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PRESS RELEASE

FOR IMMEDIATE RELEASE

Residents in The Bahamas have now had the benefit of choice in the selection of their mobile telephone operator since October 2016. During this time, URCA has been continuing to monitoring the introduction of competition in this critical market.

On 1 July 2016, consistent with the Government's selection process for a second cellular mobile provider, the Utilities Regulation and Competition Authority (URCA) issued the necessary licences to the second mobile operator in the country, NewCo2015 Limited, now renamed BeAliv Limited ("BeAliv"). BeAliv provides cellular mobile services under the brand name "Aliv". The conditions of the Individual Spectrum Licence (ISL) granted to BeAliv, stipulated that it must by no later than 1 October 2016 provide service to the general public in The Bahamas with its own network covering 99 percent of New Providence and 80 percent of Grand Bahama, meeting specified service levels (Phase 1a).

On 3 October 2016 BeAliv submitted to URCA its report on network coverage against the requirements of Phase 1a. URCA was due to commence its verification exercise on BeAliv's network on 3 October 2016. The paper based review commenced as scheduled with the review of BeAliv's submission. However, the field exercise to verify BeAliv's submission with URCA's own tests was delayed until 18 November 2016 due to the passage of Hurricane Matthew and the restoration work being conducted on BeAliv's network, particularly in Grand Bahama. During the verification exercise URCA reviewed BeAliv's submissions on its performance dated 3 October 2016 and 18 November 2016 (after restoration following Hurricane Matthew). URCA carried out more than 23,000 of its own voice and data test sessions in New Providence and Grand Bahama to verify the information submitted.

URCA is now able to confirm that based on its investigations, as at the time of submission of both reports, BeAliv was fully compliant with the roll-out and quality of service requirements for the first milestone (Phase 1a), in that the BeAliv network:

- covered 99% of the Island of New Providence within the required minimum and maximum signal strengths;
- covered 80% of the island of Grand Bahama within the required minimum and maximum signal strengths;
- was able to provide cellular mobile services to members of the public in The Bahamas, with the required quality of service, that is:
 - the network was capable of offering, with 90% confidence when lightly loaded, a
 mobile broadband data service with a sustained downlink speed of at least 5Mbps
 in URCA's verification exercise the network achieved an average speed of
 approximately 9.6 Mbps;
 - the network provided a mobile broadband data service with 99% availability in URCA's verification exercise, mobile data service availability was approximately 99.91%
 - the network provided a mobile voice service with 99.9% availability in URCA's verification exercise, mobile voice service availability was approximately 99.93%

The next milestone (Phase 1b) requires that by 1 January 2017 the BeAliv network cover, in addition to the Phase 1a areas, 75% of Abaco (including Gorda Cay, Grand Cay, Great Guana Cay, Scotland Cay, Green Turtle Cay, Man-O-War Cay, Moores Island, Parrots Cay, Lubbers Cay, Tilloo Cay, Cornish Cay, Bridges Cay, Wood Cay); Eleuthera (including Harbour Island, Spanish Wells, Russell Island, Current Island); Exuma (including Black Point, Little Farmers Cay, Staniel Cay and Stocking Island); Andros and Bimini (including Cat Cay and Ocean Cay) with at least 75% population coverage

The third milestone (Phase 2) requires that by 1 March 2017 the BeAliv network's coverage, in addition to the Phase 1a and 1b areas, must extend to 99% of Grand Bahama, Eleuthera, Bimini, Andros, Exuma and Bimini, and to 85% of Abaco.

The public will be aware that the passage of Hurricane Matthew caused significant destruction to the islands of The Bahamas, and in particular, significantly damaged the networks of all electronic communications networks in several islands of The Bahamas, most notably in Grand Bahama. The restoration efforts for some of the damage are still ongoing. Due to the disruption of The Bahamas' electronic communications networks, significant roll-out delays were experienced by BeAliv as a result of matters outside BeAliv's control. URCA has assessed the impact of the damage on the roll-out progress, and considers it appropriate and necessary to extend the compliance deadline for each of the second and third milestones (Phase 1b and Phase 2) by six (6) weeks to 14 February 2017, and 14 April, respectively.

URCA's review of BeAliv's performance in respect of Phases 1b and 2, will commence on 15 February and 17 April respectively, and will take up to three (3) weeks in each instance.

To review the full requirements of BeAliv's ISL, visit URCA's website at http://www.urcabahamas.bs/download/005456900.pdf

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