed and all analogue transmissions switched off by June 2015. The Government urges URCA to formulate a clear national strategy for The Bahamas' transition to Digital Television broadcasting as a matter of urgency. It is noted that there is currently a significant regional cooperative initiative on-going which would provide The Bahamas with valuable knowledge and assistance in this respect.

Regulatory and Technical Capacity Building

98. The ECS in The Bahamas was historically dominated by BTC as the incumbent monopoly, and over the past decade has grown to include a few other key operators. That growth has already placed a strain on the availability of skilled experienced human resources that would ensure that the sector is appropriately resourced and operates efficiently and effectively. This resource challenge is acutely felt in the area of legal, economic and technical regulatory expertise, and the Government and URCA recognise that there is a need to build capacity in this area for The Bahamas to fully experience the benefits of enhanced competition and services enabled by effective sector regulation.

99. The Government and URCA will therefore continually explore opportunities for capacity building within The Bahamas in all aspects of regulation, through education, training and appropriate experience. The target pool will include both the internal resources of the Government and URCA related to the ECS, as well as the resources available to the stakeholders within the sector.

International Participation

100. The Bahamas is a member state of the International Telecommunication Union (ITU)²⁰, and URCA in its role as the sector regulator for The Bahamas is a sector member of the ITU. URCA is tasked with ensuring that The Bahamas remains abreast of international developments in electronic communications and participates in key decisions and developments in a manner consistent with the best interests of The Bahamas.
101. The Bahamas is also a member of the Commonwealth, the Organisation of American States, and CARICOM, all of which have telecommunications related bodies or groups the deliberations and activities of which The Bahamas either directly or through URCA participates and will continue to participate.
102. URCA is also encouraged to develop and engender relations with international bodies and regulatory bodies in other countries, with the goal of enhancing its regulatory activities and ensuring that The Bahamas benefits from international experiences and best practices in the regulation of the ECS.

Financial Management

103. URCA is exhorted by section 8 of the URCA Act to carry out its functions and exercise its powers in a manner that makes best use of the economic and other resources available to it and that is best calculated to promote the policy objectives. URCA, recognising that its resources represent a cost to the regulated entities, will continue to seek to ensure that the regulation of the ECS represents value for money to its stakeholders.
104. URCA will continue to bill and collect the fees on its own and the Government's behalf as set out in the Comms Act, and will take appropriate steps to address any delinquency in payment.

²⁰ The ITU is a specialised agency of the United Nations responsible for Information and Communications Technology.

2.6 Duration

105. This Sector Policy shall remain in effect until replaced in the manner provided for in section 6 of the Comms Act.

106. Amendments to this Sector Policy can be made during its term, (a) in accordance with the terms of the Comms Act, or (b) on a proposal by URCA and subject to the Minister's approval in accordance with the terms of the Comms Act in the case of unexpected changes of circumstance and/or to take account of technological advances and the evolution of the sector.