



STATEMENT OF RESULTS

URCA DRAFT ANNUAL PLAN 2019

URCA 03/2019

Issue Date: 30 April 2019

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1 Introduction

1.1 Publication of Draft Annual Plan and Budget 2019

On 22 December 2018, in compliance with Section 41(4) of the Utilities Regulation and Competition Authority Act (URCA Act), the Utilities Regulation and Competition Authority (URCA) published the URCA Draft Annual Plan 2019 (the “Annual Plan”). The Draft Annual Plan outlined, inter alia, the following:

- A Review of URCA’s Achievements in 2018;
- URCA’s Plan for 2019; and
- URCA’s Draft Budget for 2019.

URCA invited comments from its stakeholders, the general public, and interest parties.

1.2 Consultation Process

Receipt of Written Comments

By the end of the deadline for submission of comments on 6 March 2019, URCA had received written comments from the following stakeholders:

- 1) The Bahamas Telecommunications Company Limited (BTC);
- 2) Cable Bahamas Ltd. (CBL); and,
- 3) Be Aliv Ltd. (Aliv).

Consultation Meetings

On 15 February 2019 URCA convened a Forum for key stakeholders to which URCA invited its licensees and other key stakeholders and provided an opportunity for face to face engagement on the proposed Annual Plan.

For the Annual Plan 2019 consultation process, for the first time URCA also convened Town Hall meetings to engage the public directly on its Annual Plan as part of the consultation process. Due to the limited time available, URCA was only able to convene two town hall meetings before the 30 April 2019 deadline for publication of the Final Annual Plan and Budget. Those meetings were held on 10 April 2019 at the University of The Bahamas in New Providence, and on 17 April 2019

in Marsh Harbour, Abaco. URCA considers this approach to be very beneficial and intends to expand this initiative in future years. While many of the comments at the Town Hall Meetings were discussion points, URCA has added a significant Tier I project to its Annual Plan (BPL Fuel Charge Review) as a result of these meetings.

URCA thanks all respondents to this consultation for their contributions. All comments and recommendations received have been carefully considered by URCA as part of its process to finalise the Annual Plan.

This Statement of Results document provides a summary of written comments to the Draft Annual Plan. For the first time this year, URCA presents the comments received from stakeholders and URCA's responses in a tabular format, which URCA believes enables a more structured response to comments received. URCA is considering adopting this format for all future consultation documents, including the use of the table as a template for the submission of comments.

The final Annual Plan for 2019 has been published concurrently with this Statement of Results, as URCA 04/2019.

1.3 Structure of the Remainder of this Document

The remainder of this document is structured as follows:

- Section 2: sets, in tabular format, the comments received from stakeholders on the Annual Plan 2019, URCA's responses, and URCA's summary of any changes made to the Final Annual Plan as a result of the comments.
- Section 3: presents URCA's Conclusion and Next Steps.

2. Comments and Responses to Draft Annual Plan and Budget 2019

Section	Topic	Respondent	Comment	URCA's Response	Decision and Amendment to Document (if any)
2.2	Performance Against URCA's 2018 Annual Plan	CBL	<p>CBL noted that in the 2018 and 2019 work projects URCA prioritized its projects into three tiers (I, II and III). CBL considers that this is useful, both for URCA and the operators. CBL sees that URCA in 2018 completed most of its Tier I projects, but few of the Tier II projects, so the prioritization of projects makes a real difference to their success or otherwise. CBL noted that the classification of projects into the Tier I or Tier II seems to be based on resourcing or organizational issues (see para 2.2, page 7 of the draft Annual Plan), rather than the importance to the sector or the urgency of the matter. CBL suggests that URCA should in future grade priorities according to the importance of the matter to the sector, and organize its resources and scheduling accordingly.</p> <p>CBL considered that there is the need for URCA to invest in well trained, experienced</p>	<p>URCA notes CBL's comments, however URCA clarifies that the primary basis for prioritization of projects into Tier I is the importance and urgency of the project to the relevant regulated sector. CBL is directed to URCA's statement in the first bullet of para 2.2, page 7 of the draft Annual Plan "Tier I projects are of significant importance and urgency to the regulated sectors, in respect of which URCA therefore sought to ensure that it directs all available resources to achieve completion in accordance with scheduled dates during the current year". Generally Tier II placement is an acknowledgement that those projects, while also important, are either less important to the sector than Tier I projects (and hence warrant a lower assignment of resources) or despite their importance, external dependencies is likely to have a significant impact on completion.</p> <p>URCA continues to seek to recruit and train qualified candidates to build</p>	No change.

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			<p>officers and subject matter experts as the turnover at URCA in recent years is a cause for concern.</p> <p>CBL also noted that website management and notifications require improvement.</p>	<p>capacity in regulatory issues. URCA notes comments regarding recent turnover but notes that the movement of qualified and trained persons from URCA to regulated entities, once managed, is consistent with URCA's drive to ensure adequate qualified persons within the regulated sectors. URCA is, however consistently reviewing its compensation and benefits to ensure retention of necessary staff.</p> <p>URCA agrees and is taking steps to address this issue.</p>	
2.2	Performance Against URCA's 2018 Annual Plan	Aliv	Comments by Aliv on this section mirrored those submitted by CBL.	URCA notes that the comments submitted by Aliv mirrored comments made by CBL, which URCA has responded to above.	No change.
2.3	International Participation and Engagement	BTC	BTC is pleased to learn that due to the efforts of URCA, the Bahamas has been elected to the Executive Council of the Inter-American Telecommunications Commission (CITEL) and the Council of the International Telecommunications Union. Recognition of The Bahamas and URCA at an international level should facilitate	URCA notes and agrees with BTC's comments, in particular the focus on training opportunities for persons in the region.	No change.

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			education in the sector, policy advancements and efficiency of the sector and BTC looks forward to the realization of the benefits that stakeholders and consumers should yield from this exposure. BTC proposes that the regulator advocate for more training opportunities in this region as an executive member of CITEL. While training abroad is useful where the individual who has received the benefit of the training remains in the sector and passes on the knowledge to other colleagues, BTC is of the view that bringing the training to this region will be a more cost effective means of training more stakeholders.		
2.3	International Participation and Engagement	CBL	CBL commends URCA on its efforts to ensuring that The Bahamas has increased its role in leadership on telecommunications and ICT matters internationally by securing a seat on the Council of the International Telecommunications Union (ITU) for the period from 2018 to 2022 as well as election to the Executive Committee of the Inter-American Telecommunications Commission (CITEL).	URCA notes CBL's comments on The Bahamas' election to ITU Council.	No change.

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			<p>And whilst CBL congratulates URCA on the Bahamas' election to the Council of the International Telecommunications Union (ITU) it is hoped that this direct involvement will incentivize a stronger commitment to ICT development in The Bahamas. We anticipate seeing this in the new and long awaited Electronic Communications Sector Policy (ECS Policy). Indeed, CBL is disappointed in the delays in providing the Sector with its Policy. Certainly ICT development requires a relevant Sector Policy.</p> <p>CBL is keen to learn of URCA and the Government's achievements through participation in these organizations and encourages URCA to publish regular reports so that the sector can be well informed and updated on sector developments at both the regional and global levels.</p>	<p>URCA notes CBL's comments regarding update of the ECS Policy, and assures CBL that URCA expects the delays previously experienced to be resolved during the first trimester of 2019 with the presentation of a revised ECS Policy to the Government.</p> <p>URCA will also consider ways in which it can ensure that the sector and public are kept apprised of developments regarding The Bahamas' participation at the ITU and other international organisations.</p>	
2.3	International Participation and Engagement	Aliv	Comments by Aliv on this section mirrored those submitted by CBL.	URCA notes that the comments submitted by Aliv mirrored comments made by CBL, to which URCA has responded above.	No change.

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2.4	Building Regulatory Capacity and Human Capital	BTC	BTC notes that URCA has placed emphasis on learning and development, employee engagement and record management. While this is commendable, BTC is concerned with the number of employees that have left URCA within the last year. Educating and training employees is an essential component of productive business, however, retaining those employees who have had the benefit of the training, at the expense of the business, should be the overriding objective.	URCA continues to seek to recruit and train qualified candidates to build capacity in regulatory issues. URCA notes comments regarding recent turnover but notes that the movement of qualified and trained persons from URCA to regulated entities, once managed, is consistent with URCA's drive to ensure adequate qualified persons within the wider regulated sectors. URCA is, however consistently reviewing its compensation and benefits to ensure retention of necessary staff.	No change.
2.5	Educating and Supporting Stakeholders	BTC	BTC agrees that the regulator should educate consumers on their rights and the options available to them where a stakeholder breaches any of its obligations. It is also BTC's view that educating the consumer on the role and functions of the operator is also equally important so that a consumer may make informed decisions having an understanding of the operator's position. For example, where a material change is to be effected by an operator, the regulator should assist in educating the public as to the need for certain action to take place by the operator. URCA should not be seen by the public as the police of	URCA agrees, and will continue to invest in and enhance its public education plans and activities.	No change.

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			the stakeholders but rather as an arbitrator for all issues concerning the sector on both sides.		
3.2.2	URCA Performance Indexes	BTC	BTC commends URCA for seeking to develop and refine Key Performance Indicators (KPI's) in order to track its performance as a regulator. BTC would like to see the regulator utilize KPI's that can be assessed with transparency and which are also measurable. We think this is very important in also gauging the relevance, appropriateness and usefulness of many of the policies consulted on and subsequently implemented by the regulator.	URCA notes BTC's comments, and looks forward to engaging with BTC and other stakeholders on the development of appropriate indices.	No change.
3.2.2	URCA Performance Indexes	CBL	Last year, CBL criticized URCA's key performance indicators as published in its Annual Work Plans and Annual Reports as being too many, omitting targets, and making little sense to consumers. CBL is therefore pleased to see that URCA has undertaken work to develop more relevant and meaningful measures. However, more work remains to be done to ensure that the KPIs defined provide insight into URCA's performance. CBL urges URCA to include the other suggestions it made last year - the inclusion of feedback	URCA notes CBL's comments. URCA is of the view that the proposals made by CBL are inappropriate if based on organisation wide indicators that are not meaningful and properly linked to URCA's strategic objectives. URCA will reconsider CBL's previous proposals once it has developed and fully implemented new KPIs. In relation to CBL's specific suggestion regarding linking of rewards to performance, URCA advises that this is,	No change. URCA will review CBL's proposals once it has developed and implemented its new organisational performance indices.

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			from stakeholders and the linking of staff rewards to performance, as happens in some other regional regulatory authorities.	in fact, the case. URCA's individual staff compensation levels are directly linked to individual performance. URCA's information suggests that the approach taken at URCA is more advanced than the approach taken at other regional regulators.	
3.2.2	URCA Performance Indexes	Aliv	Last year Aliv criticized URCA's key performance indicators as published in its Annual Work Plans and Annual Reports as being too many, omitting targets, and making little sense to consumers. We are therefore pleased to see that URCA has undertaken work to develop more relevant and meaningful measures. Aliv urges URCA to include the other suggestions it made last year - the inclusion of feedback from stakeholders and the linking of staff rewards to performance, as happens in some other regional regulatory authorities.	URCA notes that the comments submitted by Aliv mirrored comments made by CBL, to which URCA has responded above.	URCA notes that the comments submitted by Aliv mirrored comments made by CBL, to which URCA has responded above.
3.2.2	Draft Annual Plan 2020	BTC	BTC appreciates that URCA has indicated that it intends to prepare its draft annual plan and publish the same before the end of 2020. This will allow for operators to receive and review the plan prior to the commencement of the new year. BTC notes that for this year 2019 URCA	URCA notes BTC's comments.	No change.

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			scheduled its annual industry meeting prior to the close of comments so that operators and interested parties could meet and discuss their views and thereafter formulate responses. BTC supports this approach and would like to see this practice continue.		
3.2.2	Market and Consumer Protection Surveys	BTC	<p>In its Annual Plan for 2018, URCA introduced the concept of market surveys and advised that it considered surveys to be a useful tool to assess the temperature and behaviours of stakeholders. It is BTC's continued position that surveys, in isolation, only provide a point in time snap shot of the consumer's view as opposed to a customer's experience over a period of time which is better suited for decision making. Focus groups should be coordinated before and after the completion of the survey to ensure that the survey is being taken from the appropriate demographic and that the participants are well suited to comment on the topic being addressed.</p> <p>While URCA has indicated that the survey results will be used as input to URCA's performance indices, BTC requires clarification as to the overall end result that</p>	<p>BTC's comments are noted. URCA intends to use a variety of "survey" mechanisms (including focus groups and other targeted information gathering methods) to gather relevant and useful consumer satisfaction information which will be used, primarily, as an input to URCA's performance indices, to better inform URCA's regulatory actions, and to gauge public knowledge of URCA's activities. URCA intends to publish the indices which will use the survey information, and may publish some of the information gathered, but currently URCA does not intend to publish the full survey results.</p> <p>Should it be desired, URCA may be prepared to share information from the surveys with licensees in a controlled confidential environment.</p>	No change.

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			the surveys are seeking to achieve; for example, whether such results would be published or used for the regulators internal business intelligence.		
3.2.2	Review Interconnection Rates	CBL	<p>CBL welcomes URCA's proposal to review interconnection rates, and asks that URCA include all the prices set out in Annex G of BTC's RAIO. Most of these have not been reviewed since the RAIO was first approved in 2011.</p> <p>On the international side, call termination rates would benefit from a review by URCA to ensure their level is in the interest of The Bahamas, taking account of pricing practices in other regional termination markets.</p>	URCA agrees with CBL's comments. The review focuses on the core wholesale termination rates for calls to fixed and mobile networks and SMS to mobile networks.	No change.
3.2.2	Review Interconnection Rates	Aliv	In its comments on last year's work plan, Aliv urged URCA to review the mobile termination rates as a matter of urgency. It therefore welcomes URCA's proposal to review interconnection rates. However, Aliv notes with alarm that such review is not anticipated to commence until the final trimester of 2019 with completion in 2020. Aliv is concerned that this proposal represents a late scheduling of such an important review and Aliv urges URCA to	<p>URCA notes Aliv's request for this work to be expedited and advises that URCA commenced work on the review in T1, 2019.</p> <p>The other comments made by Aliv will be considered within the review process as appropriate.</p>	Start date for project moved to T1, 2019.

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			<p>commence this review earlier in the year as a matter of urgency, indeed, it is Aliv's belief and experience that the delays last year by URCA in commencing the review has cost Aliv significant financial loss as net payments continue to be made to BTC monthly. More decisive action is required by URCA and the project should be a Tier 1 project. Commencing in the 3rd trimester of 2019 is not indicative of a Tier 1 project. Given the expected delays in such a review, and the urgency of the relief in setting a new lower rate, Aliv proposes that an interim based on international benchmark studies, with particular reference to Jamaica and ECTEL be introduced, in parallel to the review to reduce the net payment.</p>		
3.2.2	Review of Electronic Communications Sector Policy	CBL	<p>CBL notes URCA's statement that the Electronic Communications Sector Policy (ECSP) is on schedule for completion of the draft document for submission to the Government in 2019. CBL notes that URCA anticipates its review of the ECSP to culminate in T2, 2019. CBL encourages URCA to adhere to this timeline as this April will mark five (5) years since the publication of a sector policy, and according to section 6 of the Communications Act,</p>	<p>URCA notes CBL's comments regarding update of the ECS Policy, and assures CBL that URCA expects the delays previously experienced to be resolved during the first trimester of 2019 with the presentation of a draft revised ECS Policy to the Government.</p>	No change.

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			<p>2009, URCA should have presented a draft policy to the Government in 2017. Indeed, with a new administration in 2017, the need for a Sector Policy in order to focus direction is even more necessary.</p> <p>Additionally, CBL notes that in its 2017 Draft Annual Plan, URCA indicated that work on the universal service framework proposals was put on hold and that the review of the ECSP might have direct implications for the framework. CBL therefore anticipates that URCA's work on the framework will continue in T2, 2019 upon completion of its review of the ECSP.</p>	<p>While URCA's presentation of a draft ECS policy to the Government will be completed in T1, 2019, the Government process for approval of a final policy will determine the start date for any work on the USF. URCA does not anticipate being able to commence this work until 2020, particularly in light of the volume of work required for the market review and interconnection rate review projects being conducted in 2019.</p>	
3.2.2	Review of Electronic Communications Sector Policy	Aliv	Comments by Aliv on this section mirrored those submitted by CBL.	URCA notes that the comments submitted by Aliv mirrored comments made by CBL, to which URCA has responded above.	No change.
	Market Review – Implementatio	CBL	CBL expressed its disappointment with the lack of progress on this project and the downgrade to a Tier II project.	URCA notes that consultations on this project were initially put on hold due to mobile liberalisation. In 2018, URCA requested additional data from BTC and	No change.

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	n of Price Caps			<p>CBL to ensure the price cap modelling reflected actual data for 2017. Unfortunately, URCA experienced difficulty in collecting adequate, clear and reliable information. URCA also had concerns about implementing price caps in the context of significant public dissatisfaction with the manner in which CBL bundled channels in its TV packages which raised questions around consumer choice. In the circumstances, URCA opted to delay implementation of price caps pending URCA's assessment of competition in the pay TV market.</p> <p>URCA will retain the project as a Tier 2 project, and will assess the appropriateness of the project based on the outcomes of its other market reviews.</p>	
3.2.2	ICTs for Disaster Preparedness and Management	CBL	CBL notes URCA's completion of a draft consultation document for "ICTs for Disaster Preparedness and Management Regulations for the Electronic Communications Sector in The Bahamas" and submission to the National Emergency Management Agency (NEMA), the Royal Bahamas Police Force and the Royal Bahamas Defence Force, as well as the	URCA notes CBL's comments and advises that the document has not yet been shared outside of URCA. URCA will engage with licensees in parallel with the governmental agencies identified.	No change.

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			<p>Department of Meteorology, and other unnamed stakeholders. As URCA noted in previous Annual Plans that this project is a multi-stakeholder initiative to ensure that critical communications remain operational when disaster strikes, CBL is curious as to why the sector's communications providers were not engaged at the same time as these agencies to also provide comments prior to URCA's engagement of the wider public. CBL also notes that this "pre-consultation" with these agencies represents a deviation from URCA's usual consultation method and procedures. CBL is of the view that the draft document could have benefited from a meeting with the above-named stakeholders and communications providers on URCA's goals for this project and would have provided the opportunity for all parties to determine and understand their respective roles in this initiative.</p>		
3.2.2	ICTs for Disaster Preparedness	Aliv	Comments by Aliv on this section mirrored those submitted by CBL.	URCA notes that the comments submitted by Aliv mirrored comments made by CBL, to which URCA has responded above.	No change.

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	and Management				
3.2.2	Market Review – Mobile Services	BTC	BTC believes that this will be a very beneficial exercise for the industry and looks forward to the results following this initiative. URCA's determination on SMP in the wholesale market for originating traffic is of particular importance to BTC, as well as mobile data services. BTC welcomes the review, considering the changes that has taken place in the retail market for mobile services, since the introduction of competition in this sector.	URCA notes BTC's comments and confirms its intention to conduct an SMP assessment of the mobile services market in the Bahamas as per the draft plan.	No change.
3.2.2	Market Review – Mobile Services	CBL	URCA proposes to carry out a review of the mobile services market, including the wholesale market for calls and SMS, as a Tier I project. CBL suggests that the separation of the market reviews into mobile and fixed services will prevent URCA from examining fully the extent of convergence between them, and especially the substitution of fixed services by mobile services. While it may be necessary to separate the reviews for management reasons, it is important that URCA examines the extent of convergence in The Bahamas properly. CBL considers that URCA should use its	URCA will consider if fixed services are substitutes for cellular/mobile voice and data services when defining the relevant economic market. This is consistent with URCA's approach to market definition. However, this does not require URCA to conduct SMP assessments of the fixed services market and mobile services market simultaneously.	No change.

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			proposed market surveys to understand the extent to which consumers already substitute fixed and mobile services. If this reveals that fixed and mobile services are substitutes for each other, URCA will need to combine the two market reviews.		
3.2.2	Market Review – Mobile Services	Aliv	<p>URCA proposes to carry out a review of the mobile services market, including the wholesale market for calls and SMS, as a Tier I project. Aliv questions the need for a review of the retail mobile market - the market has been competitive for just over two years, and is still dynamic with no evidence of market failure. Aliv is concerned that the market review will consume resources in both URCA and the operators, which can be better spent elsewhere and therefore proposes that the mobile market review be restricted to the rental market only.</p> <p>It is Aliv's position that the only relevant wholesale market requiring a review is the interconnection rates, which Aliv submits is urgent.</p>	<p>URCA notes Aliv's comments. Although Aliv, the second mobile operator only entered the market in 2016, URCA reminds Aliv that BTC was deemed to have SMP in the mobile market as far back as 2010. URCA considers that a market review is timely to determine whether any changes to the SMP designation should be declared.</p> <p>URCA has already responded to the request for re-prioritisation of URCA's review of interconnection rates.</p>	No change.

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3.2.2	Review of Broadcasting Content Code	BTC	BTC welcomes URCA's review of the Content Code and looks forward to a complaints handling process which promotes content regulation. BTC would appreciate the opportunity to have a seat at the discussion table so that it may be a part of the development of this process.	URCA agrees to BTC's request and will ensure that BTC is given the opportunity to be included in the re-formed Content Regulation Industry Group which will be URCA's primary method of industry involvement in the review process.	No change.
3.2.2	Electricity Sector Projects	BTC	BTC's encourages URCA's continued development of the Electricity Sector and notes the Tier 1 projects set out for 2019. As a consumer, BTC has felt the impact of the power outages last year, which resulted in financial loss to BTC. The increasing cost of electricity is also a concern to BTC and in that regard, BTC welcomes URCA's project on Energy Efficiency and Conservation.	URCA notes BTC's comments.	No change.
3.2.3	Framework for Internet Exchange Points	BTC	It is interesting that URCA is now considering the introduction of IXP's. While BTC agrees that this will greatly increase efficiency and the local internet ecosystem, such improvement will come at a significant cost to the operators. As this is a specialty area, it will most likely require the assistance of an international private entity together with a number of other resources. BTC looks forward to the development of this initiative and will comment further as the need arises.	URCA's upcoming consultation on the formation of IXPs in The Bahamas will identify various IXP implementation options. The consultation will afford BTC and others to comment on URCA's proposals and recommendations, including the implementation option to be adopted.	No change.

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3.2.3	Market Review Fixed Services	CBL	<p>Following the request for a market review of the Pay TV market in CBL's comments on the draft work plan for 2018, CBL is pleased to see that URCA has included a project for a review of fixed services (including Pay TV) as a Tier II project. As CBL explained last year, the advent of broadband networks in The Bahamas has revolutionized the provision of video services, permitting consumers to enjoy a wide range of video services, both in real time and as playbacks from a wide range of international providers. Flow TV is also widely available now, adding to the competition for video services. CBL therefore considers that the market review should not be limited to "fixed voice telephony and Pay TV services", as suggested by URCA in its brief description of this project (page 25), but needs to consider narrowband and broadband services over fixed networks as a whole, recognizing the increasing substitutability between them. CBL considers that the urgency for this market review should justify its classification as a Tier I project.</p>	<p>Given other projects, URCA is unable to reschedule its review of fixed services as a Tier I project as URCA cannot commit adequate resources to ensure completion of the project in 2019.</p> <p>URCA notes CBL's other comments which will be considered during URCA's engagement with interested persons on the project.</p>	No change.

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3.2.3	Market Review Fixed Services	BTC	BTC commends the regulator for initiating this exercise as it has been some time since the market review of fixed line services. Of particular importance is the provision of fixed telephone services as there has been a decline in fixed line revenue with BTC. As BTC has recently introduced its TV services, it is our view that there is no need for an assessment of the TV service.	URCA notes BTC's endorsement of this proposed project. URCA confirms its intention to commence a review the market for fixed telephony services as per the plan. Also, there is a need for URCA to review the market for pay TV services given the lapse in time since the 2014 review and to ascertain the impact of structural market changes on competition. URCA would need to conduct a consumer survey to inform its analysis.	No change.
3.2.4	URCA Green Project	BTC	BTC supports URCA's Green Projects initiative in Office Energy Conservation and Solar Generation. With the establishment of the Electricity Sector (ES) at URCA it is the hope of the industry that a clear path and leadership in sustainable and renewable reliable power can be realized. BTC looks forward to lessons learned being shared from URCA's Green Project initiative.	URCA notes BTC's endorsement of this proposed project.	No change.
	Rollout of Competitive Cellular	Aliv	Aliv is pleased to have completed its cellular mobile network roll out throughout the Commonwealth within the scheduled timeframe notwithstanding significant external challenges, thereby securing full liberalization of and competition in the	Aliv's comments are noted and URCA congratulates Aliv on the achievement of its full roll out.	No change.

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			<p>cellular mobile market which is recognized as a significant milestone achievement for the sector and the country.</p> <p>As a final step, Aliv anticipates the amendment to BTC's Reference Access Interconnection Offer (RAIO) which, pursuant to URCA's 19th September 2018 direction to BTC, and further to the original Order will allow for direct connectivity to BTC's mobile switch. Aliv looks forward to the results of URCA's inquiry into BTC's conduct in the delay in granting Aliv colocation on its towers in 2016-17.</p>	URCA has responded to this issue above.	
3.2.8	Consultation Timelines	CBL	<p>CBL takes this opportunity to comment on the consultation process generally. CBL notes the apparent disparity in URCA's practice of publishing full comments versus a summary of comments received from stakeholders to its consultation documents upon close of a consultation period. CBL encourages URCA to regularize this practice by publishing full comments upon completion of a consultation period, whether before or at the same time of publication of a Final Decision or Final Determination, and where necessary, publish a redacted version of comments</p>	<p>URCA agrees with the comments and will make greater efforts to ensure that respondents have an opportunity to review and comment on its proposals and submissions made in response. URCA advises that the perceived inconsistency often arises due to delays in response submissions, and the short timeline which URCA has to respond to submissions. CBL will note that URCA has adopted a new format for its Statement of Results in this process, and URCA intends to gradually roll this approach out across its consultations, in order to</p>	

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			that contain confidential or commercially sensitive information. CBL considers it important that the views of respondents to consultation documents are published in the interest of transparency as noted by URCA in its Consultation Procedure Guidelines.	ensure that submissions are focused on the issues.	
5	URCA Draft Budget	Aliv	<p>Aliv suggested that in future Annual Plans URCA should include actual figures for expenditure where possible.</p> <p>Aliv is pleased to see the reduction in URCA's overall expenditures, but concerned to see that the costs of maintaining its offices are increasing significantly. Whilst this is expected with the purchase of an older building. It also appears that there are no tenants in the building as originally anticipated to assist in defraying expenses.</p>	<p>URCA agrees. The change will be made in URCA's 2020 draft Budget and Annual Plan.</p> <p>URCA notes Aliv's concerns about the increased building maintenance costs, which was due to unexpected repairs needed to the Frederick House property. URCA will continue to carefully monitor and manage this expense, including by implementing effective long term solutions which minimise recurring expenditure. URCA's efforts to rent the vacant space were hindered by the need to repair defects, however URCA advises that it has taken steps to list the 3rd floor of Frederick House for rental from 30 April 2019, and URCA hopes to have tenants occupying that space by the end of 2019. The second floor will be retained for future growth of URCA.</p>	No change.

Section	Topic	Respondent	Comment	URCA's Response	Decision and Amendment to Document (if any)
			<p>We are further of the view that the proposal of expenditure to mark URCA's ten years of operation is unnecessary and a distraction and should be cancelled to ensure funds made available by the industry are utilized to advance the development of the industry.</p> <p>It has also come to Aliv's attention that the percentage to be charged to Licensees for the URCA fee for 2019 has increased from 0.945% in 2018 to 1.038% for 2019, notwithstanding that URCA's proposed 2019 budget is slightly less than that of 2018. Again, Aliv calls for transparency and in its financial requirements.</p>	<p>URCA notes comments regarding its 10th Anniversary but does not consider it unnecessary to commemorate important milestones as it offers and opportunity to enhance URCA's profile highlighting achievements and also to recognise staff, thereby enhancing morale. However, URCA will reduce the budget allocation by 50% in recognition of Aliv's comments.</p> <p>Aliv is reminded that the URCA Fee percentage is a function of not only URCA's costs, but overall sector revenues. URCA advises that the increase in URCA Fee percentage was due to a reduction in overall sector revenues, which will be apparent from URCA's Annual Report.</p>	<p>URCA has reduced the budget allocation to commemorate its 10th Anniversary by 50%.</p> <p>No change.</p>
5	URCA Draft Budget	BTC	BTC notes that the staff cost has gone down significantly over the years most likely due to staff losses. This is of particular concern considering that over time URCA has broadened its portfolio and has taken on additional responsibilities. BTC appreciates the precarious position the	URCA advises that the reduction in staff costs is not due to staff losses or extended vacancies, but due to a more stringent approach to how URCA provides in its budget for potential hires. URCA has taken a more conservative approach to budgeting for proposed	No change.

Section	Topic	Respondent	Comment	URCA's Response	Decision and Amendment to Document (if any)
			<p>regulator has found itself, and can only encourage it not replace lost staff, but also upskill itself in the more technical areas to meet the demands of a changing ECS.</p> <p>BTC noted that in its 2018 Annual Plan URCA indicated that the cost of its premises would decrease as there were plans to rent portions of the building. BTC noted that there was not reduction or further discussion on the issue. BTC requested an update on URCA's plans in this respect.</p> <p>BTC noted that URCA's budget did not present data on actual expenditures and suggested that including this information would make the budget review more meaningful.</p>	<p>hires, which has resulted in an overall reduction in budgeted staff costs.</p> <p>URCA repeats its response made in relation to Aliv's question on this issue. URCA's efforts to rent the vacant space was hindered by the need to address maintenance issues. However, URCA advises that it has taken steps to list the 3rd floor of Frederick House for rental from 30 April 2019, and URCA hopes to have tenants occupying that space by the end of 2019. The second floor will be retained for future growth of URCA.</p> <p>URCA agrees. The change will be made in URCA's 2020 draft Budget and Annual Plan, however the actual figures will be provided for the period two years prior (due to the lack of audited figures at the time of publication of the draft Annual Plan).</p>	<p>No change.</p> <p>URCA will publish actual expenditures in its Annual Plan for the period two years prior to the plan.</p>
5	URCA Draft Budget	CBL	CBL opined that given URCA's view that the ECS Sector and ECS Licensees in particular should be responsible for the	URCA notes and agrees that since ECS licensees are responsible for the costs of Government participation at the ITU that	URCA will reflect the costs of Government representation at the ITU in its final 2019 Budget.

Section	Topic	Respondent	Comment	URCA's Response	Decision and Amendment to Document (if any)
			costs associated with representing the Government of The Bahamas at the ITU level, URCA should publish the costs associated with participation in ITU events, conferences and meetings.	<p>these costs should be published. URCA notes however, that not all of its ITU involvement relates to representation of the Government, as the ITU also provides a venue for training and international engagement among regulators which is of use to URCA directly as a regulator.</p> <p>URCA agrees, however, to separately identify the cost of URCA's representation of the Government of The Bahamas at the ITU. For the avoidance of doubt, this will include meetings which URCA attends on behalf of the Government (e.g. ITU Council, Council Working Groups and its Plenipotentiary Conference) as distinct from events, meetings, conferences which URCA attends and other ITU level work which URCA does as the regulator in an ICT sector.</p>	
	URCA Electricity Sector Issues	Public – NP Town Meeting	Attendees expressed concerns about BPL electricity costs noting the increase in fuel charge since the fires at Clifton Pier in 2018	URCA notes the comments by respondents, and considers that there may be regulatory issues to be addressed regarding the accuracy of the fuel charge, and whether or not the fuel charge represents a fair charge reflecting efficient and prudent operations by BPL	URCA will add a Tier I project to review BPL's fuel charge for 2018, commencing in T2 2019 with a T3 completion date.

Section	Topic	Respondent	Comment	URCA's Response	Decision and Amendment to Document (if any)
	URCA Electricity Sector Issues	Public – NP Town Meeting	Attendees expressed concerns about Shell and Wartsila agreements entered into by BPL.	URCA noted the comments and concerns and will continue its work to review and ensure proper and prudent actions by BPL as it relates to procurement of generation resources.	No change.

END OF TABLE

3. Conclusion and Next Steps

The publication of this Statement of Results document formally concludes the public consultation on URCA's Draft Annual Plan and Budget for 2019. URCA thanks those who provided feedback on the Draft Annual Plan. URCA has made corresponding changes to the Annual Plan, based on comments received.

The Final Annual Plan for 2019 has been published on URCA's website concurrently with this Statement of Results, as URCA 04/2018. Also published today is URCA's Annual Report 2018 as URCA 05/2019. The two documents will be published as a printed booklet to be released during late May 2019.

A public oral hearing will be scheduled in late May 2019 to present and discuss the 2019 Annual Plan and the 2018 Annual Report. URCA will publish further details for the public oral hearing on its website and in the local media.