



The Bahamas Telecommunications Company Limited

Response to:

**Draft Annual Plan
Consultation Document
URCA 04/2025**

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Submitted to:

Utilities Regulation & Competition Authority (URCA)

Legal and Government Affairs,
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Introduction

The Bahamas Telecommunications Company (“BTC”) welcomes the opportunity to provide comments on the Utilities Regulation and Competition Authority’s (“URCA”) Draft Annual Plan 2026. BTC recognizes URCA’s expanding statutory mandate and the increasing complexity of its responsibilities across electronic communications, electricity, and natural gas. BTC supports URCA’s stated objectives of fostering innovation, ensuring consumer protection, and promoting national development, and we acknowledge the importance of adequate resources to fulfil these goals. At the same time, BTC considers it essential that priorities, expenditure, and regulatory initiatives remain clearly aligned with measurable regulatory outcomes and the efficient use of funds recovered from licensees and, ultimately, consumers.

Refurbishment and Optimization of Frederick House

The Draft Annual Plan indicates that URCA will continue refurbishment, and optimization works at Frederick House, including the completion of upper floor works and the evaluation of building management systems. We further note that refurbishment and construction-related works at Frederick House have been referenced in previous URCA Annual Plans spanning multiple planning cycles, including earlier plans in which the renovation of upper floors and building improvements were identified as ongoing initiatives. The continued appearance of this project in successive Annual Plans suggests that it is a long-running undertaking, rather than a time-bound capital project.

While BTC acknowledges the potential long-term financial rationale associated with asset optimization and rental income generation, the recurring nature of this project heightens the importance of transparency.

Given that URCA’s operating and capital expenditures are ultimately recovered through fees levied on regulated sectors, including the Electronic Communications Sector, it is important to clearly demonstrate how investments that are not directly linked to regulatory delivery provide value for money and do not unduly burden licensees. From an industry perspective, it would be helpful for URCA to articulate how this long-standing refurbishment initiative aligns with its broader value-for-money objectives, and whether comparable or greater regulatory benefit could be achieved by directing resources toward core regulatory functions such as sector-facing digital systems, timely consultations and determinations, and enhanced regulatory capacity.

Website Redevelopment and Digital Accessibility

BTC notes URCA's continued emphasis on redeveloping its website to deliver a more modern, service-oriented platform that includes licensing, payment, outage reporting, and consumer engagement portals. While BTC generally supports the objectives of this initiative, we observe that the redevelopment process has been ongoing for a considerable period and that the current website remains difficult to navigate, with instances where consultation documents or regulatory materials are unavailable or not properly uploaded. From BTC's perspective, reliable and timely access to regulatory documents and decisions is essential for compliance. BTC therefore encourages URCA to prioritize functional reliability, document availability, and user experience ahead of further feature expansion, to ensure that the platform delivers immediate and practical value to licensees and other stakeholders.

International and Regional Engagement

BTC acknowledges and supports URCA's participation in international and regional forums, including the ITU and other regional bodies, and we acknowledge the importance of such engagement for a small island developing state. BTC suggests, however, that greater emphasis be placed on systematically sharing the learnings and best practices derived from these engagements with the local industry. Structured feedback mechanisms, such as industry briefings or published summaries, would help ensure that international participation translates into clearer regulatory guidance and tangible benefits for the local electronic communications sector. Sharing knowledge can assist in building a library of knowledge to contribute to growing The Bahamas regulatory regimes.

Regulatory Sandbox – Innovation Reef

BTC welcomes URCA's proposal to establish the regulatory sandbox known as "Innovation Reef," which is intended to allow controlled, time-bound testing of innovative electronic communications technologies and services. BTC views this initiative as a positive and forward-looking development and looks forward to collaborating with URCA on sandbox-based initiatives. We encourage URCA to ensure that the participation criteria and timelines are transparent, and that lessons learned through sandbox trials are systematically incorporated into longer-term regulatory frameworks, rather than remaining isolated experiments.

Licence-Exempt Spectrum and Forward-Looking Regulation

BTC notes URCA's intention to develop a regulatory framework for commercial operations in licence-exempt spectrum bands. While we agree that greater clarity in this area is necessary, BTC

is concerned that the proposed approach appears largely reactive, responding to existing deployments rather than anticipating emerging technologies and use cases. Given the rapid evolution of Wi-Fi, IoT, private networks, and shared spectrum models, we encourage URCA to adopt a more forward-looking, technology-neutral approach that positions The Bahamas ahead of technological change and reduces the need for frequent regulatory catch-up.

National Band Plan

BTC supports the development of a National Electronic Communications Band Plan as a foundational tool for improving transparency, predictability, and harmonization in spectrum management. BTC encourages URCA to clearly articulate the methodology underlying band prioritization, including how national policy objectives, regional harmonization, and international coordination constraints will be balanced.

Regulatory Framework for Submarine Communications Cable Systems

BTC, as an established telecoms operator with existing submarine communications cable systems already in service, recognizes the value of regulatory clarity in principle, of a clear and well-defined regulatory framework governing submarine cable infrastructure. Given that The Bahamas is a heavily trafficked maritime jurisdiction, particularly for recreational and commercial boating, such regulations may prove beneficial in supporting coordinated responses to cable damage incidents, clarifying responsibilities, and facilitating the recovery of costs associated with repairs arising from accidental damage.

BTC also sees merit in a regulatory approach that promotes coordination and collaboration with relevant national authorities, including the Royal Bahamas Defence Force and the Royal Bahamas Police Force, to support the protection and security of critical submarine cable assets. Enhanced cooperation could strengthen asset protection, improve incident response, and help safeguard significant infrastructure investments that are essential to national connectivity and economic activity.

However, we also note that the introduction of additional regulatory obligations may present potential downsides for operators. Prescriptive or overly burdensome requirements could increase compliance costs, introduce operational delays, and constrain flexibility in managing existing infrastructure. BTC therefore suggests that care be taken to ensure that any submarine cable regulations are proportionate, risk-based, and do not inadvertently disadvantage operators that have already made substantial long-term investments in submarine cable systems.

however, we are mindful that new submarine cable regulations may also introduce unintended consequences if not carefully scoped. In particular, there is a risk that additional compliance, reporting, or resilience obligations could impose material costs on legacy infrastructure that was designed, financed, and deployed under earlier regulatory frameworks, without delivering commensurate operational or consumer benefits. Overly prescriptive requirements may also reduce the operational flexibility needed to respond quickly to faults, marine incidents, or severe weather events, potentially delaying restoration efforts.

In a small market such as The Bahamas, there is also a risk that heightened expectations around availability or redundancy may disproportionately fall on incumbent operator, like BTC, simply because critical infrastructure is already in place. We therefore encourage URCA to ensure that any regulatory framework is forward-looking, proportionate, and non-retroactive, recognizes existing compliance mechanisms, and preserves operational liveness, so as not to penalize early investment or inadvertently undermine the resilience it seeks to strengthen.

Disaster Management and Quality of Service

BTC notes URCA's intention to review the Disaster Management Regulations for the ECS and to incorporate lessons learned from recent hurricane seasons and technological developments. We encourage URCA to ensure that any revised framework clearly distinguishes between minimum mandatory standards and best-practice guidance, and that it reflects practical restoration timelines and supply chain realities particularly as an archipelago. Similarly, we support the ongoing review of the Network Quality of Service Regulations, particularly as they relate to service reliability in the Family Islands and encourage URCA to adopt performance metrics and compliance mechanisms that are realistic, transparent, and technology-neutral.

Universal Service

BTC recognizes URCA's decision to revise the timeline for the Universal Service Obligation and Universal Service Fund projects in light of expanded scope and technical complexity. Given the importance of affordability and inclusion, BTC encourages URCA to provide clarity on funding governance, project selection criteria, and measurable outcomes. Universal Service Obligations must be carefully designed to balance social policy objectives with commercial and operational realities. USOs, in some cases, require operators to provide services in high-cost, low-revenue areas, which can impose a significant financial burden if the associated costs are not clearly defined, transparently assessed, and adequately compensated through the Universal Service Fund.

There is also concern regarding competitive neutrality, as USOs and contribution requirements may disproportionately affect operators, while newer or smaller market participants may not be

subject to equivalent obligations. This can result in market distortions and an uneven playing field. Additionally, the scope of Universal Service has expanded over time from basic voice services to broadband and broader digital inclusion without always being matched by corresponding updates to funding mechanisms or contribution structures.

Where USO frameworks are not technology-neutral, they may also inadvertently lock operators into legacy network solutions, limiting the flexibility to deploy more efficient or modern technologies.

BTC supports a USO and USF framework that is clearly defined, technology-neutral, competitively balanced, and subject to periodic review. Transparency in the governance and operation of the Universal Service Fund, timely access to funding, and proportional contribution requirements are critical to ensuring that universal service objectives are met without undermining incentives for continued investment in the electronic communications sector.

Electricity Reliability

Reliable electricity supply is fundamental to the operation of electronic communications networks. Persistent power outages, particularly on the Family Islands, continue to materially impact on our ability to provide consistent and reliable telecommunications services to customers. These outages increase operational costs, strain network resilience measures, and undermine service quality through no fault of BTC. As URCA had responsibility for both the electronic communications sector and the electricity sector, URCA is uniquely positioned to address this interdependence. Greater regulatory focus and coordinated action are required to improve electricity reliability, as sustained deficiencies in power supply ultimately compromise national connectivity objectives, service continuity, and consumer outcomes within the electronic communications sector.

Revision of the Communications Act

As part of URCA's key priorities for 2026, BTC recommends the comprehensive review and revision of the Communications Act. The current legislative framework dates back to 2009 and does not fully reflect the significant technological, market, and regulatory developments that have occurred in the electronic communications sector since that time. Advancements in broadband technologies, convergence of services, non-terrestrial networks and evolving market structures all point to the need for a modernized Act that is forward-looking, technology-neutral, and capable of supporting effective regulation in today's environment. Updating the Communications Act would provide greater legal certainty, align the framework with current industry realities, and ensure that regulatory objectives can be achieved efficiently and consistently.

Compulsory Licensing Regime

As part of URCA's priorities for 2026, BTC also suggests the review and alignment of content provisions and regulations for telecommunication operators. As URCA is the regulator of telecommunication operators in The Bahamas, URCA should, in collaboration with the Bahamas Copyright Tribunal, initiate the compulsory licensing regime as contemplated under the existing copyright regulatory framework. While the legislation and regulations provide for such a regime, it has not yet been fully enabled in practice. Enabling this regime would support regulatory clarity, reduce administrative burdens, and provide a more proportionate and transparent approach to licensing, consistent with international best practices and the maturity of the Bahamian electronic communications market.

BTC recognizes and fully acknowledges that copyright and intellectual property rights are governed by statute and administered by the Copyright Tribunal Royalty Tribunal in the Registrar General's Office. BTC does propose that URCA assume responsibility for copyright regulation or displace the existing intellectual property framework.

However, BTC notes that the practical reality is that, within regulated electronic communication sectors, certain intellectual property, technical systems, software platforms, databases, or proprietary interfaces may function as essential inputs for competition, interoperability, continuity of service, or consumer protection. In such cases, issues may arise that sit at the intersection of intellectual property law and ECS regulation.

Finalization of the National Spectrum Plan

The completion and publication of the National Spectrum Plan should also be treated as a high priority for 2026. Spectrum is a critical national resource, and a clear, up-to-date spectrum plan is essential for investment planning, efficient spectrum use, and the introduction of new and innovative services. The development of the National Spectrum Plan has been ongoing for a considerable period, and further delays create uncertainty for operators seeking to make long-term network and technology decisions.

ECS Budget Analysis and Observations

URCA's Draft Annual Plan indicates a substantial increase in ECS operating expenditure for 2026, with total ECS OPEX rising markedly compared to the previous year and being recovered through URCA fees. While BTC recognize that expanded regulatory activity requires appropriate

resourcing, several aspects of the ECS budget warrant closer scrutiny. In particular, the very significant increase in expenditure on conferences, training, and travel stands out as the largest visible driver of ECS OPEX growth, largely attributed to hosting an international regulatory forum and increased international participation. Given the scale of this increase, we respectfully encourage URCA to provide greater transparency on the expected costs, benefits, and one-off versus recurring nature of these expenditures.

We also note increases in professional services and general and administrative expenses, including costs associated with international campaigns. While we appreciate the national importance of such initiatives, clarity on the basis for allocating these costs to the ECS and recovering them through licensee fees would assist stakeholders in assessing proportionality and fairness. Staff cost increases appear more moderate and may be justified where they translate into improved regulatory timeliness and quality, particularly against the KPIs outlined in the Plan. Finally, the reduction in ECS capital expenditure is notable in light of URCA's stated digital ambitions, and further explanation would be helpful as to whether digital investments are now largely captured within operating expenditure or whether certain capital projects have been completed or deferred.

Conclusion

In conclusion, BTC generally supports URCA's overarching objectives and recognizes the breadth of its responsibilities as a modern, multi-sector regulator. We respectfully submit that greater transparency around expenditure, clearer progress reporting on recurring priorities, timely delivery of sector-facing digital systems, and a more forward-looking regulatory posture will enhance regulatory effectiveness and strengthen confidence within the electronic communications sector. We look forward to continued constructive engagement with URCA as it finalizes its Annual Plan for 2026.

Reservation of Rights

BTC reserves the right to comment further on all issues and states categorically that the decision not to respond to any matter included in the Consultation Document in whole or in part does not necessarily indicate agreement in whole or in part with URCA's statements in the Consultation Document or the Draft Annual Plan, nor does any position taken by BTC in its response mean a waiver of any of BTC's rights in any way. BTC expressly reserves all its rights.