

**NOTICE OF PROPOSED CHANGE IN CONTROL OF LAST MILE  
COMMUNICATIONS LTD**

**pursuant to SECTION 75(2)(a) of the COMMUNICATIONS ACT, 2009**

1. The Utilities Regulation and Competition Authority (URCA) hereby gives notice that on 22 May 2017, in accordance with Section 70(3) of the Communications Act, 2009, it received from Last Mile Communications Ltd (LMC) a Simplified Notification of a proposed transaction between LMC and VosCom Inc. (USVI) (VosCom USVI) for approval which will result in the acquisition by VosCom from LMC of all the outstanding shares of LMC (the "Transaction").

**DETAILS OF THE TRANSACTION**

2. On 17 April 2017 LMC and VosCom executed a Letter of Intent (LOI) whereby VosCom, a corporation incorporated in the United States Virgin Islands and situated in St Croix, expressed the binding terms on which it sought to purchase the shares (the "Shares") of LMC. A Definitive Stock Purchase Agreement (the "Agreement") was drafted, though not executed between LMC and VosCom, under which VosCom will acquire one hundred per cent (100%) of the fully-diluted outstanding shares of LMC. The Agreement is to be executed by LMC and VosCom on or before 1 July 2017 after which under the terms of the Transaction, VosCom will take control of LMC on 1 July 2017, bring initial working capital and investment capital to LMC, absorb its debts, and provide for a success based monetary earn-out for the current stockholders.
3. LMC is a wireless Internet service provider in The Bahamas and owns 100% of a Bahamian Internet Service Providers Licence ("ISP Licence"). LMC is authorized and permitted to provide certain telecommunications and broadband services including wireless Internet and Voice over Internet Protocol ("VOIP") services for the entire Island of New Providence and all of the Islands of The Bahamas to individual and corporate customers.
4. VosCom is a new company and a wholly owned subsidiary of VOS Holdings, Inc., a Delaware USA based company. VosCom is seeking to become the leading alternative telecommunications provider in key local markets throughout the Caribbean region and has acquired and continues to acquire wireless spectrum assets and operating licence as part of its business development initiative to provide seamless mobile broadband coverage to residences and local businesses throughout the Caribbean region. VosCom management team has a twenty- five (25) year accomplishment of investments, mergers and acquisitions in the international telecommunications industry, including development and management of numerous private and publicly traded companies.

**ISSUES TO BE DETERMINED BY URCA**

5. The questions to be determined by URCA in relation to a change in control are set out in Section 72 of the Communications Act, 2009. As neither LMC or VosCom is involved in a media public interest (i.e. broadcasting, or publishing newspapers) as outlined by Section 72(b) of the Communications Act, 2009, the question to be determined by URCA is whether the proposed Transaction would have or is likely to have the effect of substantially lessening competition in a market in The Bahamas as provided by Section 72(a) of the Communications Act, 2009. For a further explanation on the approach to be used by URCA, respondents should be guided by URCA's *Competition Guidance: Merger Control – Substantive* (ECS COMP. 2) which can be downloaded from its website ([www.urcabahamas.bs](http://www.urcabahamas.bs)).
6. In assessing the effects of whether the Transaction is likely to result in a substantial lessening of competition, URCA's assessment will include the review of issues such as the relevant market, what would happen in the absence of the Transaction (known as the "counterfactual"), the potential efficiencies and consumer benefits. In this regard, VosCom has disclosed a number of considerations that assist with the analysis of consumer and economic benefits including the introduction of new technologies to the market, higher quality service with price reductions, and providing capital for infrastructure enhancements and expansion. Interested parties should take note of these factors in submitting responses to URCA.

#### **INVITATION FOR COMMENTS**

7. Under Section 75(2) of the Communications Act, 2009 before forming any opinion or issuing its adjudication on the proposed change in control, URCA is required to give any interested persons a reasonable opportunity to make representations, and shall consider any such representations made.
8. As stated above, URCA's power to consider and approve a change in control in LMC relates solely to the question of whether or not the Transaction would or is likely to result in a substantial lessening of competition in a market in the electronic communications sector in The Bahamas. URCA therefore advises that in its review of the Transaction, URCA will only consider representations which are relevant to this aspect of the Transaction.
9. Pursuant to Section 78 of the Communications Act, 2009, URCA is required within thirty (30) calendar days of its receipt of the notification, to either issue its adjudication, or open an in-depth investigation of the change in control (in which case extended timeframes would apply to URCA's consideration of the Transaction). It is therefore necessary that representations from interested persons are received by URCA well within the thirty (30) day timeline in order to ensure that such representations can be considered, analyzed and incorporated into URCA's deliberations. Therefore, **URCA will only consider**

**representations on the proposed change in control which are received by 5:00pm on 11 July 2017.**

10. URCA invites interested parties to submit written representations regarding the proposed change in control for consideration, to the Director of Electronic Communications either:
  - a. by hand, to the office of the Utilities Regulation and Competition Authority (URCA) situated at the Frederick House, Frederick Street, Nassau, Bahamas; or
  - b. by mail, to URCA at P.O. Box N-4860 Nassau, Bahamas; or
  - c. by fax, to (242) 393-0153; or
  - d. by email, to [info@urcabahamas.bs](mailto:info@urcabahamas.bs)