

URCA

DRAFT ANNUAL PLAN

2025

STATEMENT OF RESULTS

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1. Introduction and General Comments

The Utilities Regulation and Competition Authority (URCA) issued its Draft Annual Plan 2025 (DAP 2025) for consultation on 20 December 2024. The document outlined URCA's strategic priorities and key projects for the regulation of the Electronic Communications Sector (ECS), the Electricity Sector (ES), and the emerging Natural Gas Sector (NGS) for the calendar year 2025.

URCA received written submissions from the Bahamas Telecommunications Company Limited (BTC) and a joint response from Cable Bahamas Limited and Be Aliv Limited (CBL Group). These responses provided a comprehensive review of URCA's planned initiatives and raised concerns about project priorities, regulatory effectiveness, and budget allocation.

This Statement of Results (SoR) addresses stakeholders' comments under the following sections:

- Strategic Outlook for 2025
- Key Priorities for 2025
- Key Performance Indicators for 2025
- Budget for Fiscal Year 2025
- Project-Specific Comments
- Next Steps

2. Strategic Outlook for 2025

Leadership Stability and Retention

BTC and the CBL Group acknowledged URCA's commitment to strengthening leadership and resources but raised concerns about employee retention and the need for a stable regulatory workforce. BTC highlighted leadership instability and emphasised the importance of staff continuity to ensure consistent regulatory oversight.

Northern Bahamas Office

BTC and the CBL Group questioned the necessity of establishing a Northern Bahamas Office. They expressed concerns about the justification for this expenditure, given the availability of digital alternatives. BTC argued that the objectives of a physical office could be met effectively through an enhanced online presence.

URCA's Response:

URCA acknowledges these concerns. While the regional office initiative aimed to enhance stakeholder engagement, regulatory oversight, and consumer accessibility, URCA recognises the efficiencies of digital alternatives. Given this, URCA will delay this initiative and conduct further evaluation of enhanced digital engagement solutions.

3. Key Priorities for 2025

BTC and the CBL Group raised concerns regarding the feasibility of completing all planned initiatives in 2025, citing the need for improved project management and realistic timelines.

BTC recommended prioritising the review of the Universal Service Obligation (USO) and Universal Service Fund (USF), arguing that the current framework is outdated.

The CBL Group raised concerns about URCA's proposed regulatory framework for satellite-based services, highlighting potential inequities for licensed operators.

Both respondents requested an improved consultation process with structured timelines to prevent overlapping consultations.

URCA's Response:

URCA will adopt a staggered consultation schedule where possible to allow stakeholders adequate time for input. The USO/USF review remains a priority, and URCA is actively reassessing the market to ensure the framework aligns with current conditions and consumer needs. Additionally, URCA will ensure a transparent and equitable regulatory framework for satellite-based services.

4. Key Performance Indicators for 2025

BTC and the CBL Group raised concerns regarding the objectivity and transparency of URCA's performance metrics. BTC sought further clarification, while the CBL Group argued that URCA's KPIs lacked industry feedback.

URCA's Response:

URCA developed its Organizational Performance Indicators (OPI) framework in consultation with industry participants, including BTC and the CBL Group. The framework includes:

- URCA Performance KPIs – Measuring regulatory effectiveness and operational efficiency.
- Industry Performance KPIs – Evaluating sector performance and compliance.
- Stakeholder Feedback – Incorporating input from licensees and consumers.

URCA is cognisant that all aspects of the framework are yet to be implemented and remains committed to refining its KPIs to include measurable outcomes, cost efficiencies, and stakeholder engagement metrics.

5. Budget for Fiscal Year 2025

BTC and the CBL Group expressed concerns about URCA's budget increases, particularly:

- The 22% increase in ECS operational expenses.
- The 126% increase in consumer education and PR spending.
- The cost implications of establishing a Northern Bahamas Office.

BTC suggested reducing travel and conference expenditures through digital alternatives. The CBL Group argued that licensees should have greater influence over URCA's budget priorities.

URCA's Response:

URCA understands the financial concerns of licensees and is committed to ensuring efficient resource allocation. The increase in Budget 2025 reflects the importance of continued exposure of professional staff in the regulatory sphere and the prioritising of various Corporate and Consumer Relations (CCR) initiatives embarked upon locally and internationally. Notwithstanding the preceding, URCA is willing to review budget areas, explore cost-saving alternatives, and engage in further dialogue to address industry concerns.

Also, URCA acknowledges the concerns raised by stakeholders regarding the 126% increase in the Consumer Education and Public Relations budget. We appreciate the feedback and provide the following clarification on the key drivers behind this increase:

1. **Corporate and Consumer Relations (CCR) Initiatives:** In 2025, URCA has allocated an additional \$90,000 to CCR initiatives. This increase is necessary to enhance consumer protection efforts and public awareness campaigns, ensuring that consumers are adequately informed about their rights and responsibilities.
2. **Carryover of 2024 Funds:** In 2024, URCA reallocated \$62,000 from the consumer education budget to support its Strategic Planning Retreat in Grand Bahama. Additionally, \$8,000 was redirected to subsidise the completion of critical sector projects. This resulted in a lower allocation to consumer education in 2024, affecting year-on-year comparisons.
3. **Continued Focus on 2024 and New 2025 Initiatives:** Given the reallocation in 2024, URCA must now address outstanding consumer education initiatives while simultaneously advancing new projects planned for 2025. The increased budget ensures that these obligations are met effectively.

Lastly, as stated in section 2 of this SOR, URCA acknowledges concerns regarding the establishment of the NBO and has delayed implementation of this initiative while we further evaluate alternative approaches to enhancing stakeholder engagement, regulatory oversight, and consumer accessibility in the northern region.

URCA remains committed to fiscal prudence and maximising efficiency in its expenditure. We will continue to explore cost-effective digital alternatives where feasible, as suggested by stakeholders, while ensuring that consumer education objectives are met in alignment with our regulatory mandate.

6. Project-Specific Comments

Universal Service Obligations (USO) and Universal Service Fund (USF)

BTC and the CBL Group agreed on the need for a review of the USO framework. BTC highlighted the decline of payphones and dial-up services, while the CBL Group suggested that fines imposed on licensees be allocated to the USF.

URCA's Response:

URCA agrees that the USO framework must be modernised and is currently conducting a market review. The proposal to allocate fines to the USF will be considered during the broader USO consultation.

National Spectrum Plan 2024-2027

BTC welcomed URCA's decision to develop an updated National Spectrum Plan (NSP) 2024-2027 and highlighted the need for the plan to reflect technological advancements, including the deployment of 5G and the integration of satellite-based services. BTC recommended that URCA adopt spectrum management policies that promote efficient spectrum utilisation, facilitate innovation, and enhance connectivity for both consumers and businesses. BTC also noted the importance of ensuring that the new NSP aligns with global best practices.

The CBL Group similarly recognised the importance of the National Spectrum Plan and stressed the need for proper integration between terrestrial and non-terrestrial services to maintain a competitive balance. The CBL Group further highlighted concerns over potential inequities if satellite-based operators are subject to regulatory obligations different from those of terrestrial licensees.

URCA's Response:

URCA appreciates the support expressed by both respondents for the development of the National Spectrum Plan 2024-2027. URCA agrees that the revised Plan must reflect current and emerging technological developments, including the deployment of next-generation networks and the introduction of new satellite-based service providers. URCA confirms that the updated plan will:

- Outline the national approach to 5G spectrum allocation to support efficient deployment and future service innovation.
- Establish clear policies for the integration of satellite-based operators, ensuring equitable treatment across all service platforms.
- Align with international spectrum management best practices while being appropriately tailored to the unique geographic and market conditions of The Bahamas.

URCA will continue to engage with licensees and other relevant stakeholders throughout the development of the plan, ensuring it reflects industry realities, facilitates innovation, and supports long-term sector growth.

Review of Network Quality of Service (QoS) Regulations

BTC emphasised the importance of Quality of Service (QoS) Regulations as essential benchmarks for service performance, reliability, and consumer protection. BTC noted that a comprehensive review of the QoS framework is necessary to ensure that the regulations remain objective, data-driven, and reflective of evolving consumer expectations and technological advancements. BTC welcomed the opportunity to engage further with URCA on this review.

The CBL Group supported the need for a QoS review. Still, it highlighted a critical concern—namely, that the current framework does not sufficiently account for the interdependence between telecommunications service providers and the electricity supply. CBL Group argued that an unreliable electricity supply, particularly in the Family Islands, directly affects service quality and should, therefore, be formally considered within the QoS framework. CBL expressed disappointment in what it perceives as URCA’s reluctance to address this long-standing issue directly.

URCA’s Response:

URCA acknowledges the importance of a robust, objective, and technology-neutral QoS framework to ensure fair and transparent performance monitoring across the sector. URCA will undertake a comprehensive review of the existing QoS Regulations, with a focus on:

- Ensuring that the framework reflects evolving network technologies and consumer expectations.
- Incorporating updated metrics that capture service reliability, especially in underserved areas.
- Establishing clearer reporting and compliance mechanisms to enhance transparency and accountability.

URCA also acknowledges the concerns raised regarding the impact of electricity supply reliability on telecommunications service quality. URCA will actively engage with relevant stakeholders, including electricity service providers, to better understand the operational interdependencies and explore collaborative approaches to mitigating service disruptions caused by power supply challenges. This matter will be formally considered within the upcoming QoS review process.

ICTs for Persons with Disabilities

BTC questioned the continued inclusion of the ICTs for Persons with Disabilities project in the Annual Plan, noting that it has remained a proposed initiative since 2018 without clear progress. BTC encouraged URCA to reassess whether the project remains a current priority, particularly in light of competing regulatory demands.

The CBL Group echoed BTC’s concerns, noting that the project has faced significant delays and may require re-evaluation of any previously collected data. CBL recommended that if the project proceeds, it should be re-scoped to focus on achievable, high-impact deliverables within the 2025 period.

URCA's Response:

URCA acknowledges the concerns raised regarding the extended timeline associated with the ICTs for Persons with Disabilities project. While competing regulatory priorities have impacted progress on this initiative, URCA maintains that ensuring equitable access to communications services for all persons, including persons with disabilities, remains a fundamental policy objective.

To ensure the project's successful completion in 2025, URCA will do the following:

- Conduct a review of previously collected data to determine its continued relevance.
- Re-engage with advocacy groups and relevant stakeholders to validate existing data and gather updated input where necessary.
- Develop a pragmatic action plan focused on achievable and measurable outcomes with a view to delivering practical benefits to persons with disabilities.

URCA reiterates its commitment to promoting inclusive access to ICTs and ensuring that the regulatory framework appropriately reflects the needs of persons with disabilities.

5G Regulatory Framework Implementation

BTC supported a structured roadmap for 5G deployment and spectrum allocation.

The CBL Group raised concerns about infrastructure sharing and the inclusion of submarine cables in planning.

URCA's Response:

URCA is committed to a transparent framework for 5G deployment and welcomes further discussion on infrastructure sharing and submarine cable access.

Satellite Licensing and Regulation

BTC supported satellite regulation but called for fair integration with terrestrial networks.

The CBL Group criticised the rapid licensing of Starlink, calling for a structured regulatory framework.

URCA's Response:

URCA will ensure a fair and unbiased regulatory approach for satellite services and is committed to a structured framework that balances industry concerns.

Cybersecurity Guidelines

BTC and the CBL Group supported cybersecurity guidelines but emphasised the need for stakeholder input and alignment with national initiatives.

URCA's Response:

URCA will collaborate with industry and government stakeholders to align cybersecurity policies with best practices.

Infrastructure Sharing Regulations

BTC supported infrastructure sharing but called for balanced regulations that maintain investment incentives.

The CBL Group emphasised the need to prioritise submarine cable interconnection.

URCA's Response:

URCA recognises the importance of infrastructure sharing and will work with stakeholders to establish fair regulations that encourage competition and investment.

Electricity Sector Regulatory Priorities

The CBL Group expressed concerns about power supply reliability, arguing that it impacts telecom service quality.

URCA's Response:

URCA is engaging with ECS licensees to understand the impact of electricity outages on their networks.

Natural Gas Sector Regulatory Framework

BTC and the CBL Group did not address this issue.

URCA remains committed to an inclusive regulatory process and welcomes industry insights to shape effective policies.

7. Next Steps

URCA will publish its final decision on the 2025 Annual Plan by 30 April 2025. A stakeholder forum will be scheduled in March 2025 to discuss further concerns raised. Additionally, a revised budget proposal incorporating cost-saving recommendations will be issued.

URCA appreciates the engagement of BTC and the CBL Group and looks forward to continued collaboration to ensure the sustainable development of The Bahamas' regulated utility sectors.