



URCA Draft Annual Plan 2015

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Contents

- 1. Background 4
 - 1.1 Introduction 4
 - 1.2 Review of URCA’s 2014 Achievements..... 4
 - 1.2.1 Preparation for Mobile Liberalisation 4
 - 1.2.2 Protection of Consumers 6
 - 1.2.3 Encouraging Competition 7
 - 1.2.4 Promoting Affordable Access to Services throughout The Bahamas 9
 - 1.2.5 Promoting a Wide Range of High Quality Content Services 10
 - 1.2.6 Managing Radio Spectrum Effectively and Efficiently 10
 - 1.2.7 International Participation and Engagement..... 12
 - 1.2.8 Building Regulatory Capacity and Human Capital 13
 - 1.2.9 Educating our Stakeholders 13
 - 1.2.10 Raising Public Awareness of URCA 15
- 2. URCA’s Plan for 2015 16
 - 2.1 Strategic Outlook 16
 - 2.1.1 URCA’s Vision and Mission..... 16
 - 2.1.2 URCA’s Strategic Goals 17
 - 2.2 Focus Areas and Key Projects for 2015 19
 - 2.2.1 Preparation for Mobile Liberalisation 19
 - 2.2.2 Protection of Consumers 19
 - 2.2.3 Encouraging Competition 19
 - 2.2.4 Promoting Affordable Access to Services throughout The Bahamas 20

2.2.5	Promoting a Wide Range of High Quality Content Services	20
2.2.6	Managing Radio Spectrum Effectively and Efficiently	20
2.2.7	International Participation and Engagement.....	20
2.2.8	Building Regulatory Capacity and Human Capital	21
2.2.9	Educating our Stakeholders	21
2.2.10	Raising Public Awareness of URCA	21
2.2.11	Preparing to Regulate New Sectors of the Economy	23
2.3	URCA’s Key Projects for 2015	23
2.3.1	2015 Projects by Trimester	23
2.3.2	URCA Project Timelines for 2015	28
2.3.3	Planned Consultation Schedule for 2015.....	29
3.	Evaluating Our Effectiveness.....	31
4.	URCA’s Draft Budget 2015	33
5.	Responding to this Draft Plan.....	36

1. Background

1.1 Introduction

The Utilities Regulation and Competition Authority (“URCA”) is pleased to publish its Draft Annual Plan for 2015. The remainder of this document outlines:

- A review of URCA’s achievements in 2014;
- A summary of URCA’s strategic priorities as established in its Strategic Plan 2014 – 2019;
- URCA’s focus areas and key priorities for 2015;
- URCA’s key projects for 2015, including its planned consultation schedule for the year;
- A series of the key performance indicators which URCA shall use to measure its performance during the year; and,
- URCA’s budget for the forthcoming financial year.

URCA hereby invites and welcomes comments and submissions from members of the public, licensees and other interested parties on the matters contained in this Draft Annual Plan. Details on how to respond are in Section 5.

1.2 Review of URCA’s 2014 Achievements

The final version of URCA’s 2014 Annual Plan was published on 30 April 2014 together with URCA’s Annual Report for 2013. In that plan it was noted that in conjunction with the Government’s revision of its Electronic Communications Sector Policy (the “ECS Policy”), published in April 2014, URCA had formulated a new Strategic Plan for the period 2014 to 2019 which it completed in the final quarter of 2013.

To that end, during 2014 URCA proposed and worked on a number of projects designed to further several broad priorities, extracted from the Strategic Goals set out in the Plan. The work that was undertaken is described briefly below in the context of each of the identified priorities:

1.2.1 Preparation for Mobile Liberalisation

The Government noted in the ECS Policy that cellular competition is a key objective for the electronic communications sector (ECS) moving forward, and directed URCA to take all necessary steps to introduce competition in the cellular services market in The Bahamas as expeditiously as possible following the expiry of the Bahamas Telecommunications Company Limited’s (BTC) exclusivity period. The ECS policy further exhorted URCA to take steps to equip itself with the necessary regulatory tools which will be required to effectively regulate a competitive cellular market in the best interests of The Bahamas, after the special rights granted to the Bahamas Telecommunications Company Limited (BTC) under the ECS policy expires.

The special rights granted to BTC in the provision of cellular services expired on 7 April 2014. During 2014 URCA placed the highest focus on activities related to cellular liberalisation in light of this important market shift, and given the significant volume of work required to meet the Government's expectations.

The Communications Act, 2009 (the Comms Act) places responsibility for the selection of licensees of premium spectrum (which applies to cellular mobile providers) upon the Minister with responsibility for the ECS, which is currently the Prime Minister. To that end, URCA prepared various briefs and documents designed to ensure that the Prime Minister and the Cellular Liberalisation Task Force, which was appointed by the Prime Minister to manage the process, had the full benefit of URCA's advice and input regarding the method and process for selection of a new provider.

The Task Force's recommendation to the Prime Minister was to conduct a competitive selection process comprising two phases, a Technical and Financial Assessment of Proposals by an expert panel appointed by the Prime Minister; to be followed by a Spectrum Auction conducted by URCA on behalf of the Prime Minister. The "Request for Proposals to Operate a Cellular Network and Provide Cellular Services in The Bahamas" was issued by the Government of The Bahamas on 13 November 2014. The closing date for receipt of applications is 11 February 2015.

In accordance with the requirements of that process, in 2014 URCA commenced preparations to conduct the Spectrum Auction which is anticipated to take place in early 2015. In addition, URCA commenced preparatory work on several other matters related to Cellular Liberalisation including, but not limited to:

- reviewing its Interconnection and Access guidelines to ensure that they are sufficiently robust to address interconnection in the context of a liberalised cellular mobile market;
- preliminary work in relation to matters such as significant market power (SMP) assessment for mobile operators;
- reviewing available spectrum to ensure the availability of adequate standard spectrum to support mobile networks; and,
- implementation of mobile number portability

In its 2013 Annual Plan, URCA indicated its intention to publish a consultation document on Infrastructure Sharing Regulations in the fourth quarter of 2014. URCA considered that the imminent introduction of cellular mobile competition in The Bahamas would result in the construction of new towers to accommodate new cellular radio equipment. In URCA's view, if left unchecked such construction may present significant challenges to public safety, health and the environment. Therefore, the introduction of Infrastructure Sharing Regulations would serve to minimise the duplication of towers throughout The Bahamas and mitigate any harm or the perception of harm resulting from tower construction. Moreover, URCA considered that the sharing of facilities would reduce the need for new operators to construct new towers, thereby reducing the investment required to enter the market. This would have the effect of reducing barriers to entry into the electronic communications sector.

Public consultation on the Infrastructure Sharing Regulations commenced on 8th December, 2014. The consultation is scheduled to close on 30 January 2015, and URCA intends to publish its Statement of Results and the final Regulations during the first Trimester of 2015.

1.2.2 Protection of Consumers

On 30 December 2013, URCA published its Consumer Protection Regulations, which provided for various rights and obligations of consumers in relation to the electronic communications services provided in The Bahamas. In 2014, consistent with its Strategic Goal of Promoting the Interests of the Public, and building on the work done in 2013, URCA fully implemented the Consumer Protection Regulations, by exhorting operators to put in place the necessary systems and processes to achieve the service levels indicated in the Regulations. Operators were also tasked with implementing the monitoring, enforcement and compensation frameworks identified in the Regulations. A key component of implementation of the protections afforded by the regulations is ensuring that the public is aware of their rights and is encouraged to insist on those rights. Thus, during 2014, URCA published the regulations in a user friendly booklet form which has been distributed throughout The Bahamas, and also conducted significant public awareness initiatives.

Improving Quality of Service

A key aspect of protection of consumers is ensuring a high quality of service, where competitive pressures are inadequate to do so. To that end, URCA commenced work in 2013 on Network Quality of Service Regulations, which URCA had anticipated consulting on in 2014. This was not achieved due to limitations on available resources, and URCA will seek to commence consultation and complete this work in 2015.

URCA also investigated outages and other service failures by operators, particularly those with SMP. On March 2014 URCA commenced an investigation into a widespread network outage experienced by BTC on 22 March 2014 (the March 2014 Network Outage). Following a detailed and in-depth investigation, on December 2014, URCA issued a Preliminary Determination and Draft Order to BTC. URCA considered the nature and scope of the March 2014 Network Outage and the consequential impact on the Bahamian public and consumers to be a matter of significant regulatory concern.

URCA's Preliminary Determination also considered whether BTC complied with URCA's Final Determination and Order issued on 7 March 2013 consequential to the BTC network outage of June 18, 2012 (the June 2012 Network Outage) and the extent to which any failure or refusal by BTC to fully comply with the said Final Determination and Order may have caused or contributed to the March 2014 Network Outage.

BTC has been given until 30 January 2015 to submit written representations to URCA on the matters contained in the Preliminary Determination and Draft Order.

1.2.3 Encouraging Competition

Review of Retail Markets

During 2014 URCA completed a process commenced in 2013 to review the competitive conditions in key retail markets (pay TV, fixed telephony, broadband internet, and high speed data and connectivity services). The purpose of this market review was to determine which, if any, Licensees have SMP in the identified services markets. The cellular mobile sector was excluded from this analysis because BTC is the only operator of cellular mobile networks and services in The Bahamas at this time. The final outcome of this SMP evaluation was published on 2 December, 2014 as ECS 14/2014 titled “*Assessment of Significant Market Power in the Electronic Communications Sector in The Bahamas under Section 39(1) of the Comms Act, 2009*”.

Within ECS 14/2014, URCA identifies Licensees that have substantial market power in pay TV, fixed voice services and broadband internet and URCA specifies the ex-ante measures applicable to such Licensees. The regulatory measures implemented by URCA include a new retail pricing scheme based on price caps. URCA will hold further industry engagement on the design and implementation of the price cap regime.

Establishment of Wholesale Fixed Termination Rates

Following URCA’s 2013 finding (ECS 13/2013 dated 22 August 2013) that BTC, Cable Bahamas Limited (CBL), and IP Solutions International Ltd. (iPSi) hold SMP in terminating calls on their respective networks, URCA issued a Final Determination (ECS 12/2014 dated 20 June 2014), after public consultation, setting out the charging regime for fixed call termination rates for CBL and iPSi. Firstly, URCA imposed symmetric fixed termination rates on all operators having SMP in call termination services. Secondly, CBL and iPSi were required to set their fixed termination rates equal to the URCA-approved fixed termination rates for BTC for the period 2014/2015. Finally, URCA directed that the existing asymmetry in fixed termination rates should be removed by October 2014. As at the end of 2014, URCA continued to confirm compliance by all licensees with its final decision.

Review of Retail Pricing Rules

At the urging of BTC and CBL, URCA comprehensively reviewed the “*Regulation of Retail Prices for SMP operators – Rules*” (ECS 15/2010) in 2013. Consequently, ECS 15/2010 was amended and reissued as ECS 06/2014 on 16 April 2014. Within the revised Rules, SMP operators are allowed greater pricing flexibility in terms of the timeframes for price approvals and a shorter period before the SMP operator can launch a similar Full Length Special Promotion. URCA introduced the “*Short-Term Promotion*” which replaced the Single Day and One Week Promotion and does not require anti-competitive tests or URCA’s prior approval.

As requested by SMP operators, URCA added more transparency and predictability to the pricing framework by providing further guidance on the application of anti-competitive tests and clarification on the approval process for price regulated USO-related services.

Addressing Anti-Competitive Behaviour

During 2014, URCA also completed its consideration of one of two on-going investigations into complaints of anti-competitive behaviour. The investigation, which commenced in 2012, pertained to a complaint by Systems Resource Group Limited (SRG) (a subsidiary of CBL) that BTC had engaged in anti-competitive practices which contravened sections 67 and 69 of the Comms Act. The particular conduct complained of pertained to agreements entered into by BTC with wholesalers of calling cards which prevented those wholesalers from selling or distributing cards owned by SRG which competed with BTC's cards. Following a detailed and rigorous investigation, on 29th July 2014 URCA issued its Adjudication and Order finding that the agreements which BTC had with its 'Master Distributors' infringed sections 67 and 69 of the Comms Act, and required BTC to take remedial action as well as to pay a fine to URCA.

In compliance to URCA Order, BTC paid the fine and the offending contract was removed from the market in accordance with URCA's Order. It should be noted that on 12 September 2014 BTC filed an Appeal against URCA's Adjudication and Order before the Utilities Appeals Tribunal (UAT). The Appeal was on-going as at the end of 2014, with CBL having intervened as an interested party on 10 December 2014.

As at the end of 2014, URCA had two competition related complaints under consideration, namely:

1. Complaint submitted by BTC against CBL in relation to the refusal by CBL Media Limited (a subsidiary of CBL) to carry advertisements of BTC's broadband products; and
2. Complaint submitted by CBL against BTC seeking compensation for the blocking of incoming international calls by BTC.

Changes in Retail Prices

During 2014 URCA received numerous applications for changes in pricing (either temporary or permanent) under both the old and new rules. It is noteworthy that the implementation of the new Retail Pricing Rules (ECS 06/2014) appears to have accompanied an increase in the number of notifications and approval/application requests for promotions submitted by operators.

Of the applications received, perhaps the most significant in terms of impact is CBL's application submitted on 7 October 2014, for approval to permanently increase the current monthly price (\$30) for its residential 'SuperBasic' service (marketed as 'RETV Prime') by \$8. CBL also proposes to implement the same percentage increase (27% or \$14) on the current monthly price (\$50) for the equivalent commercial offering (marketed as 'RETV Business Prime'). Essentially, SuperBasic is the minimum or entry-level cable television product that customers must purchase prior to adding any of CBL's premium tier channels or services. The monthly price of SuperBasic is the recurring fee customers must pay to maintain an active account with CBL. It is important to note that the price increase is only being proposed for the islands of New Providence, Grand Bahama, Abaco and parts of Eleuthera.

CBL accompanied its SuperBasic application with a separate application to introduce a "New Basic Television Service" (to be marketed as 'Prime Local' or 'RETV Prime Local'). As proposed by CBL, the Prime Local product would be a lower priced residential product comprising six channels, including ZNS Channel 13 and the Parliamentary Channel. CBL seeks to introduce this new service to fulfil the company's universal service obligation in basic television services. At this time, the Prime Local package would only be available on New Providence, Grand Bahama, Abaco and parts of Eleuthera where CBL operates a two-way digital network and is technically capable of offering multiple packages.

CBL's applications are of public significance and warrant a public consultation before URCA makes its final decision. As such, on 19 December 2014 URCA published a consultation document addressing the applications for public comments. The comments submitted will be considered by URCA in coming to a final decision on CBL's applications.

Review of Accounting Separation Results of SMP Operators

The Separated Accounts of SMP operators are submitted to URCA annually for review, to ensure their consistency with URCA's established guidelines, to identify any regulatory impact and to ensure they remain fit for purpose moving forward. URCA completed the review of CBL's 2013 accounts in August 2014. The review for BTC's 2013 accounts is more comprehensive due to the need for a full review to identify and address certain challenges regarding the outputs from the accounts. URCA completed the review of BTC's 2012 Separated Accounts in August 2014. URCA also commenced in 2014, a detailed review of BTC's 2013 Separated Accounts which is expected to be completed by the first trimester of 2015.

Resolving Disputes in the ECS

On 31 December 2014, URCA issued its Statement of Results and Final Determination on its Alternative Disputes Resolution (ADR) Guidelines (ECS 19/2014). Concurrently with the publication of the Statement of Results and Final Determination, URCA also published its Alternative Disputes Resolution (ADR) Schemes for disputes between licensees (ECS 20/2014) as a standalone document. URCA expects in early 2015 to publish its ADR Schemes for disputes between consumers and licensees, also as a standalone document.

Licensing Operators of Network; Providers of Services and Users of Spectrum

In 2014 URCA intended to review and revise its Licensing Framework, having regard to the experience gained by URCA in the five (5) years since the framework was introduced in 2009. Due to competing priorities, it was not possible to complete this work in 2014, and URCA will endeavor to do so in 2015.

1.2.4 Promoting Affordable Access to Services throughout The Bahamas

Since 2012, URCA has worked assiduously on the Universal Service Obligations (USO) as contemplated by the Comms Act. In 2013, URCA published its Statement of Results and Final Decision [ECS 01/2013] on the "Framework for the Clarification and Implementation of Existing Universal Service Obligations

under section 119 and Schedule 5 of the Comms Act”. More recently, on 19 August 2014, URCA commenced consultation on the “Guidelines for the Calculation of Net Avoidable Costs of the Universal Services” for BTC (ECS 15/2014) and CBL (ECS 16/2014). The consultation period closed on 31 October 2014. A statement of results will be forthcoming.

URCA expects to issue its Statement of Results on the “Regulation for the Establishment, Management and Administration of The Universal Service Fund (USF) Under Section 44 of The Comms Act, 2009” early in 2015.

In October 2014, CBL withdrew its appeal against URCA to the UAT relating to decisions that were made by URCA in its USO Implementation Framework.

As noted in 1.2.3 above, URCA also received in 2014 an application from CBL in respect of its USO Pay TV obligations, consideration of which was on-going as at the end of 2014.

1.2.5 Promoting a Wide Range of High Quality Content Services

On 2 March 2012, URCA issued the “Code of Practice for Content Regulation” ECS 06/2012 (the Code) which, in accordance with Part IX (and sections 52 and 53 in particular) of the Comms Act established a framework for URCA to regulate content broadcast on radio, television and pay TV in The Bahamas.

In 2014 the Content Regulation Industry Group (CRIG), a joint regulator/industry working group envisaged by the Code, met regularly with a view to reviewing the Code as scheduled for 2014. This work will continue in 2015 with the publication of a draft revised Code for consultation anticipated in the third Trimester.

1.2.6 Managing Radio Spectrum Effectively and Efficiently

URCA will continue with initiatives to not only manage the spectrum effectively, but also to ensure that it is used optimally so as to promote the availability of the highest possible quality and variety of services to all persons in The Bahamas.

On 10 April 2014 URCA published the “National Spectrum Plan 2014 – 2017” (ECS 03/2014) following the approval of the draft document by the Minister with responsibility for the ECS. This document ensures that URCA is in compliance with the section 31(1) of the Comms Act. URCA is required “*to publish a spectrum plan, which is consistent with any applicable international treaties, commitments or standards including without limitation those of the International Telecommunications Union and shall take into account relevant international recommendations*”. This document affects all services which are regulated by URCA, i.e. Fixed Voice Telephony Services, Mobile Voice and Mobile Data Services, Internet, Pay-TV and Free-to-Air Broadcasting (including AM/FM radio, television).

URCA has also completed a review of Radio Spectrum Pricing. Subsequent to that review, URCA issued a consultation document on the “Review of Radio Frequency Spectrum Pricing” (ECS 04/2014) pursuant to sections 29, 92 and 93 of the Comms Act. In ECS 04/2014 dated 11 April 2014, URCA invited users of the

radio frequency spectrum and interested parties to make written submissions on the following three key proposals:

- i. a methodology for setting spectrum prices on a going forward basis;
- ii. a revised Spectrum Fee Schedule based on the proposed spectrum pricing methodology; and
- iii. the Preliminary Determination on the recovery of spectrum management costs.

The Spectrum Fee Methodology, revised Spectrum Fee Schedule and URCA's Final Determination on recovery of spectrum management costs were published on XX December 2014, and will be implemented from 1 January 2015.

On 24 March, 2014 URCA issued a public notification in accordance with section 8(1)(e) of the Comms Act, that the frequencies in the spectrum band 88 MHz to 108 MHz allocated under the National Spectrum Plan for FM Radio Broadcasting have been fully assigned for use on New Providence and therefore are currently exhausted and unavailable for any further assignment on the said island. URCA has a duty to ensure that radio spectrum is, *inter alia*, allocated, managed and used in a manner that is open, objective and non-discriminatory. Where, as in the case of FM Broadcasting in New Providence, there is insufficient spectrum to meet industry demand and URCA is required to limit the number of licensees that may be issued in that band, URCA is required under section 26(5) of the Comms Act to adopt a competitive process to award spectrum in order to ensure fair and efficient spectrum allocation. Competitive processes may involve auctions, "beauty contests" or a combination of both. URCA considers competitive processes can help to ensure that spectrum is awarded to the party or parties which are most qualified or capable of efficient use, and which will be most likely to benefit consumers and the electronic communications sector in The Bahamas. In late 2014 URCA also commenced a process to assess current usage of FM broadcasting Spectrum to better assess the supply and demand for spectrum in this band.

In 2014 URCA commenced work on technical standards for FM Broadcasting in The Bahamas which URCA had anticipated completing in 2014. This was not possible due to other competing work streams and URCA intends to complete this work and introduce the appropriate standards in 2015.

In keeping with its objectives as set out in section 32 of the Comms Act pertaining to radio spectrum management, URCA in 2014 continued with the daily spectrum monitoring on the island of New Providence. Additionally, spectrum occupancy compliance surveys were conducted on the islands of Grand Bahama and Abaco in an effort to ensure compliance across a wider cross section of the Bahamas. URCA also conducted an extensive investigation on the island of Bimini in reference to industry concerns raised in the area of mobile communications. On the island of New Providence, a spectrum utilization survey of the FM broadcasting band was undertaken to ensure efficient use of the FM band, and investigation and resolution of complaints made by licensees in the FM band.

1.2.7 International Participation and Engagement

The nature of electronic communications is such that it is desirable for URCA and the Government of The Bahamas to be part of the international community of regulators and governments seeking to develop information and communications technologies (ICT) on a global level. Thus, URCA has during 2014 sought to ensure that The Bahamas is an integral part of the international discussion on ICT, and doing its part toward establishing The Bahamas as the regional centre of excellence for ICT. With this in mind, URCA with the assistance of the Government, has enhanced its participation internationally in several key regional and global organisations in the area of ICT development, and ECS regulation.

International Telecommunication Union (ITU)

The ITU is the United Nations specialized agency for information and communication technologies – ICTs. It allocates global radio spectrum and satellite orbits, develops the technical standards that ensure networks and technologies seamlessly interconnect, and strive to improve access to ICTs to underserved communities worldwide. The Bahamas is a member country of the ITU by virtue of being a signatory of the ITU Convention, and URCA, by virtue of a delegation by the Minister under section 7(c) of the Comms Act, represents the Government of The Bahamas at the ITU.

During 2014, under the leadership of Senator the Honourable Allyson Maynard Gibson, Attorney General and Minister of Legal Affairs and supported by URCA, The Bahamas sent a delegation to the ITU's Plenipotentiary Conference, which was held in Busan, Republic of Korea from 21 October to 7 November 2014. The Plenipotentiary Conference is the key event at which ITU Member States decide on the future role of the organization, thereby determining the organization's ability to influence and affect the development of information and communication technologies (ICTs) worldwide. The purpose of the Plenipotentiary Conference is to:

- set the Union's general policies;
- adopt the four-year strategic and financial plans for the ITU; and
- elect the senior management team of the organization, the members of [Council](#), and the members of the [Radio Regulations Board](#).

At the Conference, the Hon. Attorney General delivered a Policy Statement to the Conference on behalf of the Government of The Bahamas, outlining Government's policy aims in relation to the development of ICT in The Bahamas <https://www.itu.int/webcast/link/SC3jmaFZ/en/02:03:50>. The Bahamas delegation also voted for ITU officers as well as key work of the ITU, in accordance with the national positions taken by the Government of The Bahamas.

The Bahamas delegation played an integral role in the work of the Conference, with members of the delegation spearheading two of the America's region proposals to the Conference. Those proposals, which were accepted by the Conference proposed important changes to ITU Resolution 30 which ensures that the ITU provides special assistance to least developed countries, small island developing states, landlocked developing countries and countries with economies in transition, and to ITU Resolution 136, which outlines the ITU's role in the development of telecommunications/information

and communication technologies, in providing technical assistance and advice to developing countries and in implementing relevant national, regional and interregional projects.

In 2015 URCA will continue its participation at the ITU, both as a sector regulator as well as on behalf of the Government of The Bahamas.

Inter-American Telecommunications Commission (CITEL)

CITEL is the organ of the Organisation of American States (OAS) which is primarily responsible for the coordination of regional (The Americas, which includes North America, Latin America and the Caribbean) preparations for the work of the ITU, as well as for the development of ICT in the Americas region. During 2014 URCA established a significant working relationship with CITEL, which URCA considers is critical to enabling URCA and The Bahamas to participate in the global discussion on the development of ICT and the regulation of electronic communications.

To that end, URCA attended three CITEL meetings during 2014, during which URCA was deeply involved in preparations for the ITU's Plenipotentiary Conference 2014, as well as the upcoming World Radiocommunications Conference, which will be held in Geneva Switzerland in November 2015.

Organisation of Caribbean Utilities Regulators (OOCUR)

URCA continues its membership in the Organisation of Caribbean Utility Regulators. URCA currently sits on OOCUR's Executive Council. With the recent appointment of a new Executive Director at OOCUR, URCA looks forward to additional benefits and initiatives coming to fruition in the coming years from its membership in this regional organisation.

Caribbean Telecommunications Union (CTU)

URCA continues involvement in the CTU's activities in the region and during 2014, URCA attended four (4) CTU meetings at which various matters affecting electronic communications and ICT in the Caribbean region were discussed. A key CTU initiative in which URCA was involved during 2014 was the CTU's Caribbean Spectrum Harmonisation Project, commenced late in 2013. URCA was appointed to the Steering Committee and during 2014 continued its participation in the various activities under this project.

1.2.8 Building Regulatory Capacity and Human Capital

Our People

URCA started the year with a new five-year Strategic Plan that provided the backdrop for the organization's way forward. The plan not only includes a new vision and mission statement, but also simplifies the strategic priorities into four core objectives, two of which focus directly on its people. This demonstrates the value that URCA places on its people and its continuing efforts to build its institutional capacity.

Recruitment and Staffing

In 2014 URCA focused its recruitment activities on identifying highly skilled persons to join its Policy and Regulation department, specifically in the technical and economic disciplines. However, due to the organization reaching its physical capacity limit at its current location and challenges in identifying and attracting suitably qualified persons, there were only two new permanent hires during the year.

Joining the team was a new Corporate and Consumer Relations Manager, who replaced the former incumbent and a new Assistant Case Officer, Technical in the Policy and Regulation department. The Assistant Case Officer, Technical position became vacant in 2013 due to internal promotions.

In 2014 URCA introduced a new summer internship programme. As a regulator with a highly specialized skill set, URCA seeks to benefit by providing developmental opportunities for local talent. Also, exposing and educating Bahamian students about possible careers at URCA would allow the organization to increase its capacity through identifying high potential candidates at an early stage who could possibly fill entry level positions within the organisation.

At the end of 2014 URCA's staff complement was twenty-five, which comprised thirteen staff members in the Policy and Regulation department and twelve within the various operational departments.

Office Relocation

In 2014 URCA reached a staffing level at which it outgrew its current location, and would therefore require additional space in order to continue to fulfil its mandate. During the year a committee was formed to oversee the sourcing and selection of potential space for URCA to relocate to and or grow into. The main objective was to select a space that would allow for future growth in both the short and long term. By the end of the year the committee had successfully identified and selected a suitable new URCA location, arrangements for which will be conducted in 2015. Based on its current lease, URCA expects to relocate by the beginning of June 2015.

Performance Management, Training and Development

URCA continues its commitment to providing a performance management system that encourages the alignment of organizational and employee objectives. In 2014 a formal coaching process was implemented as a part of URCA's performance management framework. The purpose enables employees to receive developmental feedback and support from managers outside of the established performance review sessions. The program encourages positive communication and relationship building between employees and their managers.

URCA saw increased numbers of its staff undertaking training and development opportunities in 2014, particularly from URCA's Policy and Regulation department, as the organization continues to strengthen its skill set in this area.

Benefits

As part of URCA's commitment to developing its people, the organization recognizes the importance of health and wellness. In 2014 URCA supported a variety of activities that sought to encourage and educate staff in this regard. Activities included URCA's annual Health and Wellness fair, participation in various fun run/walk events, and a weight loss challenge.

1.2.9 Raising Public Awareness of URCA

During 2014 URCA continued various initiatives to enhance the public awareness of URCA, and the sector we regulate, focussing on matters pertaining to consumer protection, as envisaged by URCA's plan for 2014. Initiatives included the production and airing of a series of advertisements on URCA's Consumer Protection Regulations. URCA also continued public awareness initiatives into other parts of its regulatory work.

During 2014 URCA updated its website to add functionality and introduce an updated "look and feel", however there have been challenges with implementation of the new website. URCA will continue work on the website in 2015 to ensure that the site effectively promotes URCA's work and enables easy access by stakeholders to information about URCA and its work.

URCA and its staff also engaged in several community outreach activities during 2014.

2. URCA's Plan for 2015

2.1 Strategic Outlook

Having been completed in late 2013, URCA's Strategic Plan 2014 – 2019 took effect from the beginning of 2014 and will therefore inform URCA's Annual Planning for 2015.

2.1.1 URCA's Vision and Mission

URCA's Strategic Plan is built upon the organisation's Vision and Mission. URCA's Vision seeks to ensure that URCA remains focussed on its mandate, which by virtue of section 4 of the Communications Act 2009 is centred on the interests of the public in The Bahamas, applying best practices in regulation to achieve those ends. A key success factor for URCA is to be a highly people centred organisation, having regard to the fact that its work is almost entirely human resource dependent. As such, in addition to its outward facing vision based on the mandate, URCA is motivated by an internal facing vision which ensures that URCA maintains focus on its people.

URCA's Vision is therefore comprised in the following two statements:

URCA's Vision

External Vision

"To be a globally renowned utilities regulator and competition authority which is recognised for championing the interests of persons in The Bahamas, and of the sectors we regulate. We do this by the development, adoption and application of best practices in policy and regulation."

Internal Vision

"We will develop a harmonious work environment characterised by honesty, trust and mutual respect. We will achieve this by developing the technical and soft skills of our people and transformational leadership across the organisation."

URCA's Mission statement is encapsulated in the following:

URCA's Mission

We are driven by a commitment to advancing public interests through achieving sustainable competition and effective regulation of utilities and broadcasting. We are guided by our core values and dedicated to the continuous development of our people.

2.1.2 URCA's Strategic Goals

Building on the Vision and Mission, URCA formulated strategic goals based on its assessment of the strengths and weaknesses of the organisation and the environmental factors which would affect URCA's achievement of its vision. Those strategic goals are described below.

Promoting the interests of the public

The electronic communications policy objectives set out in the Comms Act places URCA's roles and responsibilities in the context of furthering the interests of persons in The Bahamas and the country as a whole.

This mandate is consistently repeated in stakeholder comments, and is a central tenet of regulators globally. The ECS Policy in particular provides a set of strategic aims which all speak to the ECS providing a level of service to persons in The Bahamas that would strengthen the social, economic and cultural framework of the country.

As such, the primary strategic goal for URCA in relation to its regulatory activities will be the promotion of the interests of the public. This goal will be achieved through a focus on several regulatory areas, including but not limited to:

- Protection of consumers of electronic communications services to ensure that they receive a level of service which is appropriate and consistent with best international practices and standards;
- Promoting sustainable competition to ensure that all participants in the market have a level playing field, and provide services which are of the highest standard at the best possible price;
- Effective and efficient regulation to promote fair play among participants, while being guided by high level principles of fairness, non-discrimination and transparency;
- Effectively managing state resources (spectrum and numbers) to ensure that they further the development of the sector and the general interests of the public.

Commitment to developing our people

Regulation is a highly human resource intensive activity, which requires professionals who are highly trained, skilled and experienced in specialised areas of law, economics and finance, and engineering. Significant challenges are faced by URCA in acquisition and retention of those resources, particularly in the Bahamian market, where most of these skills are not present due to a lack of similar organisations, and the relative novelty of utility regulation.

As such, the acquisition and development of the necessary skills by URCA is a key strategic goal, on which URCA must remain focussed. URCA will seek to combine recruitment of suitable candidates with rigorous training and up-skilling of team members in order to develop the required knowledge and expertise.

This goal is not only focussed on the need for skilled and experienced internal resources within URCA, but also the need for more skilled regulatory professionals throughout the ECS in The Bahamas, if URCA's work is to be successful.

Cultivating a work environment based on employee engagement, transformational leadership and effective management

The acquisition and development of skilled, experienced and knowledgeable employees would be inefficient and ineffective over the long term, if those persons are not also motivated and retained. URCA recognised certain internal challenges with the creation of a work environment which ensures that URCA's employees are appropriately motivated to best perform their roles and to stay and grow with the organisation over the long term. It is only by creating such an environment that URCA would be able to capitalise fully on its investment in acquisition and development of skilled, experienced and knowledgeable staff.

Commitment to public engagement

Despite URCA's public awareness efforts, its work remains mainly unknown to much of the residents of The Bahamas and therefore the potential benefits of a well regulated ECS are not fully experienced by many persons.

From an industry stakeholder perspective, URCA is committed to doing all it can to bring key stakeholders and licensees along in the areas of regulatory knowledge, as well as understanding of motivations on both the regulator and regulated entity sides.

Finally, from a Government perspective, URCA must ensure that the Government is in a position to leverage the maximum benefit from the presence of an independently regulated ECS to achieve its broader national policy objectives.

2.2 Focus Areas and Key Projects for 2015

This Section outlines URCA's broad priorities, derived from its Strategic Goals identified in section 2.1.

2.2.1 Preparation for Mobile Liberalisation

Building on the work done in 2014, the liberalisation of the mobile sector will continue to be URCA's top priority in 2015. This will involve both URCA's full participation in the selection process as requested by the Government from time to time, as well as URCA's work to ensure that its regulatory framework is optimal for the regulation of a competitive cellular mobile market.

It should be noted that these initiatives will also enhance URCA's regulation of the ECS in respect of other focus areas such as protection of consumers and encouraging competition.

2.2.2 Protection of Consumers

URCA will during 2015 continue to promote and implement the Consumer Protection Regulations, which were finalised in December 2014.

URCA will also ensure the completion of other service quality related initiatives as well as rigorous monitoring and enforcement of licensees' obligations as regards network quality of service, and the formation of a Consumer Advisory Committee, a multi stakeholder committee which will review and advise URCA on issues relating to consumer protection in the ECS.

2.2.3 Encouraging Competition

The interests of the public are best promoted by vibrant and sustainable competition in the ECS. URCA's regulatory framework is centred on reducing barriers to entry for new entrants and introducing properly designed regulatory measures, particularly in respect of dominant operators in specific markets, and has been developed having regard to best practice considerations.

URCA's regulation of competition in the ECS is centred around its processes for regulation of licensees with SMP which processes were based on the transitional provisions contained in the Comms Act 2009. The assessment of SMP in key retail markets having been completed in 2014, in 2015 URCA will implement the remedies identified in its SMP assessment.

In 2015 URCA also intends to develop and introduce other measures to facilitate and encourage competition in the ECS.

URCA will continue its investigation of on-going competition related matters, and will also continue to exercise its ex-post powers as appropriate from time to time, based on complaints submitted or other matters which may come to light.

2.2.4 Promoting Affordable Access to Services throughout The Bahamas

URCA will continue throughout 2015 with a number of regulatory initiatives designed to ensure the provision of universal service in accordance with the Comms Act and in the best interests of persons in The Bahamas. In particular, URCA intends in 2015 to issue its final decision on the Universal Service Fund rules, complete its consultation on the Net Avoidable Cost Guidelines and to continue work on the remaining projects within the universal service framework for The Bahamas.

2.2.5 Promoting a Wide Range of High Quality Content Services

In 2014 URCA, through the Content Regulation Industry Group (CRIG), commenced work on its review of the Code of Practice for Content Regulation (the Code). The review will continue to a public consultation on the revised Code in 2015, and the CRIG will also continue to assist URCA in its administration and enforcement of the Code as appropriate.

2.2.6 Managing Radio Spectrum Effectively and Efficiently

URCA will continue with initiatives to not only manage the spectrum effectively, but also to ensure that it is used optimally so as to promote the availability of the highest possible quality and variety of services to all persons in The Bahamas. To that end, in 2015, in addition to focussing on spectrum requirements and management to facilitate cellular mobile competition, URCA will continue with its spectrum monitoring and enforcement activities on a day to day basis.

In 2015, URCA will also continue the process to rationalise the FM Broadcasting spectrum band, to ensure that FM broadcasting is carried out in accordance with best practices, and that the use of the band is optimised. These initiatives will start with the introduction of technical standards for FM broadcasting, and assessment of the use of the band by existing licensees.

As noted, below, URCA will also be engaged in preparations for and attendance at the World Radiocommunications Conference 2015, which is a key planning event for management of radio spectrum.

2.2.7 International Participation and Engagement

In 2015 URCA will continue its involvement in international organisations based on expected developments. URCA strives through regulatory and sector excellence within The Bahamas, and appropriate international engagement, to achieve international recognition for The Bahamas as the regional centre of excellence in ICTs and ECS regulation.

URCA's ITU engagement will largely be focussed on participation in the World Radiocommunications Conference (WRC15), which will be held in November in Geneva, Switzerland. To that end, URCA will be closely monitoring proposals submitted for consideration at the WRC15, and will be attending and participating in preparatory meetings at regional and global level, as well as WRC15 itself. Much of

URCA's preparation will be conducted at a regional level through participation in CITEL and CTU meetings and forums arranged for preparatory purposes.

In April 2015 URCA will host the Latin America and Caribbean meeting of the ITU Telecommunications Standardisation Bureau's (ITU-T) Study Group 3 (SG3LAC), which deliberates and makes recommendations on matters relating to telecommunications costing, pricing and other economic issues. URCA is also considering the hosting, in partnership with the Government and the industry, of an ITU-T Conference on ICTs and Climate Change in late 2015.

In addition to preparation for WRC15 at CITEL and CTU, URCA will continue to participate in both organisation's deliberations and meetings, which in 2015 are expected to include discussions on various matters affecting the region's telecommunications sector. Some of these include recent consolidation of major regional operators, the treatment of new ICT services which have the potential to disrupt existing markets, and the improvement of access and connectivity, particularly to vulnerable social groups and countries.

URCA will also participate in OOCUR deliberations, including attendance at the annual OOCUR Conference 2015, which will be held in the Turks and Caicos Islands.

Another key international organisation which provides URCA with effective training and coordination opportunities is the Commonwealth Telecommunications Organisation (CTO) with which URCA will continue its relationship with a view to capitalising on training and development opportunities which arise.

2.2.8 Building Regulatory Capacity and Human Capital

URCA's Strategic Plan will continue to guide the human resources function throughout 2015. URCA will need to prepare for a major change in the near future with the possible addition of new sector(s) to regulate (see 2.2.11 below). With a move to new premises anticipated by the second half of the year, URCA will be adequately resourced in terms of his physical capacity to allow for renewed efforts to source highly trained and experienced professionals across several key disciplines. URCA will strengthen its commitment to people development and leadership through specialised training and strong performance management.

2.2.9 Educating our Stakeholders

One of the key findings during the Strategic Plan development process is that our stakeholders would like URCA to educate them and others on various issues and topics. Stakeholders were of the opinion that the workshops that URCA held in previous years were very beneficial to the industry and as such felt that URCA should periodically hold workshops on topical issues. During 2014, URCA was unable to make significant inroads in this area however in 2015 URCA will place increased priority on hosting periodic workshops for its stakeholders on topical issues including how the implementations of key regulatory measures are to work. URCA's international participation activities, in particular the proposed

conference and meeting hosting, will also serve to provide a forum within which stakeholders can be educated about matters pertaining to the ECS.

URCA will use appropriately targeted methods to continuously educate our stakeholders. URCA will seek to educate stakeholders on topics such as the Codes on Practice for Content Services, the Consumer Protection Regulations, matters related to Cellular Mobile Competition during the year. URCA will also host events to celebrate the 150th anniversary of the ITU.

2.2.10 Raising Public Awareness of URCA

URCA as a statutory regulatory body with the remit to regulate the Electronic Communications Sector has a duty to implement the ECS policy objectives. One key ECS policy objective is to further the interests of consumers by promoting competition in the sector. As such it is critical to bring further public awareness of URCA's role and mandate with regards to the ECS. Therefore, in 2015 URCA will seek to:

- ensure that consumers and other stakeholders have a clear understanding of the role and functions of URCA; and,
- keep consumers and other stakeholders abreast of developments in the sector with an emphasis on access to services in the sector.

URCA will also renew its efforts to build relationships with licensees, the media and other stakeholders. This will be done through regular forums and participation on radio and television shows.

Efforts will continue to ensure that there is access to and understanding of the Consumer Protection Regulations. This includes completing the distribution of URCA's Consumer Protection Regulations Booklet to all family islands, and additional distribution points in New Providence. The promotion of the Consumer Protection Regulations will be expanded to include display advertisements in the local print media and pull out summary sheets/flyers. Consumer Education activities will include visits to schools, family island forums and participation in sector related conferences and seminars held locally.

In 2015 URCA will also conduct a comprehensive review of all complaint handling procedures and institute procedures to ensure that complaints are properly documented, tracked and resolved.

A significant part of URCA's public awareness work in 2015 will involve the review and revamping as necessary of URCA's website.

The activities identified above will involve a significant amount of work and to that end URCA will apply additional resources to expanding and enhancing its public profile. This will be achieved by further increasing the human resources in the consumer and corporate relations area, and ensuring that the budget allocation is adequate to support the necessary activities (through a significant increase in the amount allocated for 2014).

2.2.11 Preparing to Regulate New Sectors of the Economy

URCA was set up with the intent to regulate sectors other than the ECS. The Government of The Bahamas recently published an Energy Policy and is making preparations to reform the energy sector. In connection with the stated Government policy positions, URCA is readying itself to regulate the energy sector in The Bahamas. It is anticipated that the Government will have legislation passed in the first quarter of 2015 and that URCA will be given the authority to regulate the energy sector. The Government is also working on the reform of the water and sewerage sector in the country and has engaged consultants to assist. URCA continues to work with the Government and the consultants with a view of URCA becoming the regulator for that sector in due course.

2.3 URCA's Key Projects for 2015

It should be noted that as part of its aim to plan, execute and report on its work in a more sustainable manner, URCA has modified its reporting period from quarters to trimesters. Therefore, in 2015 and moving forward URCA will identify projects to be carried out based on three periods in each year, from 1 January to 30 April, 1 May to 31 August, and 1 September to 31 December. Section 2.3.1 identifies the projects to be undertaken by URCA, through each trimester of 2015.

It must be noted that not all work undertaken by URCA is represented below. The projects that are specifically identified are those which have major significant public impact. What is not reflected are the myriad of secondary issues, complementary investigations such as competition investigations and research activities that lend support to the achievement of the overall goals of URCA.

2.3.1 2015 Projects by Trimester

This section provides details, including time schedules, of the projects carried over from 2014 as well as the new projects that will be initiated in 2015.

Projects Continued from 2014

The following projects commenced in 2014 or prior are currently on-going and will be continued during 2015. These have been discussed in detail in the review of 2014 set out in Section 1.2.

- *Mobile Liberalisation*
- *Mobile Spectrum Auction*
- *Guidelines for Calculation of Net Avoidable Costs for BTC and CBL*
- *Universal Service Affordability Guidelines*
- *Content Regulation Industry Working Group – Review of Code of Practice for Content Regulation*

- *Review of BTC's Accounting Separation Results for 2013*
- *Alternative Dispute Resolution Scheme for Disputes between Consumers and Licensees*
- *Consultation on FM Radio Technical Standards*
- *Consultation on Network Quality of Service Standards*
- *Review of Licensing Guidelines*
- *CBL Applications for REV TV Prime Local and REV TV Prime Price Increase*
- *Competition Complaints –*
 - *BTC against CBL/Cable Media*
 - *CBL against BTC re International Call Blocking*
- *Investigation of BTC Outage of 22 March 2014*

New Projects 2015

As stated above, URCA's main priority for 2015 will be to address matters pertaining to the introduction of competition in the cellular mobile sector, which URCA sees as the most important factor affecting the development of the ECS in The Bahamas at this time. Based on the importance of this initiative, and the likelihood that the work required will consume a significant portion of URCA's resources during 2015, URCA has not sought to commence any significant new projects during 2015, except for those selected to further cellular liberalisation. The majority of other projects identified are therefore ones which URCA commenced or conducted significant work on in 2014, thereby enabling completion in 2015 without unduly affecting the availability of resources for URCA's preparation for cellular liberalisation.

URCA is also cognisant that while its current responsibilities are limited to the ECS, it was formed as a potential multi-sector regulator, and therefore could be required to assume responsibility for the regulation of other sectors of the economy. In fact the on-going initiatives by the Government to restructure the electricity and water sectors suggest that URCA may well be assigned with these responsibilities during 2015.

January to April 2015

In addition to the projects carried over from 2014, during the first four months of 2015, URCA expects to commence work on the following projects:

Preparation for Cellular Liberalisation

URCA's highest priority will continue in 2015 to be work toward the liberalisation of the cellular mobile market. The competitive selection process being conducted will comprise two phases, a Technical and Financial Assessment of Proposals by an expert panel appointed by the Prime Minister; followed by a Spectrum Auction conducted by URCA on behalf of the Prime Minister. The "Request for Proposals to Operate a Cellular network and Provide Cellular Services in The Bahamas" was issued by the Government of the Bahamas on 13 November 2014, and the closing date for receipt of applications is 11 February 2015. The schedule established in the RFP projects that the successful bidder will be selected early in the second Trimester of 2015.

In accordance with the requirements of that process, in URCA commenced in 2014 preparations to conduct the Spectrum Auction which is anticipated to take place in the first Trimester of 2015 following completion of the Phase 1 assessment.

URCA will also continue its work toward ensuring that a robust and effective regulatory framework is in place for a liberalised cellular mobile market, and also to expedite the activities which are necessary to introduce competition in the sector. In that regard, in addition to matters already commenced, some of the key issues which will receive URCA's attention during the first Trimester of 2015 are listed below.

- Regulations for Infrastructure Sharing
- Revision of the Interconnection Regime
- Review of BTC RAIO charges
- Establish Auction Rules and Conduct Spectrum Auction
- Licensing of New Mobile Operator
- Spectrum Management for Mobile Network Operators
- Consideration of National Roaming for Cellular Networks

Annual Report 2014

Section 41 of the Utilities Regulation and Competition Authority (URCA) Act, 2009 requires that URCA, no later than four months after the end of each year, prepare and publish a plan of its proposed objectives for the forthcoming year; and a report of the carrying out of its functions during that financial year. As such, URCA will during the first trimester of 2015, seek to complete its annual report for 2014, as well as to publish the final version of this Annual Plan.

Market Review - Implementation of Ex-Ante Remedies

Coming out of its "Final Determination on the Assessment of SMP in the ECS in The Bahamas under Section 39(1) of the Comms Act" (ECS 14/2014), URCA identified certain next steps which it will commence work in the first trimester of 2015. These are:

- Develop and consult on the price cap remedy design and implementation. The details on the design and implementation of the price cap remedies are a key next step for URCA which will be commenced in the first trimester of 2015.

- Amendments to the Retail Pricing Rules (RPR) concurrently with implementation of price cap remedy.

Revision of Interconnection Regime

URCA's consideration in 2014 of the Interconnection and Access guidelines has indicated that there is a need for enhanced regulatory oversight of the interconnection process particularly in relation to the time taken to negotiate interconnection agreements, as well as to implement interconnection pursuant to such agreement. To that end, URCA intends in early 2015 to commence consultation on a regulatory intervention which will introduce clear timelines for interconnection related activities.

Review of BTC RAIO Charges

Currently, BTC is the only cellular mobile operator in The Bahamas and the retail charging regime does not require any termination charge to be paid in respect of domestic calls to mobile numbers. As such, although BTC is regulated as the SMP provider in cellular mobile services, BTC's RAIO in mobile networks does not identify a regulated termination rate, except for international calls terminating on BTC's mobile network.

In preparation for cellular mobile competition, URCA will consider this issue and will, if appropriate implement changes to BTC's RAIO to address the issue.

May to August 2015

Mobile Number Portability

Number Portability in The Bahamas was launched for fixed networks on 2 December 2013 and URCA has made determinations and ensured the implementation of a system which will accommodate mobile number portability with minimal adjustment, and coincident with the introduction of competition. URCA will ensure that the process for implementation of mobile number portability occurs concurrently with the build out of any new mobile networks, so as to ensure that mobile numbers are able to be ported from day one of mobile competition in The Bahamas. URCA will therefore reconstitute the Number Portability Working Group following licensing of the new cellular mobile operator, to include all previous participants and the new provider.

Market Review - Mobile Services

Following selection and licensing of a new Cellular Mobile operator, URCA will consider whether or not the new operator should be treated as having significant market power (SMP) in mobile termination (voice and SMS/MMS). On the retail side, URCA would need to determine whether BTC's mobile services will be subject to retail price regulation going forward.

Review of Mobile Charging Regime

Cellular mobile services in The Bahamas provided by BTC are currently under a Mobile Party Pays ("MPP") regime, which means that calls from a mobile phone are charged on the basis of Calling Party Pays ("CPP"), but calls from a fixed line to a mobile phone are charged on a Receiving Party Pays ("RPP") basis. During 2015, URCA will consider this issue in preparation for cellular mobile competition in order to determine whether a regulatory intervention is appropriate, and if so, what regulatory treatment would be appropriate.

Review of Accounting Separation Results of SMP Operators

The Separated Accounts of SMP operators are submitted to URCA annually, and are reviewed by URCA to ensure that they have been prepared consistently with URCA's Accounting Separation Guidelines (ECS 12/2010 and 13/2010), and to identify any regulatory impact. This will commence on submission in 2015 of the SMP operators' 2014 accounts (due for CBL on 30 June and for BTC on 30 September) and is expected to continue for approximately three to six months in each instance.

September to December 2015

In addition to the intention to focus its plan for 2015 on matters pertaining to mobile liberalisation, URCA has also noted in past years that due to the significant body of work commenced during the first through third quarters of each year, and the statutory tasks required annually and due at the year-end such as completion of URCA's Annual Plan, annual budgeting, completion of audits, and issuance of URCA's fee schedule, the commencement of new projects during the final months of the year is often not feasible. Accordingly, URCA expects that its focus during the last trimester of 2015 will be to ensure the completion of projects commenced earlier in the year, and completion of its statutory year-end obligations.

On-going Activities

Outside of the slate of projects that URCA has specifically identified there are other activities which URCA is obliged to undertake in the fulfilment of its responsibilities under the Comms Act. These are particularly related to administrative functions and the handling of ad hoc matters which arise in the regulatory context. These include, but are not limited to:

- Statutory duties such as satisfying URCA's accountability to its stakeholders by publishing its work plans and annual reports within the statutory periods;
 - Monitoring compliance by licensees with licence conditions and regulatory measures, and taking enforcement action where appropriate;
 - Investigations and enforcement in respect of complaints of anti-competitive behaviour;
 - Reviewing and investigation complaints under the content codes;
 - Handling complaints by consumers regarding electronic communications services as they arise;
- and

- Various consumer awareness and publicity initiatives undertaken by URCA to ensure that members of the public are aware of key issues, and the role of URCA.

These activities have been taken into account as far as practicable in estimating timeframes above, however, the nature of URCA’s duties is such that unforeseen work may impact on URCA’s ability to complete or even commence projects identified.

2.3.2 URCA Project Timelines for 2015

Based on the foregoing, URCA’s project plan for 2015 is set out in Table 1 below. It should be noted that the table provides URCA’s total work period on the project, and therefore reflects time taken on internal development of policy and regulatory positions, the external engagement on any initiative, and the publication of a final regulatory measure (where relevant). It should also be noted that projects related to the Mobile Liberalisation initiative have not been included as these are, to some extent, dependent on the timeframes and specific outcomes of the selection process.

Table 1 - URCA Project Timelines for 2015

Project	Start Date	End Date
Consultation on Guidelines for Calculation of Net Avoidable Costs - USO	Commenced in 2014	T1, 2015
URCA Annual Plan 2015	Commenced in 2014	T1, 2015
ADR Schemes for Disputes between Consumers and Licensees	Commenced in 2014	T1, 2015
Infrastructure Sharing Regulations	Commenced in 2014	T1, 2015
URCA Annual Report 2014	T1, 2015	T1, 2015
Revision of Interconnection Regime	Commenced in 2014	T2, 2015
Review of Licensing Guidelines	Commenced in 2014	T2, 2015
Establish Auction Rules and Conduct Cellular Mobile Spectrum Auction	Commenced in 2014	T2, 2015
Review of BTC RAIO Charges	T1, 2015	T2, 2015

Licensing of New Cellular Mobile Operator	T2, 2015	T2, 2015
SMP in Call Termination for New Mobile Operator	T2, 2015	T2, 2015
Network Quality of Service Regulations	Commenced in 2014	T2, 2015
Review of BTC 2013 Accounting Separation Results	Commenced in 2014	T2, 2015
Universal Service Affordability Guidelines	Commenced in 2014	T2, 2015
Monitoring and Managing the Introduction of Cellular Mobile Competition	T2, 2015	T3, 2015
Review of Content Codes	Commenced in 2014	T3, 2015
FM Broadcasting Technical Standards	T1, 2015	T3, 2015
Market Review – Implementation of Ex-Ante Remedies	T1, 2015	T3, 2015
Mobile Number Portability	T2, 2015	T3, 2015
Review of 2014 Accounting Separation Results of SMP Operators (BTC and CBL)	T2, 2015	T1, 2016
Annual Plan 2016	T3, 2015	T1, 2016

2.3.3 Planned Consultation Schedule for 2015

While URCA will carry out several activities during 2015, not all of these will involve public engagement throughout the process.

Table 2 below shows the major public consultations proposed for 2015, including anticipated publication dates.

Table 2 - Planned Consultation Schedule 2015

Consultation Document	Anticipated Publication Period	Anticipated Consultation Closing Period
URCA Annual Plan 2015	Published in 2014	T1, 2015
Infrastructure Sharing Regulations	Published in 2014	T1, 2015
Consultation on CBL Applications for REV TV Price Increase and Introduction of REV TV Prime Local	Published in 2014	T1, 2015
Review of Licensing Guidelines	T1, 2015	T1, 2015
Consultation on Network Quality of Service Standards	T1, 2015	T1, 2015
Interconnection Regulations	T1, 2015	T2, 2015
Universal Service Affordability Guidelines	T1, 2015	T2, 2015
Consultation on FM Radio Technical Standards	T2, 2015	T2, 2015
Review of Content Codes	T2, 2015	T3, 2015
Market Reviews – Implementation of Ex Ante Remedies	T2, 2015	T3, 2015
Annual Plan 2015	T3, 2015	T1, 2016

3. Evaluating Our Effectiveness

In line with good management practice, and to ensure accountability to relevant stakeholders, URCA proposes to evaluate its effectiveness through:

- Identification and adoption of appropriate key performance indicators (KPIs), based on statutory requirements and regulatory and management best practices;
- Measurement and monitoring of those KPIs; and,
- Publication of an Annual Report on its operations and performance.

For 2015, URCA proposes to use the KPIs provided in Table 3 below and publish the results as part of the 2014 Annual Report to be published before the end of April 2015.

Table 3 - URCA Key Performance Indicators 2015

Statutory/Regulatory	Finance	HR	IT
Draft Annual Plan & Strategy published before end of financial year	Cost of Finance function as a percentage of total operating expenditure	Cost of HR function as a percentage of expenditure	Cost of IT function as a percentage of total expenditure
Annual Report and final Annual Plan published within 4 months of year end	Period-end cycle time (working days to close) Year-end cycle time (working days to close)	Cost of HR function per employee	Organizational ICT spend (investment in ICT infrastructure & hardware across the organization)
Final Determinations to be published within one month from closing date for comments on Preliminary Determination	Forecasting accuracy	Ratio of employees (full time equivalent) to HR staff	Percentage who are able to access the network and system remotely
Percentage of public consultations started within period stated in Annual Plan	Cost of Licensee invoicing	Average days for full time employee per year invested in learning and development	
Time to publish results, decisions, and other regulatory measures after close of consultation: 45-60 days 60-90 days	Debtor Days	Cost of learning and development activity as percentage of total payroll	

>90 days			
	Number and Value of Creditor Notes and Adjustments	Cost of advisors as a percentage of the total payroll	
<u>Consumer Complaints</u> Number of complaints received; Percentage of total complaints resolved; Average time taken to resolve complaints	Long outstanding debt (>90 days) as a percentage of total debt	Percentage of roles filled by permanent and contract staff	
Licenses issued within: 30 days - individual licences 45 days - class licences Volume of licences processed in the year		Average lapse time (working days) from vacancy/advertisement occurring to the acceptance of an offer for the same post	
		Average lapse time (working days) from when there is a decision to fill a vacancy to submission of advertisement	
		Average lapse time (working days) from a vacancy announcement to selection of a candidate or reposting of the vacancy advertisement	
		Average lapse time (working days) from selection of candidate to the acceptance of an offer for the post	
		Percentage of people in role after 12 months of service	
		Percentage of staff who received face to face performance appraisal	

4. URCA's Draft Budget 2015

URCA's full-time staff complement is anticipated to be twenty-seven (27) including proposed new hires in 2015. In an effort to continuously improve URCA's effectiveness and to secure the desired levels of knowledge transfer, there are plans to augment staff complement with emphasis being placed on new hires with economics and technical expertise. Over the long run, it is anticipated that this should result in a decreased reliance on external professional service providers.

URCA will ensure that it has sufficient finances to meet its regulatory mandate and will make sure that it delivers the best possible service to its stakeholders. In so doing, URCA will also ensure that it provides full accounting of its activities as required by Section 41(1)(b) of the URCA Act. In avoidance of doubt, URCA will publish its Annual Report and Accounts for 2014 on or before 30 April 2015.

URCA's Operating and Capital Budget for 2015 is provided in table 4, below.

Table 4 - URCA's Draft Operating and Capital Budget 2015

	2014	2015
Non-Executive Members Honoraria and Expenses	213,065	203,040
Executive Members Compensation	306,990	341,883
Staff Costs	1,930,188	1,909,174
Professional Services	1,294,645	1,413,000
Conferences, Training and Travel	508,830	575,996
Rent and Utilities	457,002	553,844
Consumer Education and Public Relations	270,000	325,000
Office Services	170,480	226,000
Information Technology	69,775	80,600
General and Administrative Expenses	260,712	319,751
Total Operating Expenditure (OPEX)	5,481,687	5,948,288

Depreciation	711,135	357,608
Total Operating Budget Recovered through URCA fees	6,192,822	6,305,896
Capital Expenditure	46,500	690,500

The budgeted operating expenditure is inclusive of depreciation, which is factored into the calculation of the URCA fee and has decreased by over \$353,000.

Further explanation of each expense category is as follows:

- Non-executive members' compensation includes honoraria of \$11,000 per month (for all 3 non-executive members of the Board) and business related travel expenses for the non-executive member who is resident overseas. This expenditure decreased 5% compared to 2014 budget due to reduced expatriate non-executive travel due to expiration of tenure of one of the expatriate non-executive board members;
- Notwithstanding an increase of 11% over last year budgeted costs, Executive members' compensation which includes salaries and other benefits for executive members represents approximately 5% (2014: 6%) of the operating expenditure for the period which continues to decrease when compared to previous years;
- Staff costs decreased to 30% of the total operating budget (2014: 35%) and is anticipated to decrease by approximately 1% over last year's budget notwithstanding increased staff levels (4 new hires and summer interns) and increases in line with performance management program;
- Professional services expenditure is anticipated to increase by 9% due to allocation of significant funds for technical and economic consultants related to significant projects anticipated in 2015 including funds for implementation of SMP remedies arising out of URCA's recent market review (\$200k), mobile liberalization (\$150k) and mobile number portability (\$100k) as well as allocation of funds to financial/internal audits and continued and anticipated legal matters;
- Conferences, Training and Travel is anticipated to increase by almost 13% over the previous year; this relates to anticipated travel for Executives and other staff relating to training and engagement with international organisations, through attendance at meetings, conferences, seminars and workshops;
- Rent and utilities will increase due to expiration of the lease and space limitations for URCA's current premises, which necessitated the move to new premises by the end of May 2015. In order to accommodate anticipated increased staff level, the new premises will be significantly larger than the office space currently occupied, though the rental rate per square foot is significantly reduced;

- Consumer Education and Public Relations is budgeted to increase by 20% due to continued initiatives aimed at educating and informing consumers on various electronic communications sector including public consultations on sector issues (including mobile liberalization), community outreach and utilizing other advertising media;
- Office services is budgeted to increase by 33% over prior year's budget, due to allocation for office security, office supplies, printing, general insurance and miscellaneous items;
- Information technology expenditure includes LAN maintenance, quarterly diagnostics of operating systems, and numerous software renewals;
- General and administrative expenses are budgeted to increase 23% due to anticipated increases in maintenance for URCA's new premises (which will result in a larger area to maintain) and an allocation for bad debt;
- All spending categories that will be subject to Value Added Tax have been increased to account for the implementation of VAT from 1 January 2015.

5. Responding to this Draft Plan

The timetable for responses to this Annual Plan will be as follows:

- All submissions to this consultation should be submitted by 5pm on 30 January 2014.
- URCA shall endeavour to publish these responses by 5pm on 3 February 2015.
- URCA shall publish its Final Annual Plan by 4 March 2015.

In addition, prior to publication of the final plan and as part of the consultation on this draft, URCA will hold at least one oral hearing to present the Annual Plan and to allow interested parties an opportunity to provide input to the plan. URCA will communicate the date and venue, with advance notice, for this hearing in early 2015.

Persons may obtain copies of this document by downloading it from the URCA website at www.urbahamas.bs.

Persons may deliver their written submissions or comments on the public consultation document to the Chief Executive Officer, URCA either:

- by hand, to URCA's office at UBS Building Annex, East Bay Street, Nassau; or
- by mail to P.O. Box N-4860, Nassau, Bahamas; or
- by fax, to 242 393 0237; or
- by email, to info@urbahamas.bs