



Government of the Commonwealth of The Bahamas

REQUEST FOR PROPOSALS

**To Operate a Cellular Mobile Network
and
To Provide Cellular Mobile Services
in
The Bahamas**

Issue Date: 13th November 2014

Deadline for Clarification Questions: 10th December 2014

Deadline for Submission of Proposals: 11th February 2015

NOTICE

This Request for Proposals ("RFP") has been delivered to all parties that have registered ("Registered Entities") with the Cellular Liberalisation Task Force of the Government of the Commonwealth of The Bahamas on a confidential basis for information only and is not a prospectus. It does not purport to contain all information that the Registered Entities may require and is subject to updating, expansion, revision, substitution and amendment. Its issue does not constitute any form of commitment on the part of the Government of the Commonwealth of The Bahamas (the "Government") or any of its agencies.

The contents of this RFP are not to be construed as legal, financial or tax advice. Each Registered Entity should consult its advisors.

No representation or warranty, express or implied, is given by the Government, the Cellular Liberalisation Task Force or any of their officials, officers, employees or advisors as to the accuracy, fairness, sufficiency or completeness of the information, opinions or beliefs contained in this RFP. All Registered Entities should conduct their own respective investigations and analysis in relation to the information provided in this RFP, and should obtain independent advice from appropriate advisors prior to using or relying on any information provided in this RFP and any decision to participate in this opportunity.

The Government reserves the right, in its sole and absolute discretion, at any time and in any respect with or without reason to any Applicant (namely, any Registered Entity which submits a Proposal in response to this RFP) to reject a Proposal, abandon, or vary the process in accordance with Section 6.

The distribution of this RFP in certain jurisdictions may be restricted by law and therefore any person into whose possession this document comes should inform himself about, and observe any such restriction.

Save as expressly provided herein, none of the Government, the Minister with responsibility for the electronic communications sector (the "Minister"), the Cellular Liberalisation Task Force and their officials, officers, employees and advisors are responsible for any costs, losses, damages or liabilities whatsoever incurred by Applicants in connection with the process discussed in this RFP, including but not limited to costs associated with preparing submission of its Proposals and any other required information and costs associated with the undertaking of any due diligence. Each Applicant will be responsible for all of its own costs incurred during the investigation, submission and evaluation of this Proposal, including fees and disbursements of its own counsel, advisors and financing sources.

By submitting a Proposal in response to this RFP, any Applicant is deemed to have accepted the terms and conditions set out in this RFP without qualification or amendment, including in particular the Government's exclusion of liability in respect of the selection, evaluation and licensing of the Applicant contemplated under this RFP that will be carried out by or on behalf of the Government.

All information in this RFP, and received pursuant to this RFP, shall be covered by the terms of the Non-Disclosure Agreement submitted as part of the registration process, which Non-Disclosure Agreement shall remain in effect in conformity with its terms.

This RFP shall be governed by the laws of The Bahamas. Any legal action or proceedings arising out of or in connection with such terms and procedures shall be subject to the exclusive jurisdiction of the courts of The Commonwealth of The Bahamas.

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Acronyms and Abbreviations

Batelco	Bahamas Telecommunications Corporation
BBC	British Broadcasting Corporation
BCB	Broadcasting Corporation of The Bahamas
BDSNi	Bahamas Domestic Submarine Network international
BICS	Bahamas Internet Cable System
BTC	Bahamas Telecommunications Company Limited
CA	Communications Act
CBL	Cable Bahamas Limited
CCL	Caribbean Crossing Limited
CO	Central Office
CWC	Cable and Wireless Communications Plc
ECS	Electronic Communications Sector
GBPA	Grand Bahama Port Authority
GDP	Gross Domestic Product
IOL	Individual Operating Licence
ISL	Individual Spectrum Licence
LTE	Long Term Evolution
MSC	Mobile Switching Centre
MVNO	Mobile Virtual Network Operator
NewCo	New Operating Company (as defined in [1.1.4] below)
NFAT	National Frequency Allocation Table
NNP	National Numbering Plan

NPWG	Number Portability Working Group
NSP	National Spectrum Plan
PUC	Public Utilities Commission
RAN	Radio Access Network
RFP	Request for Proposals
SHA	Shareholders' Agreement
SMP	Significant Market Power
SRG	Systems Resource Group Limited
TRA	Television Regulatory Authority
UAT	Utilities Appeal Tribunal
URCA	Utilities Regulation and Competition Authority
VAS	Value Added Service
ZNS	Zephyr Nassau Sunshine

1. Introduction

1.1 Background

- 1.1.1 The Commonwealth of The Bahamas consists of 700 islands and cays within an area that spans over 100,000 square miles in the Atlantic Ocean, southeast of Florida, and northeast of Cuba. Of those islands, 30 are inhabited. Population figures projected for 2013 estimated that approximately 359,400 individuals lived in The Bahamas¹. According to the 2010 Census report, the most heavily populated islands in The Bahamas are New Providence (with a population of 246,329, or 70.0% of the population of the country) and Grand Bahama (with a population of 51,368, or 14.6% of the population).
- 1.1.2 Cellular mobile services in The Bahamas are currently provided by one operator, The Bahamas Telecommunications Company Limited (BTC), which enjoyed a legal exclusivity arrangement enshrined in law.² This exclusivity arrangement expired on 5th April 2014.³ The law⁴ further provides for the licensing of one additional operator of a cellular mobile network to provide cellular mobile services until 5th April 2016, following which further providers may be licensed.
- 1.1.3 The Government considers that electronic communications form an essential part of the backbone infrastructure supporting the social and economic progress of The Bahamas⁵. The Government seeks, amongst other things, to bring variety and choice of high quality services to all electronic communication users in The Bahamas at internationally competitive prices, including that of the cellular mobile services market. The Government therefore sees cellular mobile competition as a key objective for the electronic communications sector (ECS) moving forward. In furtherance of its statutory objectives under Section 4 of the Communications Act to promote investment and innovation, as well as sustainable competition, the Government is now taking the necessary steps to introduce competition in the cellular mobile services market as expeditiously as possible. As a result, no person which is currently licensed in The Bahamas to provide cellular mobile services will be considered in this process.

¹ Department of Statistics of The Bahamas. All Bahamas Medium Projection Tables 2000-2030. Available at: <http://statistics.bahamas.gov.bs/download/093911800.pdf>

² Section 114 of the Communications Act (Chapter 304, Statute Laws of The Bahamas) (as amended by the Communications (Amendment) Act 2011)

³ The Communications (Publication of Relevant Date) Notice , 2011

⁴ Section 114 of the Communications Act, <http://www.urcabahamas.bs/about-legislation.php>

⁵ See the latest version of the Electronic Communications Sector (ECS) Policy gazetted on 23rd April 2014. <http://www.urcabahamas.bs/download/090781500.pdf>

1.1.4 The Government has also outlined the following objectives under which the issuance of the relevant licences for cellular and mobile services in The Bahamas would be considered:

- that a Bahamian entity (“NewCo”) will be formed specifically for the purpose of holding the relevant licences for operating the second cellular mobile network and providing cellular mobile services;
- for the people of The Bahamas to hold the majority equity ownership interest (51%) in NewCo through another Bahamian entity (“HoldingCo”) formed specifically for that purpose;
- for the equity ownership by the people of The Bahamas in HoldingCo to be as widely distributed as possible, to facilitate the broadest possible participation;
- for board and management control and strategic policy-making of NewCo to be vested with the Successful Applicant, subject to certain veto rights by HoldingCo.

1.1.5 As the Minister has determined in accordance with Section 30 of the Communications Act, and has been publicly announced, this Request for Proposals (“RFP”) is being issued to persons interested in operating a cellular mobile network and providing cellular mobile services in The Bahamas, as the minority shareholder (49%) of NewCo. One Applicant will be selected (the “Successful Applicant”) from all eligible Applicants via the competitive selection process described in this RFP. Applicants may be a single entity or a combination of entities, including joint ventures that have joined together (“Consortium”) to respond to this RFP so long as full details of the Consortium and each member of the Consortium (each a “Consortium Member”) are disclosed⁶.

1.1.6 In order to facilitate the timely formation of NewCo and commencement of operations, the Government’s primary role will be to facilitate the immediate transfer of shares to Bahamian private investors at the time that HoldingCo is formed. Secondly, and if necessary, the Government is prepared to serve as the initial and sole shareholder of HoldingCo. However, the Government’s shareholding in HoldingCo would only be temporary in nature, pending an offering of the shares in HoldingCo to eligible investors⁷.

1.1.7 The Successful Applicant and HoldingCo will be responsible for their pro-rata share of the costs associated with the start-up and initial operations of NewCo. As part of the process envisaged in this RFP, the Successful Applicant will be required to present a schedule of projected capital injections (as part of its business plan) for the initial roll-out phase based on forecasts of capital and operating expenditure over the build out and initial phases of operations. This schedule will be reviewed and agreed between the Successful Applicant and HoldingCo once the Successful

⁶ No Consortium Member shall have any interest, direct or indirect, in any previously undisclosed Consortium or more than one Consortium; or participate in this RFP Process in both its own name and as a Consortium Member. Failure to comply with this requirement by any person will result in the potential disqualification of such Consortium Member and/or the relevant Consortium from this RFP process or invalidation of its Proposal.

⁷ As defined in the draft Shareholder’s Agreement

Applicant has been selected, but before the licences are issued. The associated capital injections set-out in the agreed schedule will be funded by its shareholders in proportion to their shareholdings in NewCo, as and when such funding is required and in line with the timing set out in the agreed schedule. All of the costs of NewCo associated with the Performance Bond at Appendix 4 shall be paid by the Successful Applicant. Save for nominal cost overruns (“Cost Overruns”), the consent of HoldingCo shall be required before the shareholders in NewCo may be called upon to contribute to any costs and expenses of NewCo which are not included in the agreed schedule of capital and operating expenditure. The funding of the agreed expenditure shall not be made by way of debt unless agreed by HoldingCo. Further details of the proposed funding arrangements may be found in the draft SHA. .

- 1.1.8 In addition to the obligations and commitments specified in this RFP, the SHA will include various other obligations of the Successful Applicant and HoldingCo. For example, the Government may, if it considers it necessary, require that the Successful Applicant procures that NewCo extends network coverage to Long Cay, Mayaguana and the Exuma Cays (and in particular Over Yonder Cay, Children’s Bay Cay, William Cay, and Norman’s Cay) sooner than the times specified in Tables 6 or 8 (as applicable).
- 1.1.9 For the purpose of this Selection Process, the Utilities Regulation and Competition Authority (URCA) has made available 119 MHz of spectrum in the 700 MHz, 850 MHz, 1700/2100 MHz and 1900 MHz Bands to enable the provisioning of cellular mobile services in The Bahamas. The exact blocks available in each band are further detailed in Section 4.3.
- 1.1.10 At a minimum, the Successful Applicant will be required to establish a cellular mobile network with **full end-to-end network and service provisioning in The Bahamas**. For this purpose, Applicants must commit in the form of a written declaration and evidenced in their submitted business and financial plan, to locate all facilities in The Bahamas and procure all services required to provide end-to-end mobile communications services to consumers in The Bahamas.⁸
- 1.1.11 Once the selection has been made, the Successful Applicant (indirectly via its interest in NewCo) will be eligible for the following licences:
- an Individual Operating Licence (IOL) to operate a mobile network and provide mobile services in The Bahamas; and
 - an Individual Spectrum Licence (ISL) to utilise the relevant radio spectrum.

⁸ This includes, amongst others, the MSC, RAN, VAS, Packet Core, billing systems and other customer facing hardware. However the Successful Applicant may seek co-location or lease intra-and inter-island backhaul facilities from existing providers in The Bahamas.

1.1.12 The IOL and the ISL will be granted for an initial period of fifteen (15) years⁹.

1.1.13 A Business Licence is required before the ISL can be granted by URCA. The Business Licence is an annual licence issued by the Ministry of Finance. Additionally for companies with any non-Bahamian interest, approvals from The Bahamas Investment Authority (“BIA”) are also required. BIA approval will be substantially assessed in parallel with Phase I. However, final BIA and Business Licence approval (see Section 3.4 below) will not be issued until the selection process is completed.

1.2 Outline of the Selection Process

1.2.1 Under the Communications Act¹⁰, the Minister is responsible for deciding the method of allocation of frequencies in the Premium Spectrum band, and selecting the licensees for such frequencies via a competitive selection process. The Minister has appointed a Cellular Liberalisation Task Force (‘the Task Force’) to oversee and coordinate this process that will ultimately result in the award of the second cellular mobile licence.

1.2.2 The following two-stage competitive selection process will be used to award the second cellular mobile licence:

I. Phase I:

(a) An Evaluation Committee established by the Minister will undertake a technical and financial assessment of the Applicants’ plans, based on objective criteria, which will determine those Applicants deemed to have the necessary capacity to offer mass-market cellular mobile services to a high level of quality across The Bahamas and therefore eligible to participate in Phase II.

(b) In addition, during Phase I a pre-assessment will be conducted by URCA to ensure that Applicants are suitable for the grant of individual licences. URCA will determine at this stage whether the following statutory and regulatory requirements are or will be satisfied¹¹:

- i. NewCo will be a legal entity incorporated in The Bahamas.
- ii. The Applicant will conduct the administration and management of NewCo from premises in The Bahamas and commits to continuing to do so.
- iii. Each of the Applicant (or the Applicant’s parent company, where the Applicant is a newly formed entity) and NewCo is a “fit and proper person” (**See Part 4 of Appendix 7**) to establish, maintain and operate a network or carriage system or use radio spectrum.

⁹ Please see Appendix 3 for greater details on the licensing and renewal requirements of URCA

¹⁰ Section 30 (as amended) and 26, Communications Act

¹¹ URCA will assess the Applicant to ensure that it complies with the basic requirements of the Communications Act and the Licensing Guidelines for a licence applicant (as set out most notably in Section 26(3) (a) to (c) of the Communications Act.

II. **Phase II:** An auction of specific blocks of premium radio spectrum.

- 1.2.3 In its conduct of this two-phased process, including in determining the weightings to be afforded to each phase, the Government seeks to introduce a balance between the allocation of rights to commercially valuable spectrum and the promotion of investment and innovation in the Electronic Communications Sector (ECS).
- 1.2.4 The selection process will be subject to strict timeframes and submission requirements, as outlined in Section 6 of this document. The Minister may, in his sole discretion, reject any Proposal which fails to comply with these requirements.
- 1.2.5 At the end of the selection process the Successful Applicant will be the one judged to have (i) met all of the requirements of Phase I; and (ii) which, following the auction phase, has the highest scoring Proposal as per the formula set out in Section 7 of this RFP.

1.3 Key Dates

- 1.3.1 The detailed requirements for application content and submission are set out in Section 6. However, the key dates are as follows¹²:

Issue Date of RFP	13th November 2014
Deadline for Submission of Clarification Requests and Comments on the Draft Shareholder's Agreement	2:00 PM, 10th December 2014
Issue Date of Final Draft Shareholder's Agreement based on Comments Received	2:00PM, 9th January 2015
Deadline for Submissions of Proposals of Phase I of this RFP	2:00 PM, 11th February 2015

- 1.3.2 Any registered entity may seek clarification on this process in accordance with Section 6.1 of this RFP.

¹² Deadlines for all submissions reflect Eastern Standard Time or Daylight Saving Time (DST) as appropriate.

1.4 Structure of this Invitation

1.4.1 The remainder of this RFP is structured as follows:

- Section 2: Market Overview
- Section 3: ECS Regulation in The Bahamas
- Section 4: Spectrum Allocation
- Section 5: Rights and Obligations of NewCo
- Section 6: Proposal Requirements
- Section 7: Selection Process
- Section 8: Post Selection Process

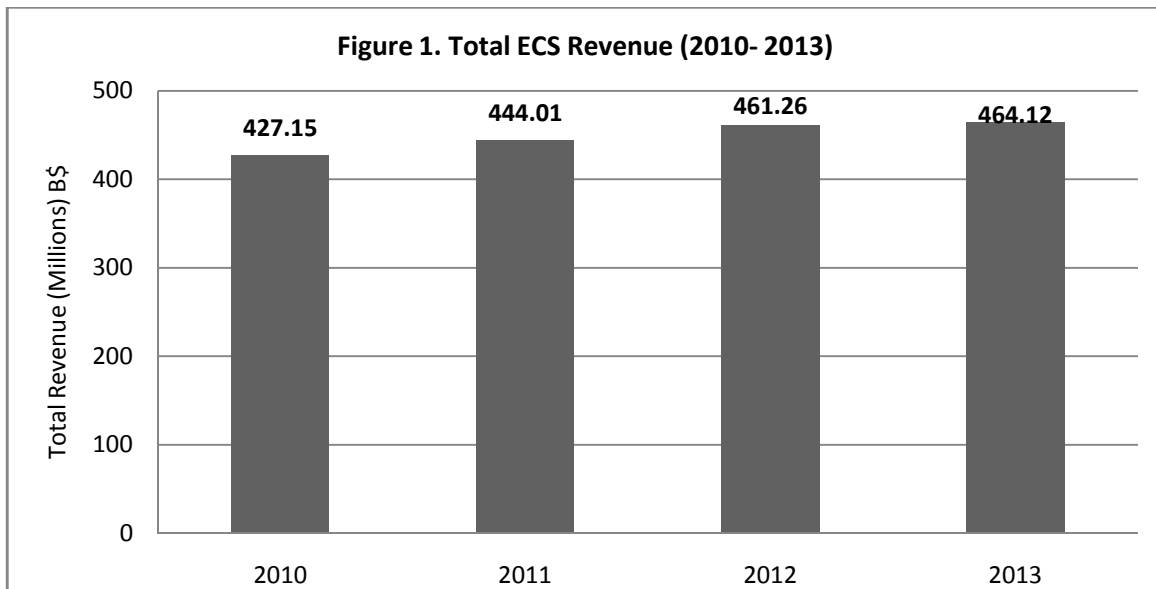
2. Market Overview

2.1 The Bahamian Economy

- 2.1.1 The tourism and financial services industries are key contributors to the Bahamian economy. These two sectors of the economy, which include tourism-driven retail sales, real estate, construction and manufacturing, together historically account for approximately 55% of total GDP and over 60% of employment. Tourism has accounted for an estimated 40% of GDP over the last five years and has employed, directly or indirectly, over half of the workforce. In 2012, The Bahamas attracted approximately 5.9 million visitors, who spent approximately \$2.4 billion in the country. More than 75% of these visitors were from the United States. Over the past several years, the Government has intensified efforts to improve the competitiveness of the tourism sector, principally by promoting new investment in hotels and other facilities, improving infrastructure, developing and enhancing tourist attractions and expanding marketing efforts. Appendix 1 contains a breakdown of tourist arrivals by Island for the period 2011-2012.
- 2.1.2 The financial services sector (predominantly banking and insurance services) of the economy has also historically accounted for a significant percentage of GDP. The Bahamas has traditionally been an attractive jurisdiction for offshore financial services businesses because of its tax neutral regime and legislative environment. The Government enacted several measures in 2000 to strengthen the regulatory and supervisory regime in order to comply with international “best practices” standards and enhance the attractiveness of The Bahamas as an offshore international business centre. As of December 31, 2012, there were 268 banks and trust companies licensed in The Bahamas, compared to 278 as of December 31, 2011, and the Government estimates that the total asset base of offshore banks and trust companies was approximately \$371.0 billion as of December 31, 2012.
- 2.1.3 The Department of Statistics estimates that, during the height of the recession, real GDP contracted at a pace of 2.3% in 2008 and further contracted by 5.2% in 2009. However, the economy began to improve in 2010. Reflective of this, real GDP grew by 1.1% in 2010, by 0.3% in 2011, by 3.6% in 2012 and by 2.5% in 2013. The Department of Statistics estimates that nominal GDP increased by 2.5% in 2013, compared to a 3.6% increase in 2012. The annual inflation rate in The Bahamas has averaged less than 3.2% in the last three years, and the Government expects that the fixed parity between Bahamian and U.S. dollars that has existed since 1973 will continue to help the inflation level remain relatively stable.
- 2.1.4 The Government’s overall strategy is to promote the long-term economic development of The Bahamas by pursuing sound macroeconomic and fiscal policies designed to enhance the competitiveness of the Bahamian economy and facilitate private sector investment and consumption. For a more detailed overview of The Bahamian Economy, please refer to Appendix 1.

2.2 Overview of the Bahamian Electronic Communications Sector (ECS)

2.2.1 The ECS in The Bahamas is broadly comparable to other major international markets in terms of service offerings, technology deployed, and accessibility. Industry data for 2013 indicates that ECS revenue increased marginally by 0.6% relative to 2012. This change contrasts with larger increases recorded in 2012 and 2011. Those years posted expansion on the order of 3.89% and 3.95% respectively. Figure 1 shows the growth trend in sector revenue from 2010 to 2013.



2.2.2 Total revenue for the sector in 2013 was more than \$464 million.¹³ This amount accounted for approximately 5.54% of the Gross Domestic Product (GDP) of The Bahamas for 2013.¹⁴ In 2013 employment in the ECS increased by 2.81 % on the previous year's figure which is encouraging when compared to the reductions recorded in 2012 (18%) and 2011(4.18%).

2.2.3 Further information on the Electronic Communications Sector in The Bahamas is provided in Appendix 2.

¹³ Based on URCA information collected from licensees for 2013. This information does not include revenue information from the Free-to-Air Broadcasting market.

¹⁴ International Monetary Fund. World Economic Outlook Database April, 2014.
www.imf.org/external/pubs/ft/weo/2014/01/weodata/weorept.aspx?sy=2008&ey=2019&scsm=1&ssd=1&sort=country&ds=.&br=1&c=313&s=NGDP_R%2CNGDP%2CNGDPD&grp=0&a=&pr.x=66&pr.y=8

2.3 Third Mobile Operator

2.3.1 Under the law¹⁵, the Government is unable to issue a license to a third mobile operator before 5th April 2016. However, the Government intends to amend the ECS Policy to delay the entry of a third cellular mobile operator for **at least three (3) years** from the commercial launch of the second cellular mobile operator. Additionally, before any decision is made to initiate a process for licensing a third mobile operator, the Government will consider such factors as it deems necessary, including but not limited to:

- the size of the market;
- the commercial viability of the various modes of cellular mobile service provision that could be adopted by a third operator (e.g. network-based vs. an MVNO¹⁶ model);
- the state of competition in the cellular mobile market subsequent to the introduction of a the second cellular mobile operator;
- the availability of spectrum;
- the extent to which there may be further demand for variety in, or an increased level of, cellular mobile services; and
- any advice from URCA regarding the above.

¹⁵ Section 114 of the Communications Act (as amended), <http://www.urcabahamas.bs/about-legislation.php>

¹⁶ Mobile Virtual Network Operator

3. ECS Regulation in The Bahamas

3.1 Relevant Legislation

3.1.1 The current regulatory regime for electronic communications in The Bahamas was established in 2009 with the passage of three (3) core pieces of legislation: the Communications Act, 2009; the Utilities Regulation and Competition Authority Act, 2009; and the Utilities Appeal Tribunal (“UAT”) Act, 2009. URCA replaced the previous regulators, namely the Public Utilities Commission (PUC) and the Television Regulatory Authority (TRA).

3.2 Responsibility of The Government

3.2.1 The Government is responsible for setting the overall policy direction of the ECS to meet the objectives set-out in the Communications Act. The Government achieves this through the publication of the ECS Policy, as provided for in the Communications Act. The latest version of the ECS policy was gazetted by the Minister on 23rd April 2014¹⁷.

3.2.2 The Government’s responsibilities are split between the portfolios of two Government Ministers, with specific responsibilities assigned by the legislation governing the ECS and URCA respectively. These are:

- the Minister with responsibility for the electronic communications sector, currently the Prime Minister, the Right Honourable Perry G. Christie.; and
- the Minister with responsibility for relations with URCA, who must be a Minister other than the Minister responsible for the ECS, currently the Attorney General, Senator the Honourable Allyson Maynard-Gibson.

3.2.3 The Minister within whose portfolio the ECS¹⁸ falls, has responsibility for (inter alia) establishing and publishing the ECS Policy; deciding the method of allocating frequencies in the Premium Spectrum band; selecting licensees for those individual licences in respect of Premium Spectrum; approving or amending the Spectrum Plan; and setting spectrum fees for Premium Spectrum or prescribing the method by which such fees will be set.¹⁹

¹⁷ www.urbahamas.bs/download/090781500.pdf

¹⁸ Section 2 of Communications Act, <http://www.urbahamas.bs/about-legislation.php>

¹⁹ Sections 6, 26(5), 30 and 31 of Communications Act (as amended)
<http://www.urbahamas.bs/about-legislation.php>

3.3 Responsibility of the Utilities Regulation and Competition Authority (URCA)

- 3.3.1 URCA is the regulatory authority with responsibility for the ECS in The Bahamas. The sector comprises fixed and mobile telephone services, spectrum and numbering, broadcasting (including radio, free-to-air and pay television) and Internet services.
- 3.3.2 URCA is an independent authority governed by a five-member Board comprising three (3) non-executive members, including the Board's chairperson, and two (2) ex officio members; the Chief Executive Officer (CEO) and the Director of Policy and Regulation (DPR). Non-executive members are appointed by the Governor General.
- 3.3.3 URCA's strategic and annual plans are developed pursuant to the policy objectives under the Communications Act and in accordance with the ECS Policy.
- 3.3.4 URCA's most recent Annual Plan was finalised and published on 30, April 2014, together with its most recent Annual Report (for the calendar year 2013)²⁰. Further details of URCA's regulatory framework are set out in Appendix 3.

3.4 Legal Requirements for doing Business in The Bahamas

- 3.4.1 In addition to the specific regulatory requirements that pertain to the ECS, there are various legal and regulatory requirements to which any person wishing to do business in The Bahamas must adhere. The remainder of this section highlights the key relevant approvals required. However the following is not to be construed as legal, financial or tax advice. Each Applicant must consult its advisors and are required to conduct their own due diligence. Contact details for the agencies referred to in this section are provided in Appendix 6.
- 3.4.2 Applicants are encouraged to commence preparation towards meeting regulatory requirements as early as possible so as to minimise delays, particularly having regard to the roll-out timeframes contemplated in this RFP.

Incorporating a Company in The Bahamas

- 3.4.3 In order to be eligible for individual licences under the Communications Act, NewCo must be a legal entity duly incorporated in The Bahamas.²¹ Entities incorporated would need to satisfy such legal requirements as specified in the relevant legislation. Legal entities incorporated under the laws of the Commonwealth of The Bahamas must be registered with the Registrar General's Department.

²⁰ <http://www.urcabahamas.bs/download/003273000.pdf>

²¹ See section 26(3) Communications Act.

3.4.4 For further details on the process, submission requirements and turn-around times, Applicants should seek professional legal advice. Additionally Applicants may wish to [contact the Companies Section of the Registrar General’s Department](#).

Requirement for a Business License

3.4.5 All businesses operating in The Bahamas are required to be licensed under the Business Licence Act, as amended.²²

3.4.6 For details on the process, submission requirements and turn-around times, Applicants should seek professional legal advice. Additionally Applicants may wish to [contact the Inland Revenue Department](#) directly.

3.4.7 In addition to the above, where an operator proposes to offer services in the Freeport area, relevant permissions/licences must be obtained from The Grand Bahama Port Authority (GBPA)²³ which is responsible for licensing all businesses within the 'Port Area' of Grand Bahama Island. The authority to license certain commercial activity with the GBPA is contained in an agreement between the GBPA and the Government of The Bahamas²⁴.

Specific Requirements for Foreign Investors

3.4.8 If a non-Bahamian person or entity holds a legal or beneficial interest in the Applicant, approval must first be obtained from the Bahamas Investment Authority (“BIA”) in order for the Applicant to establish a business in The Bahamas. In order to be eligible for BIA approval, interested parties must have a minimum investment of BSD \$500,000.00 and be interested in an area that is not reserved for 100% Bahamian participation. The ECS is not a sector reserved for 100% Bahamian participation.

3.4.9 The holder of BIA approval must establish operations within the period specified in the approval (anywhere from 12-18 months of the date on which the approval was granted). The approval is also subject to normal due diligence by the following agencies:

- The Department of Physical Planning (Planning Approvals)
- The Department of Immigration (Work Permit Approvals)
- Ministry of Finance (Business Licence and Real Property Tax)
- The Central Bank of The Bahamas (Exchange Control)
- Bahamas Environment, Science and Technology Commission (Environmental Impact Assessment (EIA) and Environmental Management Plans (EMP))

²² <http://www.centralbankbahamas.com/download/023094500.pdf>

²³ <http://gbpa.com/home/>

²⁴ [Hawksbill Creek Agreement: Chapters 261-265, Statute Laws of The Bahamas](#)

- 3.4.10 For further details on this process, submission requirements and turn-around times, please [contact the BIA](#).

Requirement for Planning Permission and Tower Approvals

- 3.4.11 Before constructing a tower, building or any other structure, approval must be obtained from the Ministry of Works and Urban Development through the Buildings Control Division and Department of Physical Planning. A building permit is required for all new construction, additions, alterations, including decks, sheds, retaining walls, and fences in The Bahamas, as mandated by the Buildings Regulations Act. For further details on this process, submission requirements and turn-around times, please [contact the Department of Physical Planning at the Ministry of Works and Urban Development](#).

Work Permit Requirements

- 3.4.12 A work permit is required in the event that persons, who are not Bahamians or legal Bahamian residents with the right to work in The Bahamas, are to be employed in the Applicant's business in The Bahamas. The application process varies depending on whether the employee will be employed in The Bahamas on a short term or long term basis.
- 3.4.13 For further details on this process, submission requirements and turn-around times, please [contact the Department of Immigration and the Department of Labour](#).

4. Spectrum Allocation

4.1 URCA's Spectrum Management Role

4.1.1 Part V of The Communications Act empowers URCA with the exclusive right to manage, allocate and assign all frequencies in the radio spectrum in The Bahamas, subject to the Minister's responsibilities set out in section 30 of the Communications Act. The National Spectrum Plan (NSP)²⁵ guides URCA's activities in relation to the management of radio spectrum in accordance with Part V of the Communications Act.

4.2 Spectrum For Cellular Mobile Services

Rationale

4.2.1 URCA has aligned its proposals for radio spectrum for cellular mobile services, with the views regarding the necessary characteristics of mobile spectrum developed by the International Telecommunication Union (ITU) and the Global System for Mobile Communications Association (GSMA). These global organizations have recommended the criteria that should be considered in any allocation of spectrum to ensure achievement of the objectives discussed above, as follows:

- The breadth of coverage, including the extent of the geographic territories that are to be served with a given service.
- The depth of coverage, including the consistency and reliability of service available within the coverage area, in-buildings penetration.
- The data throughput that is available to any given device, taking account of the variations in signal quality across the coverage area and the contention for access to system resources in busy times.
- The capacity of the system to accommodate a large number of users.

4.2.2 Having considered these requirements, URCA has made available for allocation pursuant to this RFP process, a portfolio of spectrum that includes:

- Spectrum in frequency bands below or around 1 GHz for cost-effective network build. This spectrum will allow wide area coverage with a good coverage depth.
- Spectrum in bands above 1 GHz to allow larger contiguous assignments needed to facilitate large numbers of users and larger throughputs per user. URCA has advised that several tens of megahertz are likely to be required in busy locations.
- Spectrum bands that support harmonized international standards that will enable the provider to use commercial off-the-shelf (COTS) technology and capitalize on economies of scale. In the case of LTE technology, this currently involves around 31 standardized bands internationally.

²⁵ [ECS 03/2014](#), available on URCA's website.

- In order to support the highest peak data rates, the spectrum needs to include a quantity of spectrum that has a contiguous bandwidth.
- 4.2.3 For the purpose of this Selection Process, URCA has made available 119MHz of spectrum in the 700 MHz, 850 MHz, 1700/2100 MHz and 1900 MHz Bands to enable the provisioning of cellular mobile services in The Bahamas. The exact blocks available in each band are further detailed in Section 4.3 below.
- 4.2.4 URCA recognizes that, whilst the spectrum made available to the Successful Applicant is sufficient to provide mobile services in line with the requirements set out in this RFP, the Successful Applicant may require additional spectrum going forward in order to continue to deliver its services efficiently and/or to be able to deliver new or enhanced services in future. As such, subsequent award processes for spectrum will be conducted, in which the Successful Applicant and other licensees could acquire additional spectrum (subject to not exceeding any spectrum caps set by URCA).
- 4.2.5 Where possible, Applicants are encouraged to indicate their preferred spectrum requirements at the time of this application, so that URCA can identify any likely challenges as early as possible.

4.3 Spectrum Blocks available for this Process

- 4.3.1 The spectrum package made available by URCA for this Selection Process is set out in the table below. Further details on the available blocks in each frequency band are provided below.
- 4.3.2 As part of their application, interested parties should state their preferred blocks within each frequency band, subject to rules described below.²⁶

²⁶ In the event that the Successful Applicant fails to provide this information within its application, URCA shall award it the following default spectrum rights: (a) In the 700MHz band, Block E and F; (b) in the 850MHz band, Blocks A, A' and A'' (c) in the 1700/2100MHz band, Block B; and (d) in the 1900MHz band, Block A.

Table 1: Spectrum package to be awarded

Frequency band	Configuration	Bandwidth (MHz)
700 MHz	2 blocks of 2x6MHz	24
850 MHz	1 block of 2x1MHz 1 block of 2x10MHz 1 block of 2x1.5MHz	25
1,700/2,100 MHz	2 blocks (2x10, 2x5MHz) or 3 blocks of 2x5MHz	30
1900 MHz	2 blocks (2x15, 2x5MHz) or 4 blocks of 2x5MHz	40

700 MHz Band

4.3.3 Following the assignment to BTC of spectrum allocations in B and B’ blocks of the 700 MHz band, Table 2 below sets out the blocks that are available for licensing pursuant to this process. The Successful Applicant will be provided with 24 MHz of contiguous spectrum in the 700MHz band. It should be noted than the E and F blocks and the G and G’ blocks are intended to be licensed together (i.e., the Successful Applicant will be able to opt for either blocks E and F or blocks G and G’). Block A is not available in this process having been reserved for the provision of a frequency division duplex (FDD) fixed-wireless service²⁷.

Table 2: 700 MHz Band

Blocks	Lower Frequency (MHz)	Upper Frequency (MHz)	Configuration	Bandwidth (MHz)
A	698-704	728-734	6x2	12
E	746-752	776-782	6x2	12
F	752-758	782-788	6x2	12
G	758-764	788-794	6x2	12
G'	764-770	794-800	6x2	12

²⁷ Policy for New Spectrum Bands 700 MHz, 11 GHz, 12 GHz & 42 GHz ([ECS 09/2012](#)), published March 23, 2012

850 MHz Band

4.3.4 URCA has also made available an allocation of spectrum in the 850MHz band as set out in Table 3. Noting that BTC currently utilises the B and B' blocks in its mobile network, unlike the other spectrum bands in which URCA has been able to secure adequate spectrum for up to 3 operators, the spectrum cap for this band is 2 x 12.5MHz, for a total of 25MHz, and there is therefore only adequate spectrum for a total of two operators to use spectrum in this band.

Table 3: 850 MHz Band

Blocks	Lower Frequency (MHz)	Upper Frequency (MHz)	Configuration	Bandwidth (MHz)
A''	824-825	869-870	1X2	2
A	825-835	870-880	10X2	20
A'	845-846.5	890-891.5	1.5X2	3

1,700/2,100 MHz Band

4.3.5 Consistent with the principles set out above, URCA has also made available spectrum in bands above 1GHz to complement the coverage offered by the lower bands with higher capacity capabilities. Applicants will be provided with 30MHz of contiguous spectrum from among the blocks set out in Table 4 (i.e., the Successful Applicant will be able to opt for blocks B and C or blocks E and F).²⁸

Table 4: 1,700/2,100 MHz Band

Blocks	Lower Frequency (MHz)	Upper Frequency (MHz)	Configuration	Bandwidth (MHz)
B	1720-1730	2120-2130	10X2	20
C	1730-1735	2130-2135	5X2	10
D	1735-1740	2135-2140	5X2	10
E	1740-1745	2140-2145	5X2	10
F	1745-1755	2145-2155	10X2	20

²⁸ Block D is reserved for possible licensing to the incumbent, in the event that it seeks an equitable assignment in this band.

1900 MHz Band

- 4.3.6 Finally, the Successful Applicant will be provided with 40MHz of contiguous spectrum in the 1,900 MHz band from the blocks set out in Table 5 (i.e., the Successful Applicant will be able to opt for blocks A and D, or blocks B1 to E).

Table 5: 1,900 MHz Band

Blocks	Lower Frequency (MHz)	Upper Frequency (MHz)	Configuration	Bandwidth (MHz)
A	1850-1865	1930-1945	15X2	30
D	1865-1870	1945-1950	5X2	10
B1	1870-1875	1950-1955	5X2	10
B2	1875-1880	1955-1960	5X2	10
B3	1880-1885	1960-1965	5X2	10
E	1885-1890	1965-1970	5X2	10

4.4 Technical Requirements for Spectrum Use

- 4.4.1 The ISL (Appendix 3B) will contain technical standards for the use of the Premium Spectrum consistent with international standards and recommended best practices, designed to minimize interference between spectrum users and protect public health and safety from harmful emissions.

4.5 Other Spectrum Requirements-Backhaul links

- 4.5.1 The Minister has been advised by URCA that there is ample spectrum for backhaul available in the Standard Spectrum bands which are administered by URCA. The National Frequency Allocation Table (NFAT) in Appendix A of the National Spectrum Plan (NSP) identifies whether each band is classified as Premium or Standard Spectrum, while Appendix D of the NSP further specifies whether a particular band is open and available for immediate assignment, or whether it is closed and therefore must be opened using URCA's process for the Opening of New Spectrum Bands²⁹, before licensing.
- 4.5.2 Where possible, Applicants are encouraged to indicate their preferred spectrum requirements at the time of this application, so that URCA can identify any likely challenges as early as possible.

²⁹ *The Guidelines for the Opening of New Spectrum Bands* ([ECS 11/2011](#)), published May 27, 2011

Access Spectrum for fixed use

- 4.5.3 Access spectrum for fixed wireless services may be available in certain blocks. The method of allocating Standard Spectrum for fixed access will be determined on a case-by-case basis. The method used will depend upon the level of scarcity and the current or projected demand for the spectrum. Where there is no scarcity, URCA may issue the spectrum on a first-come, first – served basis. Where there is the likelihood of scarcity, URCA must employ a competitive process.

Application Process for Standard Spectrum

- 4.5.4 In accordance with the Communications Act, an entity that requires exclusive use of spectrum in The Bahamas must first obtain an ISL. The application process begins with the submission of the application form along with all the required supporting documents and the applicable application fee to URCA. An application form can be downloaded from URCA’s website at <http://www.urcabahamas.bs/download/037834900.pdf>. The completed Forms should be submitted to URCA for processing by sending the application to URCA’s address. Alternatively, application forms for URCA licences can be obtained from URCA’s office.
- 4.5.5 Each application for Standard Spectrum will be decided on its own merit, and will be determined within thirty calendar days of receipt of the application including all required information. Within those thirty days, URCA must do one of the following:
- i. approve the application and grant the licence; or
 - ii. reject the application, specifying the reasons for the rejection; or
 - iii. request any further information that is necessary or desirable to evaluate the application.

5. Rights and Obligations of NewCo

5.1 Summary

5.1.1 This Section outlines the rights and obligations that will be granted to and imposed on NewCo under the IOL and ISL. It should be noted that the rights and obligations outlined here are not exhaustive and Applicants should consider carefully the provisions of all relevant legislation, all regulatory measures and any other laws or regulations applicable to persons doing business in the ECS in The Bahamas and should seek appropriate advice from qualified professional advisors where necessary.

5.2 Rights

Issuance of Licences

5.2.1 URCA will issue an Individual Operating Licence (IOL) and an Individual Spectrum Licence (ISL) to NewCo, subject to prior receipt of all relevant Government and other legal approvals and payment of fees.

5.2.2 An IOL in the form set out in **Appendix 3A** authorises the licensee to establish, maintain and operate an electronic communications network and provide carriage services. The IOL is a technology and service neutral authorisation, which authorises the licensee to establish its network using any technology or combination of technologies, and to provide any electronic communications service(s) in The Bahamas.

5.2.3 An ISL in the form set out in **Appendix 3B** authorises the exclusive use of the specified bands of premium radio spectrum which the Applicant successfully acquires through the auction conducted pursuant to this RFP.

5.2.4 The ISL will also be technology neutral and unrestricted in that it will permit the use of the assigned spectrum for the deployment of any network technology.

5.2.5 The IOL and the ISL issued to NewCo will be national in scope and will therefore permit the licensee's network and services to be operated and provided throughout The Bahamas.

5.2.6 The licences will be granted for an initial period of fifteen (15) years.

5.2.7 The licences referred to will be granted within thirty (30) days of the completion of the selection process and submission of all required approvals.

Right to Interconnect

- 5.2.8 As a holder of an IOL, NewCo shall have the right to apply for and obtain interconnection and access services with other operators in The Bahamas, in accordance with the Interconnection and Access Guidelines³⁰ and the Communications Act.

Numbering Administration

- 5.2.9 Once granted a licence, NewCo will have the right to apply for and be granted the Bahamas telephone numbers required for the provision of cellular mobile services. This will include Central Office Codes (CO Codes) as well as all relevant network identifiers, including those required for the implementation of number portability.
- 5.2.10 Applicants are advised to carefully review and consider the NNP, and include the relevant application forms and required information together with their Proposals in order to expedite the application process.

Access to Lands

- 5.2.11 Pursuant to Part XIV of the Communications Act, holders of individual licences are entitled to obtain access to lands for the purpose of constructing, installing and operating electronic communications apparatus, subject to compliance with the procedures set out therein.

Licences for Additional Spectrum

- 5.2.12 Where the Successful Applicant requires Standard Spectrum in addition to the Premium Spectrum to be auctioned pursuant to this RFP (e.g. for backhaul or provision of additional wireless services), such spectrum may be applied for in accordance with URCA's licensing guidelines. URCA has advised that only Standard Spectrum will be issued for such purposes.
- 5.2.13 Requests for spectrum should be made to URCA at the time of submission of the Proposal (which request can be formalised into an application if the Applicant is successful in this process). Application can also be made following the selection of the Successful Applicant, though in such case any necessary licences may not be granted at the same time as the ISL for Premium Spectrum.
- 5.2.14 Applicants are encouraged to submit the request, using the format of URCA's licence application form, together with their Proposal so that URCA can identify any likely challenges as early as possible.

³⁰ [ECS 14/2010](#) issued on April 22, 2010.

5.3 Obligations imposed on NewCo

- 5.3.1 As stated above, an operator that provides cellular mobile services in The Bahamas will require an IOL granted by URCA in respect of its cellular mobile network and the services offered through that network and an ISL to ensure that it has exclusive use of the necessary radio spectrum frequencies.
- 5.3.2 There are various general obligations imposed on all licensees as set out in the Communications Act and regulatory measures implemented by URCA. Additionally there are specific obligations applicable to certain licensees. See Appendix 3 of the RFP for further details. However, Applicants are encouraged to seek their own legal advice as to the precise scope and meaning of the regulatory obligations. Applicants are also welcomed to engage with URCA directly to obtain any additional information or clarification.

General Obligations

Compliance with License Conditions and Regulatory Framework

- 5.3.3 The basic obligation of the licensee is to comply with the terms and conditions of all licences issued; the provisions of the Communications Act; the regulatory framework; and all relevant laws of The Bahamas.
- 5.3.4 URCA is responsible for the enforcement of the licence conditions, all regulatory measures, and all matters arising under the Communications Act. Applicants should also note that, in addition to compliance with the regulatory regime implemented under the Communications Act, failure to comply with any of the laws of The Bahamas may have adverse consequences under the licences.

Payment of Licence Fees³¹

- 5.3.5 NewCo will be required to pay to URCA, acting as collection agent for Spectrum Fees on behalf of the Government, the price of the Premium Spectrum as determined by the auction conducted pursuant to this RFP. In addition, the following annual fees will be payable to URCA:
- Communications Licence Fee: Payable by NewCo as the holder of an IOL. The Communications Licence Fee, currently set at 3% of the licensee's relevant turnover, is payable within 30 days of receipt of an invoice from URCA, issued in the first quarter of each year. This fee is collected by URCA for and on behalf of the Government of The Bahamas.

³¹ See URCA's 2014 Fee Schedule [\[ECS 21/2013\]](#). These fees are not exhaustive. They only address those fees which are collected directly by URCA and do not include other fees that may be due and payable to the Government of the Commonwealth of The Bahamas.

- URCA Fees: Payable by NewCo as the holder of an IOL, the URCA Fee is determined based on URCA's annual budget and is invoiced in the first quarter of each year and payable within 30 days of the issuance of an invoice. The fee is expressed as a percentage of the licensee's relevant turnover (or the estimated turnover for Applicants that have not previously operated in the ECS). The URCA fee for 2014 is 1.368% of the licensee's relevant turnover. However a minimum fee of \$3000.00 applies to licensees whose annual turnover is less than \$500,000.00. Upon the grant of a new IOL, the minimum URCA fee in the amount of \$3,000.00 prorated for the remaining period of the year of grant is levied.
- Spectrum Fees: Payable on spectrum (other than that acquired in Phase II of this RFP process) assigned to NewCo under an ISL or registrable class spectrum licence, Spectrum Fees will be invoiced annually in the first quarter of each year and are payable within 30 days of receipt of the invoice. Current Spectrum Fees are set out in URCA's Fee Schedule³². However, URCA has recently conducted a consultation on a revision to spectrum fees, the outcome of which URCA is seeking to implement in 2015³³. Spectrum fees are collected by URCA for and on behalf of the Government of The Bahamas. It should be noted that one of the proposals consulted on in URCA's review of spectrum fees is the introduction of a Spectrum Administration Fee to be collected and retained by URCA to cover the costs of spectrum management and administration.
- Tribunal Fee: This fee relates to the costs of the operation of the UAT, for which URCA is the collecting agency. URCA will issue invoices to licensees holding individual operating licences and registrable class operating licences as prescribed upon publication by the UAT of its estimated expenditure. It should be noted that the total amount invoiced in 2014 was 1,120,748.61, which amount is apportioned among relevant URCA licensees proportionate to their share of ECS revenues, subject to a minimum fee of \$500.00.
- Contribution to Universal Service Fund: URCA is in the process of establishing a USF³⁴ to recover the avoidable costs incurred by USPs in providing the USOs throughout The Bahamas. URCA is still preparing the required framework for USO, however contributions to the USF will be required once the extent of those avoidable costs are determined.

Specific Obligations

- 5.3.6 The Communications Act requires that licence conditions not unfairly discriminate between licensees to the greatest extent possible. Therefore URCA will issue to NewCo the standard form Individual Operating Licence (a draft is contained in **Appendix 3A**).
- 5.3.7 However, the Premium Spectrum granted under the ISL will permit the operation of a mobile network in The Bahamas. The legal limit on the introduction of further competition warrants the

³² [\[ECS 21/2013\]](#)

³³ [\[ECS 04/2014\]](#)

³⁴ See Appendix 3.

imposition of specific additional obligations related to the roll out, coverage, quality of service and technical standards to be met by the licensee.

- 5.3.8 These specific obligations are summarized in the remainder of this Section, and shall be set out in an Annex to the standard form ISL (a draft is contained in **Appendix 3B**). Measurement and reporting requirements in respect of these obligations shall be established by URCA following the completion of the RFP process.

Roll-out Obligations – Network Coverage

- 5.3.9 A critical objective of the introduction of competition in the cellular mobile market in The Bahamas is the delivery of choice of service to the public throughout The Bahamas. It is therefore a key policy imperative that the public in The Bahamas is able to access those services in the shortest possible time having regard to technical and economic feasibility of the Successful Applicant. NewCo shall therefore be subject to specific obligations to roll out a cellular mobile network within specific timeframes, and to offer services on that network to the public. It should be noted that in order to meet the roll out timeframes, the network built must meet all other network related requirements set out in this Section of the RFP.
- 5.3.10 Applicants must, at a minimum, demonstrate in their Proposals that they have the technical and financial resources to achieve the core network roll-out obligations set out below and commit to meeting those obligations.
- 5.3.11 Applicants may, in seeking to gain additional points for Phase II of the selection process, commit to achieve enhanced network roll-out as described below and in accordance with Section 7 of this RFP. In the event that the Applicant is the Successful Applicant, the commitments made in the Proposal (whether core or enhanced) will be included in the Annex to the ISL, and enforced by URCA as an obligation under the ISL.
- 5.3.12 At a minimum, the licensee will be required to establish a cellular mobile network with full **end-to-end network and service provisioning in The Bahamas**. The Applicant must commit in writing, in the form of a written declaration and evidenced in its submitted business and financial plan, to locate all facilities or procure all services required to provide end-to-end cellular mobile communications services to Bahamian consumers, in The Bahamas.³⁵
- 5.3.13 The cellular mobile network must be capable of providing services, in accordance with the core roll-out priorities and timeframes set out in Table 6 below. The licensee's cellular mobile network must provide coverage with the relevant signal strength set out in Table 7 below

³⁵ This includes, amongst others, the MSC, RAN, VAS, Packet Core, billing systems and other customer facing hardware. However the Successful Applicant may seek co-location or lease intra-and inter-island backhaul facilities from existing providers in The Bahamas.

(indoor/outdoor)³⁶, in all places on each island where persons habitually live and traverse (“Population Coverage”) at the percentage levels identified for each island in Table 6.

Table 6 – Core Network Roll-out Requirements

Roll-Out Phases (Time)	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Priority (Island Grouping)	within 6 months of ISL grant	within 12 months of ISL grant	within 18 months of ISL grant	within 24 months of ISL grant	within 36 months of ISL grant
Group 1 <ul style="list-style-type: none"> • New Providence (including PI), • Grand Bahama, • 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, • Bimini (including Cat Cay and Ocean Cay) 	75%	99% (85% on Andros)	99%	99%	99%
Group 2 <ul style="list-style-type: none"> • Cat Island, • Long Island, • San Salvador, • Berry Islands (including Big Strip Cay, Big Whale Cay, Chub Cay, Coco Cay, Fraziers Hog Cay, 	0%	75%	90%	99%	99%

³⁶

See ETSI 127.007 sub-clause 8.5, ETSI 127.007 sub-clause and ETSI 27.133 sub-clause 9.1.1.3.

Roll-Out Phases (Time)	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Priority (Island Grouping)	within 6 months of ISL grant	within 12 months of ISL grant	within 18 months of ISL grant	within 24 months of ISL grant	within 36 months of ISL grant
Frozen Cay, Little Harbour Cay and Little Whale Cay) <ul style="list-style-type: none"> • Inagua • Ragged Island 					
Group 3 <ul style="list-style-type: none"> • Acklins, • Crooked Island, • Long Cay, • Rum Cay, • Mayaguana 	0%	0%	75%	90%	99%
Group 4 <ul style="list-style-type: none"> • Exuma Cays (including Crab Cay, Bayview, Regatta Ridge, Norman's Cay, Elizabeth Island, Children's Bay, William Cay, Over Yonder Cay) 	0%	0%	0%	75%	80%

Table 7 - Required Indoor and Outdoor Signal Strengths

Technology	Minimum Field Strength (dBm)	Maximum Field Strength (dBm)
Wi-Fi	-100	-30
GSM	-113	-51
CDMA	-100	-75
HSPA	-105	-75
HSPA+	-105	-75
EVDO	-105	-65
LTE	-140	-44

Enhanced Network Roll-out Requirements (Optional)

5.3.14 In order to gain additional points in Phase I of this selection process, the Applicant may commit to establish a cellular mobile network which is capable of providing services, in accordance with the enhanced roll-out priorities and timeframes set out in Table 8 below. The licensee’s cellular mobile network must provide coverage with the relevant signal strengths set out in Table 7 (indoor/outdoor)³⁷ in all places on each island where persons habitually live and traverse (“Population Coverage”) at the percentage levels identified for each island in Table 8.

Table 8 – Enhanced (Optional) Network Roll-out Requirements

Roll-Out Phases (Time)	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Priority (Island Grouping)	within 3 months of ISL grant	within 8 months of ISL grant	within 12 months of ISL grant	within 18 months of ISL grant	within 24 months of ISL grant
Group 1	75%	99%	99%	99%	99%
<ul style="list-style-type: none"> • New Providence (including PI), • Grand Bahama, • Abaco (including Gorda Cay, Grand Cay, Great Guana Cay, Scotland Cay, Green Turtle Cay, Man-O- 		(85% on Andros)			

³⁷ See ETSI 127.007 sub-clause 8.5, ETSI 127.007 sub-clause and ETSI 27.133 sub-clause 9.1.1.3.

Roll-Out Phases (Time) Priority (Island Grouping)	Phase 1 within 3 months of ISL grant	Phase 2 within 8 months of ISL grant	Phase 3 within 12 months of ISL grant	Phase 4 within 18 months ISL grant	Phase 5 within 24 months of ISL grant
War Cay, Moores Island, Parrots Cay, Lubbers Cay, Tilloo Cay, Cornish Cay, Bridges Cay, Wood Cay), <ul style="list-style-type: none"> • Eleuthera (including Harbour Island, Spanish Wells, Russell Island Current Island), • Exuma (including Black Point, Little Farmers Cay, Staniel Cay and Stocking Island), • Andros, • Bimini (including Cat Cay and Ocean Cay) 					
Group 2 <ul style="list-style-type: none"> • Cat Island, • Long Island, • San Salvador, • Berry Islands (including Big Strip Cay, Big Whale Cay, Chub Cay, Coco Cay, Fraziers Hog Cay, Frozen Cay, Little Harbour Cay and Little Whale Cay) • Inagua • Ragged Island 	0%	75%	90%	99%	99%
Group 3 <ul style="list-style-type: none"> • Acklins, • Crooked Island, • Long Cay, • Rum Cay, • Mayaguana 	0%	0%	75%	90%	99%
Group 4 <ul style="list-style-type: none"> • Exuma Cays (including Crab Cay, Bayview, Regatta Ridge, Norman's 	0%	0%	0%	75%	80%

Roll-Out Phases (Time) Priority (Island Grouping)	Phase 1 within 3 months of ISL grant	Phase 2 within 8 months of ISL grant	Phase 3 within 12 months of ISL grant	Phase 4 within 18 months ISL grant	Phase 5 within 24 months of ISL grant
Cay, Elizabeth Island, Children's Bay, William Cay, Over Yonder Cay)					

Quality of Service Obligations

- 5.3.15 The cellular mobile network established, maintained and operated by NewCo will be required to meet certain minimum quality of service standards. The obligations are designed to ensure that the public in The Bahamas is able to access reliable, high quality mobile voice and data services in the shortest possible time and in line with those available in developed economies, having regard to their technical and economic feasibility.
- 5.3.16 URCA has advised the Government that it intends to introduce equivalent obligations by regulatory measure so as to ensure that all operators are required to meet the standards set out below.
- 5.3.17 Applicants must, at a minimum, demonstrate in their Proposals that they have the technical and financial resources to achieve the core quality of service standards set out in (i) (*Core Quality Service of Service Obligations*) below, and commit to meeting those obligations. In addition, Applicants may, in seeking to gain additional points during Phase I of the selection process, commit to meet enhanced quality of service standards as described in (ii) (*Enhanced Quality Service of Service Obligations*) below and in accordance with Section 7 of this RFP. In the event that the Applicant is the Successful Applicant, the commitments made in the Proposal (whether core or enhanced) will be included in the Annex to the ISL, and enforced by URCA as an obligation under the ISL.

(i) Core Quality of Service Obligations

Broadband Data Speed

- 5.3.18 The Applicant must commit to establish, maintain and operate an electronic communications network capable of providing to users with 90% confidence in all areas which it is required to cover pursuant to its roll-out commitments, a mobile broadband data service with a sustained downlink speed of not less than 2 Mbps when that network is lightly loaded.

Network Availability (data)

Broadband session availability of 99%

Network Availability (voice)

99.9%

Call Completion Rate

- (a) Average monthly completion rate across all cell sites - >99%
- (b) Average monthly completion rate in busiest cell site on each island - >95%
- (c) Average monthly completion rate for each cell site – >75%

Dropped Call Rate

- (a) Average monthly dropped call rate - <1%
- (b) Average monthly busy hour dropped call rate - <2%
- (c) Average monthly dropped call rate for the hour with worst performance- <3%

(ii) Enhanced Quality of Service Option

Broadband Data Speed

5.3.19 The Applicant may commit to establish, maintain and operate an electronic communications network capable of providing to users with 90% confidence in all areas which it is required to cover pursuant to its roll-out commitments, a mobile broadband data service with a sustained downlink speed of not less than 5 Mbps when that network is lightly loaded.

Network Availability (data)

Broadband session availability of 99%

Network Availability (voice)

99.9%

Call Completion Rate

- (a) Average monthly completion rate across all cell sites - >99%
- (b) Average monthly completion rate in busiest cell site on each island - >95%
- (c) Average monthly completion rate for each cell site – >75%

Dropped Call Rate

- (a) Average monthly dropped call rate - <1%
- (b) Average monthly busy hour dropped call rate - <2%
- (c) Average monthly dropped call rate for the hour with worst performance- <3%

Enhanced Social Commitment

5.3.20 Applicants may gain additional points during Phase I by committing to the following, as discussed in Section 7:

- exceeding the mandatory 51% Bahamian ownership requirement, by demonstrating that a greater percentage of NewCo will be legally and beneficially owned by Bahamians through HoldingCo, either at the time of initial subscription of the shares in NewCo or at a subsequent date;

Performance Bond

5.3.21 NewCo (or the Successful Applicant as appropriate) will be required, within fourteen (14) days of the issuance of the ISL contemplated pursuant to this RFP, to submit to URCA a performance bond substantially in the forms set out in **Appendix 4**, securing the performance by NewCo of the core obligations or enhanced commitments (as applicable) and taken into account by the Minister in the selection phase in accordance with Section 7 of this RFP.

5.3.22 The performance bond must be guaranteed (as surety) by a reputable financial institution authorised either by the Central Bank of The Bahamas or the Insurance Commission of The Bahamas to provide such services in The Bahamas.

National Roaming

5.3.23 NewCo will be required to meet the roll out and other obligations set out above. However The Bahamas, as an archipelagic nation with parts of its population distributed on remote islands in small communities, may present particular challenges for the quick roll out of services throughout the country. In determining their commercial approach to coverage, Applicants may be desirous of achieving coverage more quickly than possible through the roll out of their own network infrastructure.

5.3.24 To date, URCA has not made any regulatory decisions requiring national roaming. However, URCA has advised the Government that Proposals which contemplate national coverage using roaming on the incumbent's network **as an interim measure only** prior to achievement of the roll out requirements set out above, may be considered. In the event that URCA decides that the implementation of national roaming is appropriate, URCA would conduct any appropriate regulatory process (including consultation).

5.3.25 Applicants are advised that any national roaming proposals would only be considered as an INTERIM measure and cannot be used as an alternative to meeting the roll-out and coverage required by this RFP.

Interconnection

5.3.26 Any cellular mobile network launched in The Bahamas must enable communications between existing voice and other networks in order to deliver effective improvements in electronic communications in The Bahamas.

5.3.27 Accordingly, NewCo's network must, prior to launch of services, be interconnected (either directly or indirectly) with all other public telephone networks in The Bahamas, in respect of, at a minimum, the following services, both as the interconnection provider and interconnection seeker:

- a. Call Termination;
- b. SMS Termination (mobile networks only).

5.3.28 The Government understands that URCA intends, immediately upon issuance of a licence arising out of this process, to commence a process toward determining whether the new provider of cellular mobile services in The Bahamas has SMP in the markets for call termination on its own network. Any SMP designation may result in URCA imposing remedies specified in section 40(1) of the Communications Act in addition to the non-discretionary obligations in section 40(4) of the Communications Act.

Retail Charging Regime

5.3.29 Cellular mobile services in The Bahamas provided by BTC are currently under a Mobile Party Pays ("MPP") regime, which means that calls from a mobile phone are charged on the basis of Calling Party Pays ("CPP"), but calls from a fixed line to a mobile phone are charged on a Receiving Party Pays ("RPP") basis. URCA notes that this regime may not be preferred by a new provider and has therefore not made any regulatory measure to specify a retail charging regime. Applicants are invited to make submissions on their preferred retail charging regime for on-net and off-net calls, which will be considered by URCA as the sector regulator.

Mobile Number Portability

5.3.30 NewCo will be required to support and offer mobile-to-mobile number portability for all users on its network in islands where there is more than one mobile network operator, before being permitted to launch its mobile services in The Bahamas. In order to effect this, the Successful Applicant as NewCo's operational representative will be required to participate in the Number

Portability Working Group (NPWG) established by URCA to facilitate the implementation of number portability. The Successful Applicant and NewCo will be required to comply with the determinations made by URCA regarding number portability.

6. Proposal Requirements

This Section sets out the detailed provisions for the submission of Proposals in response to this RFP.

6.1 Clarification of the RFP

- 6.1.1 Any Registered Entity may seek clarification on any matter set out in this RFP, by submitting the request via the online data portal established for this process, followed by original printed copy sent by hand or mail, to:

Secretariat

Cellular Liberalisation Committee

Ground Floor

Teachers and Salaried Workers Co-operative Credit Union Business Complex

East Street South

Nassau, The Bahamas

Attn: Administrator

Requests for clarification may be submitted at any time prior to 5:00PM on 10th December, 2014.

- 6.1.2 Responses to all requests for clarification (submitted by the deadline³⁸) will be sent to all Registered Entities via the online data portal. However such responses shall not be construed as in any way amending, modifying or altering the meaning and intent of this RFP, unless the RFP is amended in accordance with Section 6.4 below.
- 6.1.3 Further details of how the clarification process will be undertaken via the online data portal will be made available to Registered Entities through the online data portal.
- 6.1.4 During this phase, prospective Applicants shall submit either initialed copies of the draft SHA in the final form in which they are released **or** initialed copies of the draft SHA with all of its comments/ and suggested mark-ups. A MS-Word version of the SHA will be provided to Registered Entities to facilitate this. The format in which comments should be submitted on the SHA is provided at **Appendix 9**. At the close of the Requests for Clarification period, the Task Force will consider the submissions received with a view to finalizing the draft SHA. The Task Force will post the final draft of the SHA in the online data portal within one (1) month of the close of the Clarification Phase to enable Applicants to comply with the requirements of Phase I of this process (See Section 7.2).

³⁸

Via the online data portal

6.2 Submission of Proposal

6.2.1 Proposals must be strictly in compliance with all provisions of this RFP and in the form provided in **Appendix 7**. Applicants are urged to carefully read and examine this RFP and all associated and referenced documents, as any failure to comply with any of its requirements, including packaging and format, may result in the disqualification and rejection of the Proposal.

6.2.2 Applicants must submit their Proposal in accordance with the following:

- i. Proposals may be submitted at any time after 9:00AM on 13th November 2014, and **must be received by the Secretariat no later than 2:00PM on 11th February, 2015** or such later time and date as may be determined and published by the Minister (the "Closing Date"). Any Proposal received after the Closing Date will not be accepted.
- ii. One original printed Proposal shall be submitted, together with eighteen (18) complete printed copies. The original and each copy of the Proposal shall be placed individually in a sealed, opaque package, marked only as follows:

GOVERNMENT OF THE BAHAMAS

APPLICATION FOR LICENCES FOR CELLULAR MOBILE NETWORK AND SERVICES IN THE BAHAMAS

PRINTED APPLICATION – "ORIGINAL" or "COPY #[] of [18]"

Secretariat

Cellular Liberalisation Task Force

Ground Floor, Teachers and Salaried Workers Co-Operative Credit Union Business

Complex

East Street South

Nassau, The Bahamas

Attn: Administrator

- iii. A sealed envelope containing a CD-R (read only) copy of the complete Proposal, in .pdf format, labelled only as follows:

GOVERNMENT OF THE BAHAMAS

APPLICATION FOR LICENCES FOR CELLULAR MOBILE NETWORK AND SERVICES IN THE BAHAMAS

ELECTRONIC APPLICATION

Secretariat

Cellular Liberalisation Task Force

Ground Floor, Teachers and Salaried Workers Co-operative Credit Union Business

Complex

East Street South

Nassau, The Bahamas

Attn: Administrator

- iv. A sealed envelope containing either a certified cheque for the Proposal Submission Fee or the proof of payment to the account listed below by wire transfer, marked only as follows:

GOVERNMENT OF THE BAHAMAS

APPLICATION FOR LICENCES FOR CELLULAR MOBILE NETWORK AND SERVICES IN THE BAHAMAS

APPLICATION FEE

Secretariat

Cellular Liberalisation Task Force

Ground Floor, Teachers and Salaried Workers Co-operative Credit Union Business

Complex

East Street South

Nassau, The Bahamas

Attn: Administrator

- v. Submission envelopes must not bear any logo or other corporate marking of the Applicant or any affiliated party.
- vi. The initials of the duly Authorised Person(s)³⁹ who has completed the declaration in the application must be inserted next to any alterations or erasures made in the Proposal.
- vii. In the event of any discrepancy between the copies of the Proposal (including the electronic copy), the original will govern. The declaration required to be submitted as part of the Proposal must be signed in the original and each copy of the Proposal.
- viii. Proposals must be valid for a period of six (6) months after the Closing Date. The Applicant shall, upon request by the Minister, extend the validity of the Proposal for a further period of three (3) months. Any further extension will be at the discretion of the Applicant.
- ix. An Applicant cannot modify or amend its Proposal after the Closing Date.
- 6.2.3 Where the Applicant is a Consortium, if a member of the Consortium (other than the person identified by the Consortium as the lead member) withdraws from the Consortium after submittal of a Proposal, the Applicant may, up to the time that the Qualified Applicants are determined, in accordance with Section 7.2.5, replace the member of the Consortium, provided that the Proposal may not be modified in any other way and all information required of any

³⁹ "Authorised Person" means any delegate, agent, manager, administrator, nominee, attorney or trustee who has been duly authorised by the Registered Entity in its Registration Form, to make all declarations and representations on its behalf in relation to this RFP.

Consortium Member is provided for the new member. No new Consortium Member shall have any interest, direct or indirect, in any previously undisclosed Consortium or more than one Consortium; or participate in this RFP Process in both its own name and as a Consortium Member. Additionally, the Consortium must explain the reason for the withdrawal and justify the replacement, whether by a new firm or existing Consortium Member(s). Any such replacement is subject to the consent of the Evaluation Committee (defined below). No change may be made to the lead member of the Consortium after a Proposal is submitted.

6.3 Proposal Submission Fee & Payment Instructions

6.3.1 A fee of **B\$25,000 (twenty five thousand Bahamian dollars)** has been established for this process ('Proposal Submission Fee'). The Applicant must submit the Proposal Submission Fee no later than the Closing Date for receipt of Proposals, payable by either of the following methods:

1. Certified cheque drawn on a Bahamian commercial bank made payable to the Public Treasury; or
2. Wire transfer to the following:

BAHAMIAN DOLLARS:

WIRE TRANSFERS TO THE BAHAMAS GOVERNMENT B\$ DEPOSIT FUND ACCOUNT AT THE ROYAL BANK OF CANADA

Destination (IBK): CHASUS33
JP Morgan Chase Bank
New York
ABA021000021

Pay To Bank (BBK): /00 1 1 188448
ROYCBSNS
Royal Bank of Canada
Nassau, The Bahamas

Beneficiary: Bahamas Government
B\$ Deposit Fund Account
No. 05625003110.191.4

Email: treasurydepartment@bahamas.gov.bs

US DOLLARS:

WIRE TRANSFERS TO THE BAHAMAS GOVERNMENT US\$ DEPOSIT FUND ACCOUNT AT THE ROYAL BANK OF CANADA

Destination (IBK): CHASUS33
JP Morgan Chase Bank
New York
ABA 021000021

Pay To Bank (BBK):	/00 1 1 188448 ROYCBSNS Royal Bank of Canada Nassau, The Bahamas
Beneficiary:	Bahamas Government US\$ Deposit Fund Account No. 05625003402.441.0
Email:	treasurydepartment@bahamas.gov.bs

6.3.2 The Applicant must submit, together with their Proposal, copy of original proof from the Applicant's bank (or a copy of a receipt from the Treasury Department⁴⁰) that the funds have been remitted to the Government's account. Applicants who propose to pay via bank transfer must ensure that the payment is made in the name of the Applicant, to ensure verification of receipt of the payment upon submission of the Proposal. Additionally, Applicants who pay via bank transfer must also send an email to treasurydepartment@bahamas.gov.bs to notify the Treasury Department that a payment was made, and indicating to which of the above accounts the payment was made. This email should also be copied to cellularliberalisation@bahamas.gov.bs.

6.3.3 The Proposal Submission Fee is non-refundable, and Proposals will not be considered unless the Proposal Submission Fee is received in full by or on the Closing Date. Proposals submitted without the payment of the Proposal Submission Fee will be returned unopened and shall not be considered in the RFP process.

6.4 Amendments to the Process

6.4.1 At any time prior to the Closing Date the Minister may, for any reason, modify the RFP by notification in writing to all Registered Entities.

6.4.2 Where the Minister makes what he reasonably believes to be a material amendment to the RFP, within fourteen (14) calendar days prior to the Closing Date, the Closing Date will be extended by fourteen (14) calendar days to allow Applicants adequate time to make any required adjustments to their Proposals.

6.4.3 The Minister reserves the right to take any action, in his sole discretion, that he considers necessary to ensure that the selection, evaluation and licensing of an Applicant meets the objectives of the Government.

⁴⁰ The Entity must also show original proof of payment

6.5 Cancellation of the Process

6.5.1 The Minister reserves the right to reject any and all Proposals, cancel all or part of this RFP, and waive any minor irregularities and to request additional information from Applicants. By requesting Proposals, the Minister is in no way obligated to accept a Proposal or pay expenses of the Applicant in connection with the preparation or submission of a Proposal.

6.6 Confidentiality

Confidential Information

6.6.1 All information in this RFP, and received pursuant to this RFP, shall be covered by the terms of the Non-Disclosure Agreement, submitted as part of the Registration Process, which shall remain in effect in conformity with its terms. This RFP and any documents, correspondence and information provided by the Government or URCA to any persons as part of this process comprise confidential proprietary information belonging to the Government of The Bahamas, and shall not be disclosed by any Registered Entity to any third party except as follows:

- i. The specific information is already in the public domain having been disclosed by the Government of The Bahamas; or,
- ii. The information is disclosed to the prospective Applicant's staff, agents, professional advisors, sub-contractor or any other person disclosure to whom is necessary to enable the Registered Entity to prepare its Proposal, provided that such person has first been made aware of the confidentiality of the information and is under an enforceable duty of confidentiality affording equivalent protection to this provision; or,
- iii. The information is disclosed pursuant to a requirement imposed by a governmental agency in any country the laws of which the Registered Entity is subject, save that where such disclosure is required, the Registered Entity shall notify the Government.

Announcements and Publicity

6.6.2 The Government of The Bahamas shall determine the timing and content of any and all announcements or public statements relating to any part of this RFP process. No Registered Entity shall make any public statements or release any information regarding this process without the prior approval in writing of the Government.

6.7 Ethical Behaviour

6.7.1 Registered Entities shall make no overtures, gifts, commission payments or any other form of inducement, whether pecuniary or non-pecuniary, direct or indirect, in an effort to gain an advantage in this process, to:

- i. any officer or official of the Government of The Bahamas, or any professional advisor to the Government of The Bahamas on any matter related to the process outlined herein; or,
- ii. any Board member, employee of URCA or professional advisor to URCA;

iii. any associate, affiliate or relative of any of the foregoing.

6.7.2 Any breach or attempt to breach this clause will result in immediate disqualification from further participation in this RFP process.

6.8 Conflicts of Interest

6.8.1 No person who:

- i. is an employee, consultant or professional advisor of the Government of The Bahamas or any agency of the Government in any capacity related to this RFP process, or who has been an employee, consultant or professional advisor of the Government or any agency of the Government in any capacity related to this RFP process may be engaged or solicited for advice in connection with this RFP process by a Registered Entity for the duration of the process ending with the award of the licence or cessation of the process where no licence is awarded; or
- ii. is a Director, employee, or professional advisor of URCA or who has been a Director, employee or professional advisor of URCA may be engaged or solicited for advice in connection with this RFP process by a Registered Entity within twelve (12) months after the award of a licence under this process or the cessation of the process where no licence is awarded.

6.8.2 Current and former Directors and employees of URCA are also bound by the provisions relating to conflicts of interests set out in the URCA Act.

6.9 Structure and Content of Proposal

6.9.1 Proposals and all supporting documents shall be in the English language (with an official translation of any document submitted, the original of which is in a foreign language) and shall contain, at a minimum, the information required to be supplied under **Appendix 5**, organised in sections as set out in **Appendix 7**. If the Applicant is a Consortium, the information required to be supplied under **Appendix 5** and all supporting documents must be submitted in respect of each Consortium Member.

6.9.2 The Applicant may submit, as part of its Proposal, any additional plans or information regarding its proposed services, which the Applicant considers relevant and which the Applicant wishes to be considered in the assessment of the Proposal.

6.9.3. **NB: Notwithstanding the foregoing, the Applicant must not, either within its Proposal or otherwise in any correspondence, conversation, meeting or otherwise, disclose to the Cellular Liberalisation Task Force, Evaluation Committee, any official of or advisor to the Government, or any Director, employee of or advisor to URCA, any information regarding the amount which the Applicant is prepared to commit to in Phase II of the selection process, except as required**

within that process. Any such disclosure will result in disqualification of the Applicant's Proposal.

7. Selection Process

7.1 Overview

7.1.1 The Successful Applicant will be selected through a competitive two-phase process:

Phase I – Financial and Technical Assessment
Phase II - Auction

7.1.2 **The Successful Applicant will be the Applicant having the highest combined scores from Phase I and Phase II. Each of the scores in Phase I and Phase II will account respectively for 50% of the Applicant's Total Score.**

$$\text{Applicant's Total Score} = \text{Applicant's Phase I Score} + \text{Applicant's Phase II Score}$$

7.1.3 **Applicants must meet the minimum requirements of Phase I (see Section 7.2.5) in order to qualify to participate in Phase II of the Selection Process.**

7.1.4 The Phase I score for each Applicant will be determined using the following formula:

$$\text{Applicant's Phase I Score} = (\text{Points Awarded to Applicant in Phase I} \div \text{Maximum Available Phase I Points}) \times 50$$

Section 7.2 below provides details of the criteria and weightings that will be used to assess Proposals in Phase I.

7.1.5 At the end of every round in the Auction, Phase II scores will be determined using the following formula, such that at the end of the Auction, Phase II scores shall be determined with reference to the final Auction round:

$$\text{Applicant's Phase II Score in Auction round } n = (\text{Financial Bid submitted by Applicant in round } n \div \text{Highest Financial Bid submitted in round } n) \times 50^{41}$$

7.1.6 Following the completion of the auction, the Successful Applicant will be determined in accordance with section 7.1.2 above and upon issuance of NewCo's shares, the Successful

⁴¹ Where the Applicant holding the Standing High Bid at the end of Auction round n-1 does not bid in Auction round n, its Financial Bid from round n-1 will be taken into account in calculating each Applicant's Phase II Score after Auction round n.

Applicant and HoldingCo will be issued 49% and 51% of those shares respectively. The IOL and ISL will be granted to NewCo, subject to the Successful Applicant (or NewCo as applicable) meeting all requirements set out in Section 8 of the RFP and in accordance with the processes set out therein. This will include the payment by NewCo to URCA of the value of the Financial Bid in the final round of the Auction.

7.2 Phase I – Financial and Technical Assessment

7.2.1 In this Phase, an evaluation committee appointed by the Government ("Evaluation Committee"), which will include representatives of URCA, will review Proposals to determine those applicants who meet the minimum requirements as set out below, and are therefore suitable to progress to Phase II and potentially be awarded the relevant licences. The requirements of this Phase and the information that shall be used to assess Proposals are described below.

URCA Pre-Assessment of Applicant Eligibility for Individual Licences

7.2.2 URCA will determine, based on the information set out in the Proposal and its own enquiries (as appropriate), whether the following, statutory and regulatory requirements are, or will be satisfied⁴²:

- i. NewCo will be a legal entity incorporated in The Bahamas;
- ii. The Applicant will conduct the administration and management of NewCo from premises in The Bahamas and commits to continuing to do so;
- iii. Each of the Applicant (or the Applicant's parent company, where the Applicant is a newly formed entity) and NewCo is a "fit and proper person" (**See Part 4 of Appendix 7**) to establish, maintain and operate a network or carriage system or use radio spectrum.

7.2.3 URCA will assess the Applicant to ensure that it complies with the basic requirements of the Communications Act and the Licensing Guidelines for a licence (as set out most notably in section 26(3) of the Communications Act). URCA will advise the Evaluation Committee in writing of those Applicants which meet the basic criteria. Failure to meet these criteria will render the Applicant ineligible to participate in Phase II of the process.

Evaluation Committee's Phase I Assessment of Proposals

7.2.4 Proposals will be assessed using the criteria and scoring set out in Table 9.

⁴² URCA will assess the Applicant to ensure that it complies with the basic requirements of the Communications Act and the Licensing Guidelines for a licence applicant (as set out most notably in Section 26(3) (a) to (c) of the Communications Act.

Table 9 Phase 1 Criteria and Weightings

Criteria	Maximum Available Phase I Score	Minimum Score Required to progress to Phase II
<p>General Core Criteria (See Appendix 5, Table 11) In order to be considered eligible for the award of the relevant licence, the Applicant must fulfil the following general requirements:</p> <ul style="list-style-type: none"> • A completed Proposal in the form set out in Appendix 7 of this RFP; • Compliance with the basic requirements of the Communications Act and Licensing Guidelines (the Pre-Assessment) to be conducted by URCA (See 7.2.2); • Commitment to Government’s ownership structure requirements and in particular the draft SHA, as revised in accordance with Section 6.1.4. 		<p>Applicants must satisfy all general core requirements in order to progress to Phase II. No scores will be applied to this category.</p>
<p>Financial Criteria (See Appendix 5, Table 12) The Applicant must demonstrate that it has the necessary financial resources to provide the services outlined in its Proposal, and to meet all roll-out and other commitments contained in the RFP (and the template licences included in the RFP), as well as any enhanced commitments made by the Applicant.</p>	25	25
<p>Technical Criteria (See Appendix 5, Table 13) The Applicant must demonstrate that it has sound technical and business plans for providing cellular mobile coverage and service provision using the spectrum to be auctioned. The Applicant must also demonstrate that it has the resources and expertise to implement these plans, such that it can meet the core coverage, roll out and quality of service requirements set out in the template licence included in the RFP, as well as any enhanced commitments made by the Applicant. The Applicant’s business plan must include marketing and pricing strategies, proposed customer service standards, financial plan, personnel plan and local benefits plan.</p>	70	55
<i>Track record and capability</i>	5	5
<i>Technical Proposal</i>	10	10
<i>Roll-out Plans</i>	10	5
<i>Core (5 marks)</i>		
<i>Enhanced (10 marks)</i>		
<i>Quality of Service (QOS)</i>	10	5
<i>Core (5 marks)</i>		
<i>Enhanced (10 marks)</i>		
<i>Business Plan⁴³</i>	35	30

⁴³ In order to score the minimum points for the Business Plan, Applicants must score the minimum points allotted for each of the sub-criteria under the Business Plan (See Appendix 5, Table 13, 9a – 9f)

Criteria	Maximum Available Phase I Score	Minimum Score Required to progress to Phase II
<ul style="list-style-type: none"> • <i>Market Assessment (10 marks)</i> • <i>Roll-out of Services (5 marks)</i> • <i>Financial Plan (5 marks)</i> • <i>Customer Service Standards/Processes (5 marks)</i> • <i>Applicant's Personnel Plans (5 marks)</i> • <i>Local Benefits Plan (5 marks)</i> 		
Enhanced Social Commitment (See Appendix 5, Table 14)	5	N/A
<i>Additional Bahamian Ownership (5 marks).</i>	5	N/A
Total Phase I Points	100	85⁴⁴

7.2.5 **Applicants must satisfy the General Core Criteria, obtain a minimum total score of 85 AND meet the minimum score in each sub-criteria (as set out in Table 9 above and Appendix 5) in order to qualify to participate in Phase II of the Selection Process ('Qualified Applicants').** An Applicant could therefore choose not to make all of the Enhanced Commitments and still qualify for Phase II, provided that it meets the minimum score in Phase I. To qualify, however, an Applicant must score more than the minimum number of points in at least one part of the Technical Criteria, or by offering the Enhanced Social Commitment.

7.2.6 The Evaluation Committee will mark the Proposals against the selection criteria in Table 9 and described below. Further details on the information that Applicants will be expected to provide in order to demonstrate compliance with each requirement are set out in **Appendix 5** of this RFP.

General Core Criteria

7.2.7 In order to be considered eligible for the award of the IOL and ISL, the Applicant must fulfil the general requirements as outlined in Table 11 of Appendix 5, which includes:

- A completed Proposal in the form set out in Appendix 7;
- Compliance with the basic requirements of the Communications Act and Licensing Guidelines to be determined by URCA's Pre-assessment (see above); and

⁴⁴ In order to obtain the minimum total score of 85, Applicants must achieve (i) the minimum scores for each sub-criteria and (ii) at least five additional points either through (a) the selection of enhanced commitments or (b) by achieving higher than the minimum score for the Business Plan.

- Compliance with Government’s ownership structure requirements.

Ownership Structure

7.2.8 The Government is committed to ensuring that the ECS has the broadest possible ownership participation by the people of The Bahamas, and is using the liberalisation of the cellular mobile market as an impetus to achieve this objective. Accordingly, the Government has outlined the following principal objectives under which the issuance of the relevant licences for a new provider of cellular mobile services in The Bahamas would be considered:

- that NewCo will be formed specifically for the purpose of holding the relevant licences for operating the second cellular mobile network and providing cellular mobile services;
- for the people of The Bahamas to hold the majority equity ownership interest (51%) in NewCo through HoldingCo ;
- for the equity ownership by the people of The Bahamas in HoldingCo to be as widely distributed as possible, to facilitate the broadest possible participation;
- for board and management control and strategic policy-making of NewCo to be vested with the Successful Applicant, subject to certain veto rights by HoldingCo.

7.2.9 In order to facilitate the timely formation of NewCo and commencement of operations, the Government’s primary role will be to facilitate the immediate transfer of shares to Bahamian private investors at the time that HoldingCo is formed. Secondly, and if necessary, the Government is prepared to serve as the initial and sole shareholder of HoldingCo. However, the Government’s shareholding in HoldingCo would only be temporary in nature, pending an offering of the shares in HoldingCo to eligible investors⁴⁵. The Successful Applicant and HoldingCo will be responsible for their pro-rata share of the costs associated with the start-up and initial operations of NewCo. As part of the process envisaged in this RFP, the Successful Applicant will be required to present a schedule of projected capital injections (as part of its business plan) for the initial roll-out phase based on forecasts of capital and operating expenditure over the build out and initial phases of operations. This schedule will be reviewed and agreed between the Successful Applicant and HoldingCo once the Successful Applicant has been selected, but before the licences are issued. The associated capital injections set-out in the agreed schedule will be funded by its shareholders in proportion to their shareholdings in NewCo, as and when such funding is required and in line with the timing set out in the agreed schedule. All of the costs of NewCo associated with the Performance Bond at Appendix 4 shall be paid by the Successful Applicant. Save for nominal cost overruns (“Cost Overruns”), the consent of HoldingCo shall be required before the shareholders in NewCo may be called upon to contribute to any costs and expenses of NewCo which are not included in the agreed schedule of capital and operating expenditure. The funding of the agreed expenditure shall not be made by way of debt unless agreed by HoldingCo. Further details of the proposed funding arrangements may be found in the draft SHA. In addition to the obligations and commitments specified in this

⁴⁵ As defined in the draft Shareholder’s Agreement

RFP, the SHA will include various other obligations of the Successful Applicant and HoldingCo. For example, the Government may, if it considers it necessary, require that the Successful Applicant procures that NewCo extends network coverage to Long Cay, Mayaguana and the Exuma Cays (and in particular Over Yonder Cay, Children's Bay Cay, William Cay, and Norman's Cay) sooner than the times specified in Tables 6 or 8 (as applicable).

Financial Core Criteria

- 7.2.10 The Applicant must demonstrate that it has the necessary financial resources to provide the services outlined in its Proposal, and to meet all core roll-out and other commitments contained in the RFP and the template licence included in this RFP, as well as any Enhanced Commitments made by the Applicant. Please refer to Table 12 of Appendix 5 for details on the information that will be assessed to determine compliance with the financial core criteria.

Technical Core Criteria

- 7.2.11 In order to achieve the minimum points in the Technical Core Criteria, the Applicant must demonstrate that it has sound technical and business plans for providing cellular mobile coverage and service provision using the spectrum to be auctioned. The Applicant must also demonstrate that it has the resources and expertise to implement these plans, such that it can meet the core coverage, roll out and quality of service requirements set out in the template licence included in this RFP, as well as any Enhanced Commitments made by the Applicant. Please also refer to Table 13 of Appendix 5 for details on the information that will be assessed to determine compliance with the technical core criteria.

Enhanced Commitments

- 7.2.13 The Minister recognises that the provision of rights to use spectrum in the Premium Spectrum bands will offer Applicants valuable commercial opportunities to provide cellular mobile services in The Bahamas. Furthermore, as reflected in the Communications Act, the objectives of the electronic communications sector policy includes promoting investment, innovation and sustainable competition, to further the interests of persons in The Bahamas.
- 7.2.14 In light thereof, it is important that Applicants be prepared to ensure that the services offered contribute significantly to the development of the Bahamian economy and society.
- 7.2.15 The Minister also recognises that different Applicants may wish to offer different levels of commitments depending on their specific commercial strategies. Applicants can earn additional points by providing Enhanced Commitments as set out below. Please refer to Table 14 of Appendix 5 for details on the information that would be required so that the Evaluation Committee could assess the Enhanced Commitments. Applicants must provide convincing evidence to the Evaluation Committee that these commitments have been reflected in the

business plan of the Applicant and that the Applicant has the technical and financial capacity to deliver the commitments made. For the avoidance of doubt, the Evaluation Committee will only award points to Applicants where this evidence is provided.

Enhanced Commitments: Electronic Communications Service Benefits

7.2.16 The Applicant commits, in the event that it is successful, to provide electronic communications services of a quality and coverage that would further the achievement of the ECS Policy objectives in a way that materially exceeds the outcomes that would be achieved by the Licensee meeting only the basic requirements included in the template Licences included in this RFP.

7.2.17 In making proposals for providing Enhanced Electronic Communications Services, Applicants may commit to provide:

- Improved access to new technologies via faster roll out (see the Enhanced Network Roll out Requirements (Table 8) in Section 5.3);
- Enhanced quality of services, through higher minimum download speeds (see Enhanced Quality of Service Option in Section 5.3).

Enhanced Social Commitment: Additional Bahamian Ownership

7.2.18 The Applicant may also demonstrate its willingness to provide wider benefits to Bahamians and/or the Bahamian economy, by committing to the following, in the form of a written declaration and evidenced in its submitted business and financial plan:

- exceeding the mandatory 51% Bahamian ownership requirement, by demonstrating that a greater percentage of NewCo will be legally and beneficially owned by Bahamians through HoldingCo, either at the time of initial subscription of the shares in NewCo or at a subsequent date.

Binding Nature of Applicant's Commitments

7.2.19 For the avoidance of doubt, all commitments given in this Phase will be binding.

7.2.20 Specifically and without limitation to the above:

- Any commitments relating to the provision of cellular mobile and other telecommunications services that the Successful Applicant makes in its Proposal will be reflected in licence conditions in the ISL and IOL awarded, and secured by an irrevocable performance bond provided to URCA by the Licensee guaranteed by a Bahamian commercial bank (as Surety), in the form included in **Appendix 4**. Consequently, these commitments made by the Successful Applicant in its Proposal will be binding such that failure to meet its commitments could result in its licence being revoked or URCA taking other enforcement measures.

- Any commitments made by the Successful Applicant in its Proposal pertaining to ownership structure requirements as set out in the SHA,⁴⁶ additional Bahamian ownership through HoldingCo (if applicable), and the up-skilling of suitable Bahamians to fill key management/executive/specialist positions,⁴⁷ will be incorporated in the final Shareholders' Agreement between the Successful Applicant and HoldingCo.

Clarification of Proposals

7.2.21 At any stage in its review, the Evaluation Committee may seek clarifications from Applicants concerning any aspect of their Proposals. If such clarification is sought, Applicants must respond to the Evaluation Committee in the manner and within the timeframes stipulated by the Evaluation Committee on a case-by-case basis. Applicants are reminded however that this process would not be used by the Evaluation Committee to rectify a failure by the Applicant to submit, by the Closing Date, all required information, which failure may result in disqualification from the Selection Process.

Notification of Qualified Applicants

7.2.22 Upon completion of its assessment, the Government will notify Qualified Applicants individually and in writing of their qualification for Phase II. This notification will set out to each Applicant its Phase I Score. However, the Government will not disclose other details of the evaluation by the Evaluation Committee and will maintain confidentiality over the information submitted by all Applicants in Phase I. In its notification to Qualified Applicants, the Government will invite those Applicants to participate in Phase II, the Auction Phase of the Process. Upon completion of its assessment, the Government will also notify in writing any Applicants that have not qualified for Phase II.

7.2.23 This stage of the process is expected to take a maximum of thirty (30) days from the Closing Date for submission of applications.

7.3 Phase II – Auction of Spectrum Blocks

7.3.1 Following the selection of the Qualified Applicants, Qualified Applicants will be invited to participate in an auction process, administered by URCA on the Government's behalf.

7.3.2 This Section of the RFP describes the form of auction that will be used and is provided in order to enable Applicants to consider in advance their strategies and gauge any additional support they may need in order to participate in the auction phase.

⁴⁶ As revised in accordance with Section 6.1.4

⁴⁷ As per any commitment made as part of the Applicant's Business Plan in response to this RFP.

Pre-Auction Process

Issuance of Auction Rules and Pre-Auction Payment

- 7.3.3 The description of the Auction process provided in this RFP is for general guidance only. The Auction to be conducted will be based on the processes, procedures and rules set out in the Auction Rules as prepared by URCA on behalf of the Minister, and nothing in this RFP should be construed as limiting the discretion of the Minister or URCA in relation to the conduct of the Auction or the contents of the Auction Rules.
- 7.3.4 The Auction Rules, including instructions to Qualified Applicants, will be provided to all Applicants as soon as practicable following the Closing Date for the submission of applications pursuant to this RFP. Within seven (7) days of receipt of a notification that it is a Qualified Applicant, each Qualified Applicant shall return to URCA a signed copy of the Auction Rules signifying acceptance of the terms and conditions therein, and shall submit to URCA an irrevocable bond issued in the form of a bank guarantee from a commercial bank registered in The Bahamas to secure its right to participate in the Auction Phase (the “Pre-Auction Payment”). The Pre-Auction Payment shall be specified in and shall be made in accordance with the terms of the Auction Rules.
- 7.3.5 The Pre-Auction Payment is submitted for the purpose of guaranteeing the Qualified Applicant’s ability to participate in the Auction and meet the payment of any spectrum award in the event that the Qualified Applicant is successful in the Auction Phase. The Pre-Auction Payment will be:
- **returned** to the Successful Applicant upon receipt of all fees and amounts payable in respect of the IOL and ISL to be granted;
 - **refunded** in full to each Qualified Applicant, which is unsuccessful in the Auction Phase (within fourteen (14) days of the issuance of the licences to the Successful Applicant), provided that the Applicant has not breached any of the Auction Rules;
 - **forfeited** by any Qualified Applicant that has breached any of the Auction Rules including any failure to participate in the Auction (an “Event of Default”);⁴⁸
- 7.3.6 The Auction will commence after the notification of Qualified Applicants, but no earlier than one (1) month after the Auction Rules are issued. During the intervening period, URCA shall conduct at least one mock auction, in order to enable Qualified Applicants to familiarise themselves with the auction protocols. URCA will advise Qualified Applicants of the date and time for the commencement of the Auction, and will provide a proposed schedule for the Auction Rounds to be conducted on the first day.

⁴⁸ Details of the terms and conditions on which the Pre-Auction Payment is held, including the Events of Default, shall be included in the Auction Rules.

Auction Format

- 7.3.7 The Auction will be conducted as a multi round ascending auction, conducted online through a dedicated secure software platform (the “Auction Software Platform”).
- 7.3.8 Along with the full Auction Rules, Applicants will also be sent a User Manual providing instruction in using the Auction Software Platform and the IT requirements for accessing the Auction Software Platform. It will be the responsibility of the Applicants to ensure the reliability of their internet connections to the webpage on which the Auction Software Platform is hosted. The Auction Software Platform will be developed so as to ensure the integrity and security of all information entered by Applicants to the Auction Software Platform and will include authentication keys to ensure that only the Authorised Persons of Qualified Applicants are able to enter bids. URCA will appoint an Auction Software Provider to manage the Auction Software Platform. In so doing, URCA will seek to ensure the independence of the Auction Software Manager.
- 7.3.9 Whilst the Government and URCA will endeavour to ensure that the Auction Software Platform and website on which it is hosted are available to Qualified Applicants, neither the Government nor URCA makes any guarantee or representation that the Software Platform and website will be continuously available or available at any particular time. Further, neither the Government, nor URCA gives any commitment that these will be error free, that defects will be corrected or that the website or Auction Software Platform or their supporting systems will be free of viruses or bugs.

Description of the Auction Phase

- 7.3.10 The Auction Phase will allow Qualified Applicants that have submitted the Pre-Auction Payment in accordance with the Auction Rules and accepted the terms and conditions thereof (hereinafter the "Bidders") to make bids of the amount each is willing to pay (a “Financial Bid”) for the Premium Spectrum made available to the Successful Applicant as set out in Section 4 (hereinafter, “Spectrum Lot”).
- 7.3.11 The Successful Applicant will then be chosen as that Bidder which has, at the end of the Auction, scored the highest Total Score, taking into account the Applicants’ Phase I Score and its Phase II Score and applying the appropriate weightings (using the formulae set out in Paragraphs 7.1.2 through 7.1.5 above).
- 7.3.12 The Auction will be conducted in successive rounds (each an “Auction Round”) which will allow the submission by each Bidder of one Financial Bid, and simultaneous receipt by URCA of all Financial Bids submitted.

Reserve Price

- 7.3.13 Prior to the Auction Phase, the Government or URCA will set a minimum bid price (i.e., Reserve Price) attached to the Spectrum Lot made available to the Successful Applicant. For the licences to be granted, the last valid Financial Bid of the Standing High Bidder at the end of the Auction Phase must exceed the Reserve Price attached to the Spectrum Lot.
- 7.3.14 The Government, or URCA upon the direction of the Government in its sole discretion, may inform Qualified Applicants of the Reserve Price at any stage in the auction process as the Government considers appropriate having regard to its overall objectives in respect of the selection process.

The First Auction Round

- 7.3.15 In the First Auction Round, Bidders will be invited to submit a Financial Bid for the Spectrum Lot.
- If the Reserve Price is known, a Financial Bid must exceed the Reserve Price on the Spectrum Lot to be a valid bid.
 - If the Reserve Price is unknown, Bidders will be informed once their Financial Bid in a given round exceeds the Reserve Price.
- 7.3.16 Bidders will be able to place their bids using the Auction Software Platform and within a specific period of time, which will be advised by URCA, and monitored and controlled by the Auction Software Platform.
- 7.3.17 Following the close of the round, the Bidder who has placed a Financial Bid which results in that Bidder having the highest Total Score (i.e. taking into account the Applicants' Phase I Score and their Financial Bids and applying the appropriate weightings using the formulae set out in Paragraphs 7.1.2 through 7.1.5 above) will be declared to be the Standing High Bidder. Should two or more Bidders tie for the highest Total Score, the Auction Software Platform will determine the identity of the Standing High Bidder, in line with the Auction Rules⁴⁹. At the end of the round, therefore, the highest Total Score will be announced, and each Bidder will be given its own Total Score and the minimum amount it must bid in the next Auction round in order for that bid to be a Valid Financial Bid.
- 7.3.18 Any Bidder who has not placed a bid will be eliminated from the Auction and so unable to participate in future rounds. Failure to place a Financial Bid in the First Auction Round may also lead a Bidder forfeiting some or all of their Pre-Auction Payment.

⁴⁹ The Bidder with the higher Phase I Score will be the Standing High Bidder. If the Phase I Scores are also tied, an electronic random number generator will be used to select the Standing High Bidder.

Subsequent Auction Rounds

7.3.19 In subsequent Auction Rounds, remaining Bidders will be invited to submit a revised Financial Bid. Any Bidder who was not declared the Standing High Bidder at the end of Auction Round “ n ” must place a valid revised Financial Bid in round “ $n+1$ ”. A Bidder declared to be the Standing High Bidder at the close of Auction Round n , may choose not to submit a bid in Auction Round $n+1$, whilst retaining eligibility to bid in Auction Round $n+2$. To be valid, a revised Financial Bid in round $n+1$ must be:

- (i) Of an amount which would lead to the Bidder achieving a Total Score greater than the Total Score achieved by the Standing High Bidder in round n , assuming no other bids were placed in round $n+1$; and
- (ii) Greater than the Bidder’s previous Financial Bid.

7.3.20 At the close of each round:

- (i) The Bidder who has placed a Financial Bid which results in that Bidder having the highest Total Score (i.e. taking into account the Financial Bids made by the Bidders in the round, the Bidders Phase I Scores, and the relative weightings of Phase I Scores and Phase II Scores as set out in Paragraph 7.1.2 above) will be declared to be the Standing High Bidder. Should two or more Bidders tie for the highest Total Score, the Auction Software Platform will determine the identity of the Standing High Bidder, in line with the Auction Rules⁵⁰.
- (ii) The highest Total Score will be announced, and each Bidder will be provided with its own Total Score and the minimum amount it must bid in the next Auction round in order for that bid to be a Valid Financial Bid.
- (iii) Any Bidder, who has not placed a valid bid in that Round and was not the Standing High Bidder at the start of the Round, will be eliminated from the Auction.

7.3.21 To ensure the Auction Phase is completed as efficiently as possible and at the lowest cost to bidders, URCA intends to run a number of Auction Rounds in a single business day, and over consecutive business days if more than one day is required. In the event that the Auction is not completed within one day, a full timetable for the next day’s Auction Rounds will be provided to Bidders after the close of the final Auction Round of each day. Notwithstanding the foregoing, URCA may postpone the start of an Auction Round at any time if the value of bids in the previous round has exceeded the value of the Pre-Auction Payments provided prior to the First Auction Round, so that bidders still participating in the Auction can provide new bid bonds.

⁵⁰

ibid.

End of the Auction

7.3.22 The Auction will continue with successive Auction Rounds until the close of an Auction Round in which no valid Financial Bids are placed. At the close of this Auction Round the Auction will end and URCA will notify the results of the Auction to the Government.

8. Post Selection Process

8.1 Notification to Unsuccessful Applicants

8.1.1 The Government will, at the conclusion of the Auction Process, write to all unsuccessful Applicants to advise that their bids were unsuccessful. In doing so, the Government shall not provide any information regarding applications submitted by other persons.

8.2 Notification to URCA and Announcement of Auction Result

8.2.1 Following the conclusion of the selection of the Successful Applicant, and any subsequent negotiations, the Government will notify URCA in writing that it should commence the process for the issuance of licences to NewCo, in which the Successful Applicant will be 49% shareholder. The notification by the Government will attach a copy of the Successful Applicant's Proposal, and shall be regarded as an application to URCA for the relevant licences.

8.2.2 The Government shall determine the timing of the announcement of the outcome of this RFP process. The Successful Applicant may be required to participate in any press conference, joint statement or other process to publicize the outcome of the process. No other announcement or release shall be made save with the Government's expressed prior written approval.

8.3 Post Auction Letter

8.3.1 Within seven (7) days of receiving notice from the Government under Section 8.2.1., URCA shall write to the Successful Applicant advising of:

- i. the anticipated date of issuance of the IOL and ISL contemplated under this RFP (which shall be no later than thirty (30) days after receipt of the notification from the Government of the results of the Auction and receipt of all relevant documents and approvals);
- ii. the status of any requests for Standard Spectrum that the Successful Applicant may have made together with its Proposal, and required next steps to effect the necessary application(s) including any further documentation to be submitted;
- iii. the status of any requests for numbering resources that the Successful Applicant may have made together with its Proposal, and required next steps to effect the necessary application(s) including any further documentation to be submitted;
- iv. the fees and other amounts payable in respect of the IOL and ISL, including:
 - a. the URCA Licence Application Fee in the amount of \$5,000;
 - b. the Successful Applicant's Financial bid from the Auction;

- c. the initial URCA Fee calculated in accordance with URCA's Fee Schedule;
- d. the initial Communications Licence Fee;
- e. the applicable Spectrum Licence Fees for all spectrum licences to be granted to NewCo; and,
- f. any UAT Fees due as at the date of completion of the Auction.

8.3.2 NewCo (or the Successful Applicant as applicable) shall, no later than five (5) business days before the anticipated date of issuance of the IOL and ISL as notified by URCA in the above mentioned communication:

- (i) provide any further information or documents required by URCA; and,
- (ii) pay to URCA all fees as notified.

8.3.3 Upon receipt of all required fees and payments, URCA will return the Successful Applicant's Pre-Auction Payment.

8.3.4 URCA will also, within fourteen (14) days of the issuance of the IOL and ISL, return the Pre-Auction Payments to all unsuccessful Qualified Applicants, where appropriate (i.e. where an Event of Default has not occurred in relation to any such Pre-Auction Payment).

8.4 Issuance of IOL and ISL

8.4.1 Following receipt of all payments notified in 8.3 above, and provided that the Successful Applicant has obtained all required Government approvals, the licences will be issued by URCA as follows⁵¹:

- i. An **Individual Operating Licence (IOL)** in the form set out in **Appendix 3A**, authorising the licensee to establish, maintain and operate an electronic communications network and provide carriage services. The IOL is a technology and service neutral authorisation and therefore, subject to compliance with the terms and conditions contained in the IOL and the regulatory framework set out in the Communications Act and URCA's regulatory measures, the licensee will be authorised to establish its network using technology or technologies and to provide any electronic communications services in The Bahamas.
- ii. An **Individual Spectrum Licence (ISL)** in the form set out in **Appendix 3B** with appropriate amendments to the Annex to include the enhanced commitments made by the Successful Applicant in its Proposal, authorising the exclusive use of the specified bands of Premium Spectrum which the Applicant successfully acquired pursuant to this RFP. The ISL will be

⁵¹ The IOL and ISL to be issued by URCA are in standard form. However, specific obligations and enhanced commitments made by the Successful Applicant in its Proposal will be contained in an Annex to the ISL.

technology neutral and unrestricted in that, subject to compliance with the terms and conditions contained in the ISL, the regulatory framework set out in the Communications Act, and URCA's regulatory measures, the ISL will permit the use of the assigned spectrum for the deployment of any network technology. Further, the ISL will not contain the restriction on the provision of cellular mobile services giving effect to section 114 of the Communications Act, so the licensee will be the second authorised cellular mobile service provider in The Bahamas.

- iii. The IOL and the ISL issued to NewCo will be national in scope⁵² and will therefore permit the licensee's network and services to be operated and provided throughout The Bahamas.
- iv. The licences will be granted for a period of fifteen (15) years.

8.4.2 In the event that the Successful Applicant is unable to meet all preconditions for the issuance of the ISL and IOL due to the lack of any required approvals or for any other reason, within fourteen (14) days of the anticipated date of issuance as notified under 8.3 above, the Government may disqualify the Successful Applicant. In such circumstances, the Government may declare the **next best candidate based on the combined results of Phases I and II as the Successful Applicant and the Pre-Auction Payment will not be returned to the disqualified Applicant.**

8.4.3 URCA shall commence the processing of any other applications submitted by the Successful Applicant for licences or telephone numbers upon the issuance of the IOL and ISL, in accordance with the established timeframes for the relevant application.

8.5 Submission of Performance Bond

8.5.1 No later than fourteen (14) days after the issuance of the licences referred to above, the Licensee must submit to URCA the Performance Bond in the form set out in **Appendix 4**, which form shall be amended as appropriate to reflect and secure the relevant enhanced commitments made in the Licensee's Proposal.

8.5.2 All Applicants agree by participating in the RFP process that any failure to submit, or delay in submitting, the Performance Bond shall be considered an irreparable breach of the ISL.

8.6 End of RFP Process

8.6.1 This RFP process shall terminate with the issuance of the relevant licences to the NewCo following determination of the Successful Applicant, or termination of the process by the Government.

⁵² The IOL will be national in scope subject to any additional approval that may be required by the Grand Bahama Port Authority to operate a business in the Freeport Area. See Section 3.4. above.

Schedule 1 – Non-exhaustive List of Key Documents

The following is a non-exhaustive list of key regulatory documents. Please refer to URCA's website (www.urcabahamas.bs) for all regulatory instruments that govern the ECS.

- Legislation
 - Utilities Regulation and Competition Authority Act 2009 (as amended)
 - Communications Act 2009 (as amended)
 - Utilities Appeals Tribunal Act 2009
 - Physical Planning and Subdivision Act 2010
 - Physical Planning and Subdivision Regulations
- ECS Policy
- URCA Annual Report 2013 and Annual Plan 2014
- Regulatory Documents
 - Licensing Guidelines
 - National Spectrum Plan
 - Number Portability Determinations
 - Consumer Protection Regulations
 - Bahamas National Numbering Plan
 - Complaint Handling Framework
- Interconnection and Access
 - Access and Interconnection Guidelines
 - BTC Reference Access and Interconnection Offer

Appendix 1 – Overview of The Bahamian Economy⁵³

No representation or warranty, express or implied, is given by the Government, the Cellular Liberalisation Task Force or any of their officials, officers, employees or advisors as to the accuracy, fairness, sufficiency or completeness of the information, opinions or beliefs contained in this RFP. Registered Entities are accordingly required to conduct their own due diligence and seek their own advice prior to any decision to participate in this opportunity.



General

The Bahamian economy is highly dependent upon the tourism and financial services industries. These two sectors of the economy, which include tourism-driven retail sales, real estate, construction and manufacturing, together traditionally account for approximately 55% of total GDP and over 60% of

⁵³ Please note that the statistics in this Appendix can be located on the websites of the Department of Statistics, the Ministry of Tourism and the Central Bank of The Bahamas.

employment. Tourism has accounted for an estimated 40% of GDP over the last five years and has employed, directly or indirectly, over half of the workforce. In 2012, The Bahamas attracted approximately 5.9 million visitors, who spent approximately \$2.4 billion in the country. More than 75% of these visitors were from the United States. Over the past several years, the Government has intensified efforts to improve the competitiveness of the tourism sector, principally by promoting new investment in hotels and other facilities, improving infrastructure, developing and enhancing tourist attractions and expanding marketing efforts.

The financial services sector (which consists primarily of banking and insurance services) has also historically accounted for a significant percentage of GDP. The Bahamas has traditionally been an attractive jurisdiction for offshore financial services businesses because of its favourable tax regime and legislative environment. In 2000, a compendium of legislation was enacted to strengthen the regulatory and supervisory regime to bring the financial sector into compliance with international “best practices” standards and to enhance the attractiveness of The Bahamas as an offshore financial services centre. The Government sector also plays a significant role in the Bahamian economy.

The following table sets forth summary GDP information for each of the years from 2009 through 2013.

	Years Ended December 31,				
	2009	2010	2011	2012	2013
The Economy:					
Nominal GDP (in millions) ⁽¹⁾	\$7,820.00	\$7,910.00	\$7,931.00	\$8,219.00	\$8,420.00
Increase (decrease) in nominal GDP (%) ⁽²⁾	(5.2)%	1.1%	0.3%	3.6%	2.5%
Population (in thousands) ⁽¹⁾	342	347	351	355	359
Estimated increase (decrease) in real GDP (%) ⁽²⁾	(4.2)%	1.5%	1.1%	1.0%	0.7%

(1) Represents data compiled by the Department of Statistics.

(2) Represents Department of Statistics estimates.

Source: Department of Statistics.

The Bahamian economy is an open economy and, as a result, reflects fluctuations in trade and investments much more readily than a closed economy. The external sector of the Bahamian economy is largely driven by the international services sector, which consists primarily of tourism and financial services. The Bahamas usually has a current account deficit because it imports significant volumes of goods and services to support the tourism industry. This deficit generally increases when foreign direct investments increase. The current account deficit has, however, been offset by a continuing capital

account surplus due to the inflow of capital into the economy, particularly in connection with new investment in tourist facilities.

Over the past three years, the Bahamian economy has been steadily recovering from the global economic downturn and, in particular, from the sharp decline in the U.S. market. Preliminary estimates indicate that real GDP in The Bahamas grew by 0.7% in 2013, compared to growth of 1.0% and 1.1% in 2012 and 2011, respectively. The moderate improvement in economic activity during this period was attributable primarily to growth in the tourism and construction sectors and from increased foreign direct investment, which led to reduced unemployment across most sectors, although consumer spending remained subdued. As Government spending increased and revenues fell in the period since 2008, the Government implemented measures designed to enhance revenue and constrain expenditure growth. The two main economic goals of the Government in the medium-term are as follows:

- eliminate the Government finance statistics deficit by fiscal year 2015/2016; and
- reduce the debt-to-GDP ratio.

Gross Domestic Product

The Department of Statistics estimates that, during the height of the recession, real GDP contracted at a pace of 2.3% in 2008 and further contracted by 5.2% in 2009. However, the economy began to improve in 2010. Reflective of this, real GDP grew by 1.1% in 2010, by 0.3% in 2011, by 3.6% in 2012 and by 2.5% in 2013. In recent years, The Bahamas has maintained relatively stable prices, with an inflation rate averaging less than 3.2% in the past three years.

Principal Sectors of the Economy

The following table sets forth the Government's estimates of the contributions of the principal sectors of the Bahamian economy to total nominal GDP of The Bahamas for the years ended December 31, 2009 through December 31, 2013.

Years Ended December 31,

	2009	2010	2011	2012	2013
Agriculture and Fisheries					
Agriculture	1.0%	0.8%	0.8%	0.8%	0.7%
Fisheries.....	0.9%	1.4%	1.3%	1.4%	1.1%
Total.....	1.9%	2.2%	2.1%	2.1%	1.8%
Industry					
Mining	1.0%	1.1%	0.8%	0.9%	0.8%
Manufacturing	3.7%	3.8%	3.8%	3.9%	3.9%
Electricity	1.5%	1.5%	1.5%	1.4%	1.4%
Water.....	0.6%	0.6%	0.8%	0.6%	0.7%
Total.....	6.7%	7.0%	6.8%	6.8%	6.8%
Construction	6.5%	8.2%	8.8%	9.8%	9.8
Wholesale and Retail Activity					
Wholesale trade.....	2.9%	2.5%	2.4%	1.9%	1.9%
Retail trade	9.3%	8.7%	8.1%	8.0%	7.9%
Total.....	12.2%	11.2%	10.5%	9.9%	9.8%
Hotels and Restaurants					
Hotels.....	8.0%	8.8%	8.7%	8.1%	7.9%
Restaurants.....	2.9%	2.8%	2.9%	2.9%	2.7%
Total.....	11.0%	11.6%	11.6%	11.0%	10.6%
Transportation					
Land transport	0.4%	0.4%	0.4%	0.4%	0.4
Marine transport	2.9%	2.8%	2.9%	3.0%	2.6%
Air transport	0.6%	0.3%	0.4%	0.4%	0.4%

Total.....	3.8%	3.5%	3.7%	3.8%	3.4%
Storage.....	0.5%	0.5%	0.5%	0.5%	0.5%
Communication	4.4%	4.0%	4.2%	4.0%	4.0%
Financial Intermediaries					
Banks	7.8%	8.4%	9.8%	9.6%	8.8%
Insurance	2.8%	3.0%	2.0%	2.9%	3.2%
Total.....	10.6%	11.4%	11.8%	12.5%	12.0%
Real Estate and Renting Business Activity					
Real Estate	16.0%	16.3%	16.5%	16.1%	16.5%
Other business services	4.1%	3.9%	3.9%	3.6%	3.5%
Total.....	20.1%	20.2%	20.4%	19.7%	20.1%
Public Administration and Defence.....					
	5.7%	5.7%	5.4%	5.9%	6.1%
Education					
Private education.....	1.8%	1.8%	1.8%	1.8%	1.8%
Public education	2.5%	2.3%	2.2%	2.2%	2.2%
Total	4.2%	4.1%	4.0%	4.0%	4.0%
Health					
Private health.....	1.6%	1.4%	1.5%	1.4%	1.4%
Public health	2.4%	2.4%	2.3%	2.3%	2.3%
Total.....	4.0%	3.8	3.8%	3.7%	3.7%
Other Comm. Social & Pers Services	6.0%	6.2%	5.8%	5.8%	5.6%
Taxes, Less Subsidies, on Imports	7.4%	7.0%	7.9%	8.4%	9.1%
Dummy Financial Corp	-5.1%	-6.4%	-7.6%	-8.1%	-7.3%

The following table sets forth the percentage of employed persons (as a percentage of the total population) by economic sector for 2012.

	As of November 30, 2012
Agriculture, hunting, forestry and fishing	3.0%
Mining, quarrying, electricity, gas and water	2.0%
Manufacturing	4.0%
Construction	6.0%
Wholesale and retail.....	16.0%
Hotels and restaurants	15.0%
Transport, storage and communication	8.0%
Financing, insurance, real estate and other business services.....	15.0%
Community, social and personal services	30.0%

Bahamas Tax System

The absence of direct taxation has enabled The Bahamas to attract a substantial number of financial enterprises in search of tax-efficient jurisdictions. The Bahamas has no income taxes, capital gains taxes or profit taxes, and residents are free from succession, inheritance, gift or estate taxes. The only direct tax is a real property tax, ranging from 0.75% to 1.0% for owner-occupied property and 0.5% to 1.5% on commercial property. Presently, the Bahamas raises approximately 65% of its revenues from trade tariffs. The general rate of duty on imports is 32%, though there are numerous exemptions. However, the Government intends to introduce a value-added tax system in 2015.

The following discussion briefly describes the principal non-governmental sectors of the economy.

Tourism

Tourism is the major sector in the Bahamian economy, accounting for a significant portion of the country's GDP and employing much of its workforce, directly or indirectly. The Government estimates that the tourism sector will produce 1,000 new jobs in 2014. With its tropical climate, close proximity to the United States, accessibility and political stability, The Bahamas attracted approximately 5.9 million total visitors (including stopover, cruise and day visitors), who spent approximately \$2.4 billion in the country, in 2012.

Resorts

The Government has maintained efforts to improve the competitiveness of the Bahamian tourism sector, principally by promoting new investment in hotels and other facilities, upgrading the

tourism infrastructure and expanding marketing efforts. The Ministry of Tourism was provided with a total budget of approximately \$85.9 million in fiscal year 2012/2013 and \$83.0 million in fiscal year 2013/2014 to develop and promote tourism. These resources are used to facilitate the development of new hotels and attract foreign investment to The Bahamas. As a result of the Government's efforts, The Bahamas has benefited in recent years from a steady stream of private investment in the tourism sector, including the launch of the Albany Project and the PGA Cat Island Golf Project.

The Albany Project is a luxury resort community being developed on the south-western end of New Providence. The groundbreaking for this 565-acre oceanfront development took place in 2008, and the resort community was opened in 2010. The community features a luxury boutique hotel and a variety of residences that include beach front, beach club and golf course custom homes, equestrian ranchettes and marina apartments.

The PGA Cat Island Golf Project will be the first-ever PGA Village outside of the United States. The official groundbreaking ceremony for this US\$200 million project occurred in Cat Island on April 24, 2009.

In February 2011, the Baha Mar Development Company Ltd. began construction of a \$3.5 billion resort in the Cable Beach area of the Western District of New Providence. The Baha Mar development will include four hotels with over 2,000 rooms, a golf course, a 100,000 square-foot casino, more than 30 shopping, dining and nightlife venues and a 200,000 square-foot convention centre. Meliá Hotels International will operate an all-inclusive resort in the development. The resort development is expected to be completed by the end of spring in 2015.

Resorts World Bimini Casino, a world class casino located on Bimini Island, opened in 2013. The Government has recently allowed the investors for this development to proceed with another phase of the project on the island of Bimini, which will represent an estimated additional investment of \$150 million.

In addition to large scale developments like Atlantis and the Baha Mar Development, the Government also promotes smaller eco-friendly developments as a means of encouraging investment by Bahamian investors in the tourism sector and to further expand hotel market opportunities within this sector, particularly in the sparsely populated Family Islands.

The following table sets forth hotel occupancy rates for the periods indicated:

	As of and for the year ended December 31,				
	2008	2009	2010	2011	2012
Average daily rate	\$215.53	\$197.57	\$199.02	\$200.82	\$195.91
Occupancy	54.1%	49.4%	51.5%	53.7%	56.0%

Nassau is one of the world's busiest cruise ship ports with approximately 1,945 ship arrivals in 2012, a 5.6% increase over the number of ships visiting in 2011. The Bahamas has six major airports that are served by various international airlines that provide direct flights to and from key destinations in Europe, North and South America and the Caribbean, with connections worldwide. Scheduled domestic flights by the national airline, Bahamasair, link the island chain while also providing scheduled service to Florida. Charter services are available to all parts of the archipelago. The two largest airports are in Nassau, located in New Providence and in Freeport, located in Grand Bahama. The Government has entered into agreements with certain international airlines to increase the number of flights or increase the capacity of the planes flying to The Bahamas, initially by deploying larger aircrafts for regularly scheduled flights, principally from Miami and other U.S. destinations. There are five new cities with nonstop service into Nassau and the Government is working to increase the number of nonstop flights travelling from the United States. The Government expects the new flights and larger planes will contribute to a growth in tourism starting in 2014.

The following table sets forth selected data relating to visitors to The Bahamas for the years 2009 through 2012 and through June of 2013.

	As of and for the years ended December 31,				As of and for the six months ended June 30, 2013 ^(p)
	2009	2010	2011 ^(p)	2012 ^(p)	
	(\$ in millions, visitors in thousands)				
Stopover visitors					
Total visitors	1,327	1,370	1,346	1,421	706
Increase (decrease)	(9.3)%	3.2%	(1.8)%	5.6%	(6.2)%
Total expenditures	\$1,812	\$1,861	\$1,930	n.a.	n.a.
Cruise visitors					
Total visitors	3,256	3,803	4,161	4,434	1,066
Increase	14.0%	16.8%	9.4%	6.6%	2.3%
Total expenditures	\$200	\$299	\$347	n.a.	n.a.
Total visitors ⁽¹⁾	4,645	5,255	5,588	5,940	3,225
Increase	5.7%	13.1%	6.3%	6.3%	1.4%
Total expenditures ⁽²⁾	\$2,014	\$2,163	\$2,279	2,311	n.a.
Increase (decrease)	(19.5)%	7.4%	5.4%	n.a.	n.a.

(1) Includes stopover, cruise and day visitors.

(2) Represents total expenditures of stopover, cruise and day visitors.

Sources: Ministry of Tourism and the Central Bank.

The following table sets forth selected data relating to visitors to the various islands for the years 2011 and 2012 with comparisons:

FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS

	2012	2011	2012/2011	2012	2011	2012/2011
	Air and Sea		% Chg Air/Sea	Air Only		% Chg Air
Nassau/Paradise Island	3,285,035	3,006,077	9.3%	1,052,275	970,467	8.4%
Grand Bahama	839,490	818,289	2.6%	106,685	99,807	6.9%
Abaco	325,609	240,159	35.6%	76,994	75,596	1.8%
Andros	8,871	9,275	-4.4%	8,701	9,116	-4.6%
Berry Islands	642,309	614,063	4.6%	8,279	8,609	-3.8%
Bimini	54,036	53,216	1.5%	17,476	17,025	2.6%
Cat Cay	11,411	11,472	-0.5%	4,376	5,246	-16.6%
Cat Island	1,051	952	10.4%	1,048	921	13.8%
Eleuthera	248,348	296,940	-16.4%	31,892	33,817	-5.7%
Exuma	33,605	30,584	9.9%	32,917	30,017	9.7%
Half Moon Cay	472,892	488,925	-3.3%	-	-	0.0%
Inagua	734	779	-5.8%	175	251	-30.3%
Long Island	1,126	1,306	-13.8%	1,105	1,259	-12.2%
San Salvador	15,653	15,551	0.7%	15,508	15,411	0.6%
Bahamas Overall	5,940,170	5,587,588	6.3%	1,357,431	1,267,542	7.1%

Source: Immigration and Customs various ports of entry in The Bahamas.

The performance of the Bahamian tourism sector is, and will continue to be, dependent largely upon economic and other conditions in the United States and other countries that serve as a source of

visitors. The number of sea visitors grew by approximately 6.6% and 9.4% in 2012 and 2011, respectively. The more lucrative stopover traffic increased by an estimated 5.6% in 2012 compared to a decrease of an estimated 1.8% in 2011. Consequently, total arrivals to The Bahamas increased by approximately 6.3% to approximately 5.9 million tourists in 2012 and by 6.3% to approximately 5.6 million tourists in 2011.

Data for the first six months of 2013 indicates that total arrivals increased by 1.4% to 3.2 million tourists compared to an increase of 9.5% during the same period in 2012. Sea passengers rose by 3.8% to 2.5 million tourists during this period in 2013, which helped to offset the 6.2% decrease in air traffic to 0.7 million tourists.

Financial Services

The financial services industry (which consists primarily of banking and insurance services) has also historically accounted for a significant percentage of GDP and provided substantial employment to the country.

The Bahamas is a principal choice jurisdiction for conducting financial services, ranging from offshore banking, asset protection trusts and international business companies to estate planning and ship registration. The Government believes The Bahamas continues to be an attractive jurisdiction for financial service businesses because of (i) the absence of corporate and personal income taxes, (ii) geographic proximity to the United States, (iii) skilled professional support, (iv) political, social and economic stability, (v) its strong regulatory framework and (vi) minimal exchange controls for transactions between non-resident parties. The Bahamas' commitment to improving its standing as an established offshore financial centre has been bolstered by the recent enactments and the issuance of several guidelines, designed to strengthen The Bahamas' anti-money laundering regime and improve the level of regulatory supervision of financial institutions.

In terms of institutional participation, the level of offshore banking business in The Bahamas has declined marginally, although the quality of the remaining institutions may have improved in the last several years due to new licensing requirements that require a physical presence and actual operations in The Bahamas. As a result of regulatory standards enacted in December 2000, particularly with regard to the requirement that banks conform to physical presence standards, the number of bank and trust companies licensed to operate within or from The Bahamas has been on a downward trend since 2001. For example, the number of banks and trust companies licensed to operate within or from within The Bahamas decreased to 268 in 2012 from 278 in 2011. Of these 268 institutions, 113 were public financial institutions, namely business entities licensed to provide banking and/or trust services to members of the public, consisting of 71 Bahamian incorporated eurocurrency operations, 23 eurocurrency branches of foreign banks and 19 authorized dealers and agents. These institutions carry out a variety of operations ranging from retail banking to portfolio management and trust services. The remaining 155 institutions are restricted, non-active or nominee licensees. As of December 31, 2012, the total asset base of offshore banking and trust institutions was estimated to be approximately \$371.0 billion.

Government revenues derived from license fees increased by 14.9% in fiscal year 2010/2011 and by 2.7% in fiscal year 2011/2012. Total employment in the sector decreased by an estimated 0.5% between 2011 and 2012.

Outside of the banking sector, statistics compiled by The Bahamas' Securities Commission indicate a modest decline in the number of active mutual funds under management, from nearly 713 in 2011 to 652 in 2012. The value of assets under management is estimated to have increased by approximately 29.3% to approximately \$112.2 billion in 2012. In the insurance sector, the number of registered insurance companies is estimated to have increased by four in 2012 to a total of 131.

Construction and Manufacturing

The construction sector accounted for an estimated 9.7% of GDP in 2012 and employed an estimated 9.0% of the workforce in 2011. The following table sets forth construction activity in The Bahamas for calendar years 2008 through 2011.

	Year Ended December 31,			
	2008	2009	2010 ^(p)	2011 ^(p)
Building Permits:				
Number	3,184	2,416	1,996	1,966
Value of construction (in millions)	\$807	\$710	\$575	\$1,995
Building Starts:				
Number	1,148	806	542	578
Value of construction (in millions)	\$400	\$361	\$154	\$131
Building Completions:				
Number	1,729	1,346	1,139	845
Value of construction (in millions)	\$427	\$297	\$338	\$483

Sources: Department of Statistics, Bulletin of Construction Statistics and unpublished data.

Note: Includes data for New Providence and Grand Bahama only.

The construction sector has benefited in recent years from the public investment in infrastructure programs as well as private investment in resort and residential properties. For example, the \$3.5 billion Baha Mar development on New Providence has already passed the half-way mark to completion, and investors in Resorts World Bimini plan to undertake another phase of its resort development, amounting to \$150 million of additional investment into Bimini. In the coming periods, the

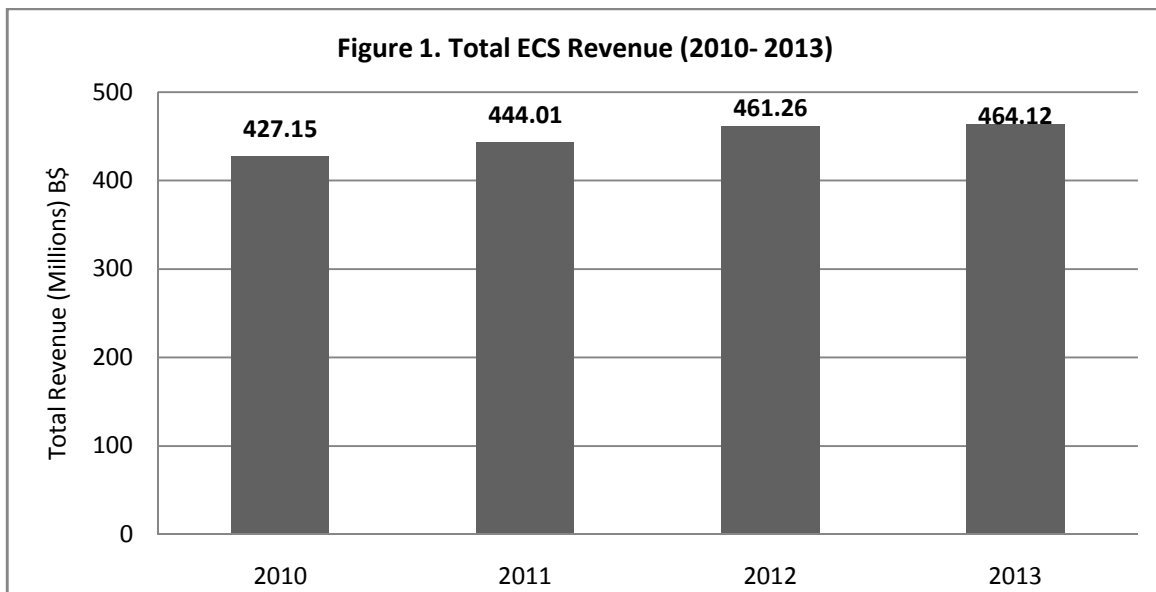
Government expects construction sector output to be driven by domestic demand and other foreign direct investment developments, especially on the Family Islands.

The manufacturing sector accounted for an estimated 4.1% of GDP in 2012 and employed an estimated 3.0% of the workforce in 2011. The manufacturing industry is comprised of the production of goods for the local market and for export. The manufacturers that produce goods for the local market are primarily small, locally-owned industries, including, among others: (i) mattress and pillow manufacturing, (ii) paper converting, (iii) ice, soft drink, perfume, clothing and crystal production and (iv) printing and publishing. Those manufacturers producing goods for export are primarily foreign-owned manufacturers, such as, for example, a salt mining facility (owned by Morton International, Inc.).

Appendix 2 – Overview of the Bahamian Electronic Communications Sector (ECS)

No representation or warranty, express or implied, is given by the Government, the Cellular Liberalisation Task Force or any of their officials, officers, employees or advisors as to the accuracy, fairness, sufficiency or completeness of the information, opinions or beliefs contained in this RFP. Registered Entities are accordingly required to conduct their own due diligence and seek their own advice prior to any decision to participate in this opportunity.

The ECS in The Bahamas is broadly comparable to other major international markets in terms of service offerings, technology deployed, and accessibility. Industry data for 2013 indicates that ECS revenue increased marginally by 0.6% relative to 2012. This change contrasts with larger increases recorded in 2012 and 2011. Those years posted expansion on the order of 3.89% and 3.95% respectively. Figure 1 shows the growth trend in sector revenue from 2010 to 2013.



Total revenue for the sector in 2013 was more than \$464 million.⁵⁴ This amount accounted for approximately 5.54% of the Gross Domestic Product (GDP) of The Bahamas for 2013.⁵⁵ In 2013 employment in the ECS increased by 2.81 % on the previous year's figure which is encouraging when compared to the reductions recorded in 2012 (18%) and 2011(4.18%).

⁵⁴ Based on URCA information collected from ECS licensees for 2013. This information does not include revenue information from the Free-to-Air Broadcasting market.

⁵⁵ International Monetary Fund. World Economic Outlook Database April, 2014.
www.imf.org/external/pubs/ft/weo/2014/01/weodata/weorept.aspx?sy=2008&ey=2019&scsm=1&ssd=1&sort=country&ds=.&br=1&c=313&s=NGDP_R%2CNGDP%2CNGDPD&grp=0&a=&pr.x=66&pr.y=8

The Bahamian ECS is primarily served by three major entities:

- The Bahamas Telecommunications Company Limited (BTC);
- Cable Bahamas Limited (CBL); and
- the state-owned Broadcasting Corporation of The Bahamas (BCB).

A complete list of licensees can be found on URCA's website.⁵⁶

The Bahamas Telecommunications Company Limited

The first telephones were installed in The Bahamas in 1879. In 1906, the Bahamas House of Assembly passed an Act establishing a telephone system in New Providence. The Government of The Bahamas, by an Act of Parliament in 1966, created a statutory corporation, the Bahamas Telecommunications Corporation ("Batelco") to which the assets and the functions of the Telecommunications Board were transferred. Over the years, provision of fixed line telephony and internet services improved steadily. In preparation for privatization, a private company limited by shares was incorporated under the Companies Act on 14 June 2001, as the Bahamas Telecommunications Company Limited (BTC). This company was wholly owned by the Government of The Bahamas and into which the majority of the assets of Batelco were transferred. On 6 April 2011, BTC was privatized when Cable and Wireless Communications plc (CWC) acquired 51% interest in the company. By a Memorandum of Understanding dated 22 January 2014, between the Government of The Bahamas and CWC, it was agreed that 5,093,200 of the shares held by CWC (to be designated as non-voting shares) would be transferred to a foundation to be known as the BTC Foundation. CWC has and will continue to have board and management control of BTC.⁵⁷ On 29 August 2014, BTC announced the transfer of the two percent (2%) of CWC's majority stake in BTC to the BTC Foundation in trust for the people of The Bahamas.

BTC is the largest provider of electronic communications services in The Bahamas and operates fixed, cellular mobile and broadband networks. In recent years BTC's domestic fibre optic (BDSN) and legacy copper line networks have been progressively upgraded. In respect of international infrastructure, BTC operates two networks: Bahamas II and BDSNi. BTC currently operates a 2G mobile network, a 4G mobile network and a Next Generation fibre network. In February of 2014, BTC launched its 4G Long Term Evolution (LTE) service for New Providence, Grand Bahama, Abaco and Eleuthera. This brings mobile service on par with telephony and broadband standards seen in major international markets. BTC has recently announced that it intends to launch a Pay-TV product within 12 months of

⁵⁶ <http://www.urbahamas.bs/download/093846400.pdf>

⁵⁷ CWC Press Release. (January, 2014)
<http://www.cwc.com/assets/uploads/files/Press%20Releases/2014/BTC%20Foundation%20-%20London%20version%20-%20Final.pdf>

March 2014. BTC is a designated Universal Service Provider for fixed telephony and dial-up Internet under the Communications Act.

In the Bahamian market, BTC has been determined by URCA as having significant market power (SMP) in the fixed telephone, mobile services (voice and data). This means that BTC has the economic strength to behave independently of its competitors, consumers and subscribers in these markets. At the end of 2013, BTC employed 823 persons in The Bahamas.⁵⁸

Cable Bahamas Limited

Cable Bahamas Ltd. (“CBL”) was incorporated on September 19, 1994. It is wholly owned Bahamian company with a cross section of over 2,000 Bahamian shareholding entities. CBL is a publicly traded company on the Bahamas International Securities Exchange. Approximately 30% of the public shareholding in CBL is held by the Government of The Bahamas and one of its agencies. The company, and its subsidiaries that are incorporated under the laws of the Commonwealth of The Bahamas,⁵⁹ provide cable television and related services, national and international data services (leased lines/circuits), broadband Internet access services, and fixed telephony services (including prepaid calling cards).

In 2011, CBL merged with existing operator, SRG⁶⁰. At the time of the merger, SRG (trading as IndiGO Network) was primarily active in the provision of fixed voice telephony services offering fixed wireless access, prepaid phone cards, and voice over internet. CBL recently acquired shareholdings in telecommunications and broadband providers in Central and Southwest Florida, under the umbrella of its wholly-owned subsidiary Summit Vista⁶¹.

Since the CBL/SRG merger in 2011 CBL has progressively improved their network in order to compete with BTC and meet customer demand for high quality and cost effective electronic communications services. These services are provided by way of a hybrid fibre optic coaxial cable network throughout sixteen (16) of the most densely populated islands in The Bahamas. CBL through its subsidiary Caribbean Crossing Limited (CCL) operates the Bahamas Internet Cable System (“BICS”) with international links into Boca Raton, USA.

In the Bahamian market, CBL is determined by URCA as having significant market power (SMP) in the high-speed data services and connectivity (where it has presence) and Pay-TV markets. CBL is a designated Universal Service Provider for Pay-TV and internet services under the universal service

⁵⁸ Based on URCA information collected from ECS licensees for 2013

⁵⁹ CBL wholly owns four subsidiaries: Cable Freeport Ltd., Caribbean Crossings Ltd., Maxil Communications Ltd., and Systems Resource Group Ltd. (SRG).

⁶⁰ <https://www.cablebahamas.com/public/downloads/press/105/105.pdf>

⁶¹ <https://www.cablebahamas.com/public/downloads/press/196/196.pdf>

obligations (USO) of the Communications Act. At year end 2013, CBL employed about 496 persons in The Bahamas.⁶²

The Broadcasting Corporation of The Bahamas

The Broadcasting Corporation of The Bahamas (BCB) was first launched as the Zephyr Nassau Sunshine (ZNS), a state-owned radio service in 1937. At that time, programming consisted of newscasts from the British Broadcasting Corporation (BBC), local news, and music. ZNS was entirely funded by the Government as a non-commercial service between 1937 and 1950. Since that time, BCB has been funded in part by advertising revenues and an annual government subsidy. Television service was introduced in 1977. BCB operated as the sole provider of radio broadcasts until 1993 and television broadcasts until 1994.

The BCB uses transmitters of various strengths to broadcast radio signals throughout the nation in addition to using CBL's transmission capability in order to reach certain islands. The BCB remains a state-owned entity and the only radio broadcaster with coverage that spans the entire archipelago. It employs about 146 people to operate its radio and free-to-air television services.⁶³

Sector Performance

There are six key markets within the electronic communications sector:⁶⁴

- Fixed Voice Telephony Services;
- Mobile Voice and Mobile Data Services;
- Internet;
- Business connectivity services;
- Pay-TV; and
- Free-to-Air Broadcasting (including AM/FM radio, television).

Fixed Voice Telephony Services

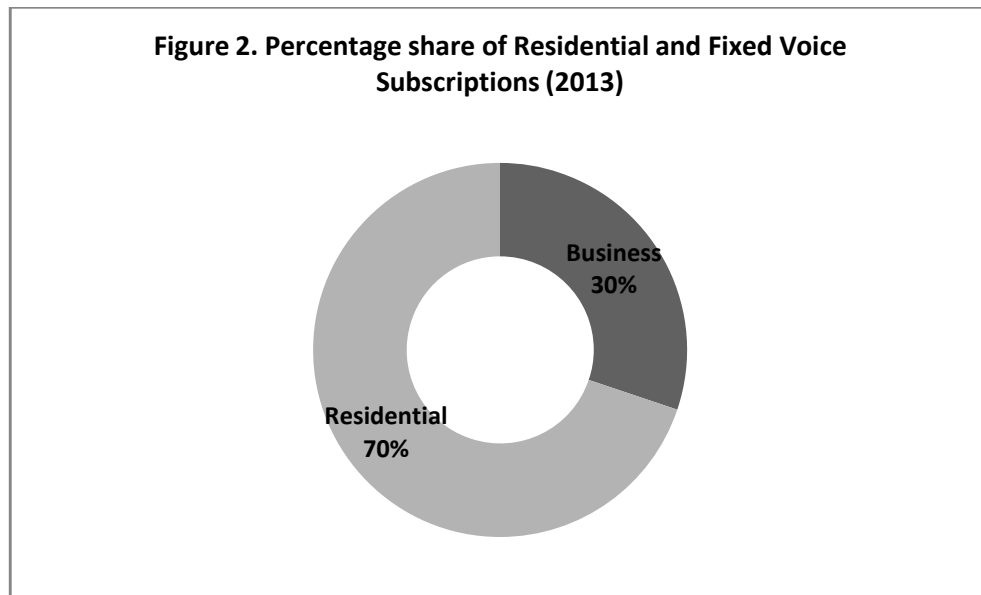
⁶² Based on URCA information collected from ECS licensees for 2013

⁶³ <http://www.znsbahamas.com/about/4577384979>

⁶⁴ References to markets in this context which is being used generically should not be confused with the process whereby URCA defines relevant economic markets for the purposes of identifying the need for possible ex ante regulations in the event that one or more licensees hold a dominant position in those markets.

Fixed voice telephony services are provided by both BTC and CBL.⁶⁵ However, BTC is the only provider within this market that has been classified by URCA as having SMP. BTC provides local, domestic long distance (inter island) and international calls using its copper line/ fibre optic network, the Bahamas Domestic Submarine Network (BDSNi) cable system and a Satellite Earth Station. These services and related infrastructure are provided nationwide. CBL (including its affiliates SRG and Caribbean Crossings Ltd.) provides local, domestic long distance (inter island) and international calls to residents of New Providence, Grand Bahama, Eleuthera and Abaco by way of its fibre optic/coaxial cable network and a fibre optic submarine cable system.

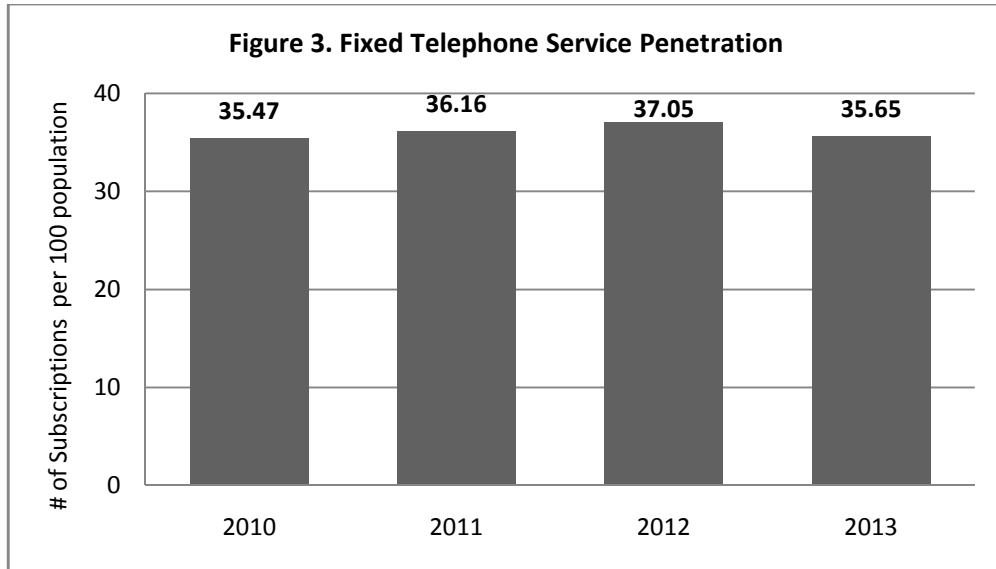
Approximately 70% of fixed voice telephony clients are residential customers. The remaining 30% are business customers (Figure 2).



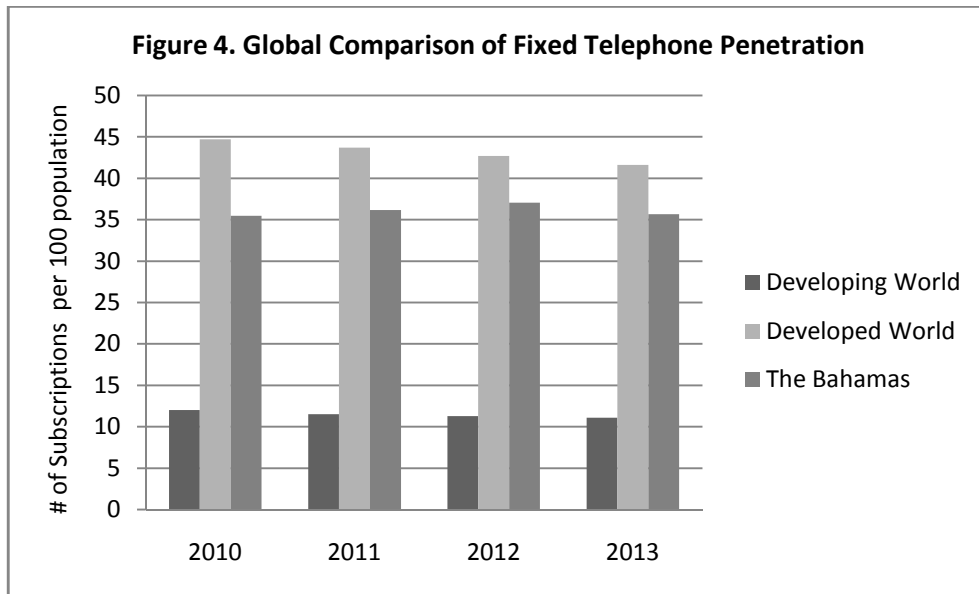
In 2013, the number of fixed-line subscribers was just over 128,000 representing a penetration rate of 35.65% (Figure 3).⁶⁶

⁶⁵ Provided by System Resource Group Ltd. (SRG) a wholly owned subsidiary of CBL.

⁶⁶ Department of Statistics of The Bahamas. All Bahamas Medium Projection Tables 2000-2030. (March, 2008): pgs 4-5, Available from <http://statistics.bahamas.gov.bs/download/093911800.pdf>. Pages 4 and 5.



Global penetration for fixed voice services in 2013 stood at 16.2% down from 16.7% in the previous year.⁶⁷ Figure 4 highlights trends (2010 to 2013) in fixed telephone penetration rates in developing and developed economies relative to The Bahamas.



Service providers' websites indicate that residential fixed line services are offered to the public at a starting price of \$14.99 (CBL) and \$16.25 (BTC).⁶⁸ Published per minute charging for outbound international calls to the US, Canada and the Caribbean range from \$0.47 to \$0.66 on the BTC network

⁶⁷ International Telecommunication Union (ITU). Key 2005-2014 ICT data for the world, by geographic regions and by level of development. Available from <http://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx>

⁶⁸ Both BTC and CBL's fixed offerings include unmetered local calls and free calls to emergency numbers.

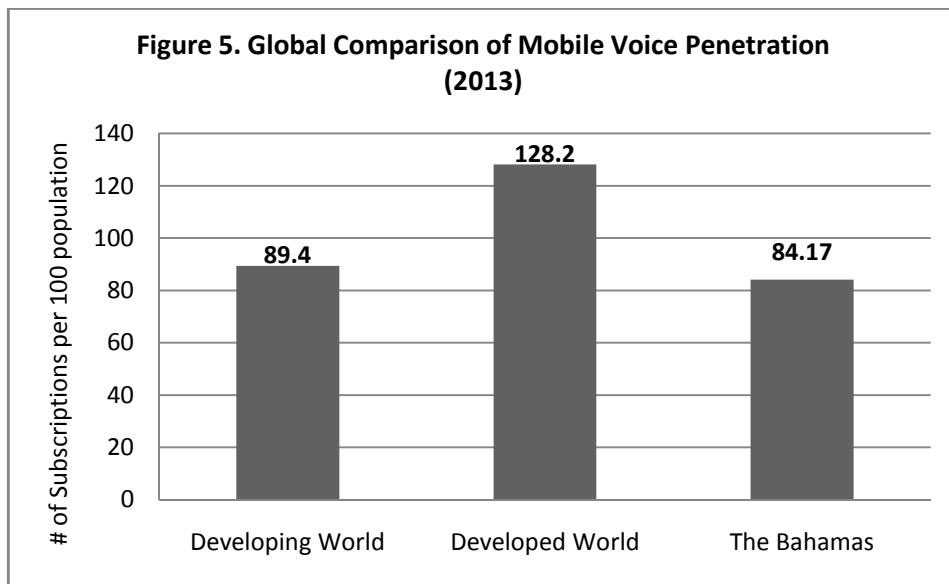
and \$0.17 to \$0.29 on CBL's network.⁶⁹ Direct international dialling rates may be offered at lower rates if subscribers enrol in bundles or packages that are geared towards long distance dialling. International calling is also subject to competition from an active calling card market of which BTC and CBL are also providers.

In keeping with its remit to enhance competition and increase consumer choice, URCA implemented fixed number portability in 2013.⁷⁰ This initiative allows fixed telephone service customers in New Providence, Grand Bahama, Abaco and Eleuthera to switch from one service provider to the other without having to change their fixed telephone number. Mobile number portability is planned to coincide with the introduction of competition in the cellular mobile market.

Mobile Voice and Mobile Data Services

BTC is the sole provider of cellular mobile services to the Bahamian market. This legal monopoly expired on 5th April 2014.⁷¹

Mobile penetration is estimated at 84.17% (2013) which represents a total subscriber base of just over 302,500 subscribers. As shown in Figure 5, this penetration rate is comparable with the average penetration rate for developing markets.



⁶⁹ Source: BTC (<http://www.btcbahamas.com/explore/landline#landline>) and CBL(<http://www.cablebahamas.com/?p=n§id=2&catid=68>)

⁷⁰ Utilities Regulation and Competition Authority (URCA). Final Determination on the Implementation of Number Portability in The Bahamas [ECS 21/2012].

⁷¹ The Communications (Amendment) Act, 2011, Section 114. <http://www.urcabahamas.bs/about-legislation.php>

Although, growth in the Bahamian cellular mobile market has remained relatively flat and decreased marginally by 0.09% in 2013, average revenue per user (ARPU) increased by 24.75%. Real change has come in the type of handset technology that has been adopted by mobile customers. BTC recently indicated that in 2011 roughly 30,000 customers were using smart phones compared to 200,000 users in 2013.⁷²

Roughly 84.82% of BTC’s mobile customer base obtains services on a prepaid basis.⁷³ The proportion of customers within the market who are prepaid customers continues to dominate client share within this market and has also varied markedly in recent years (Figure 6.).

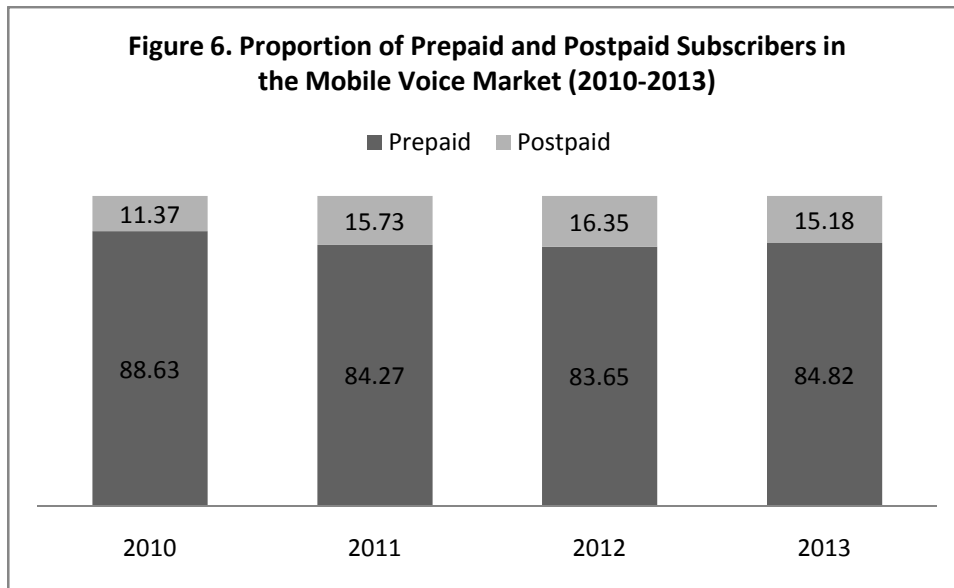
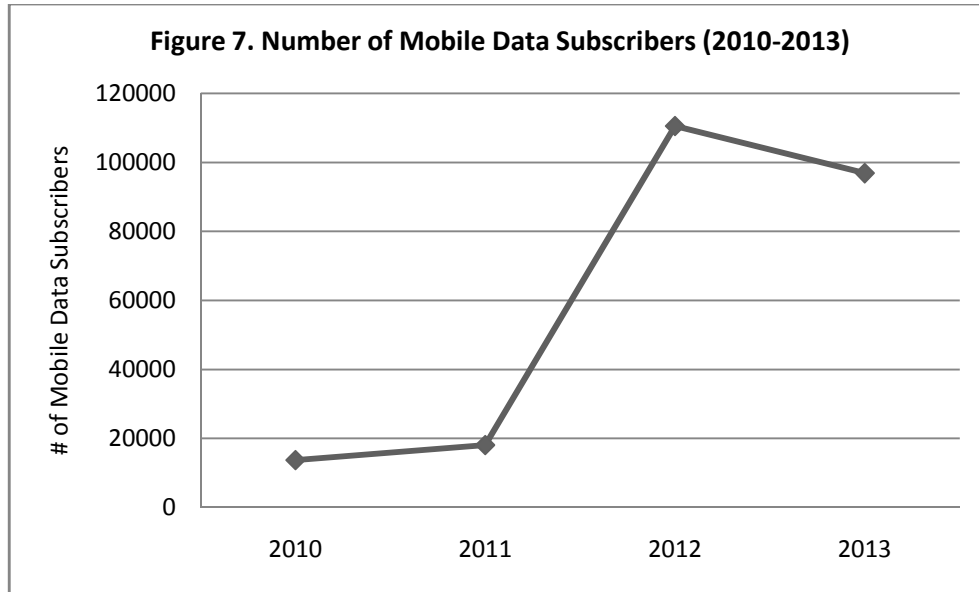


Figure 7 shows that there has been a marked uptake in mobile data services by customers since 2010. Although the number of subscribers decreased by 12.35% in 2013 from 2012, the number of subscribers (more than 96,000) remains more than five-fold the figure for 2011 (See Figure 7). Uptake and usage of mobile data is expected to remain strong particularly given the recent (February, 2014) launch of a LTE network that is capable of providing data services at much faster speeds than previously utilised networks.

⁷² “BTC- We’ll be Market Leader in 2-3 years”. (March 24, 2014). [www.tribune242.comhttp://www.tribune242.com/news/2014/mar/24/btc-well-be-broadband-market-leader-in-2-3-years/?news](http://www.tribune242.com/news/2014/mar/24/btc-well-be-broadband-market-leader-in-2-3-years/?news)

⁷³ Based on URCA information collected from ECS licensees for 2013.



Post-paid mobile packages for personal use are offered at prices that range from \$10 per month to \$139.99 per month for varying amount of in plan voice minutes, text and data.

Prepaid voice rates are \$0.33 per minute during peak hours (i.e., 7 am-6:59 pm); \$0.15 per minute off peak (i.e. 7 pm – 6:59 am) and \$0.20 per minute on weekends. Prepaid data packages can be purchased for prices that range from \$3 and \$30 per month. Prepaid credit is debited at \$0.05 for local texts and \$0.15 for international texts.⁷⁴

The following retail pricing structure applies with respect to BTC’s mobile network:

- Mobile-to-mobile calls – Calling Party Pays (CPP);
- Mobile-to-fixed calls – Calling Party Pays; and
- Fixed-to-mobile calls – Mobile Party Pays (MPP). This principle applies even if the call originates on a fixed network owned by another operator (e.g., CBL).

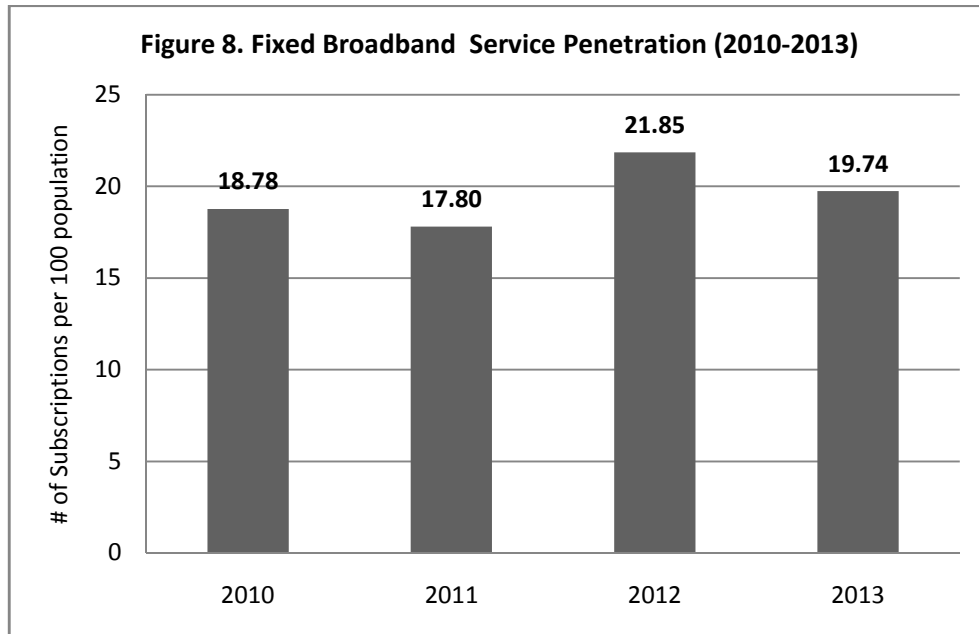
Internet

Internet services are primarily provided to the Bahamian market in the form of broadband connections by CBL and BTC. There is however a very small segment of customers (less than 1%) that continues to subscribe to narrowband fixed internet services (dial-up).⁷⁵ As stated previously, CBL has been designated by URCA as having SMP for the provision of high speed internet and connectivity services in the four most populous islands (i.e. New Providence, Grand Bahama, Eleuthera and Abaco). BTC’s provision of broadband service extends throughout The Bahamas with BTC having SMP in those areas where CBL has no presence.

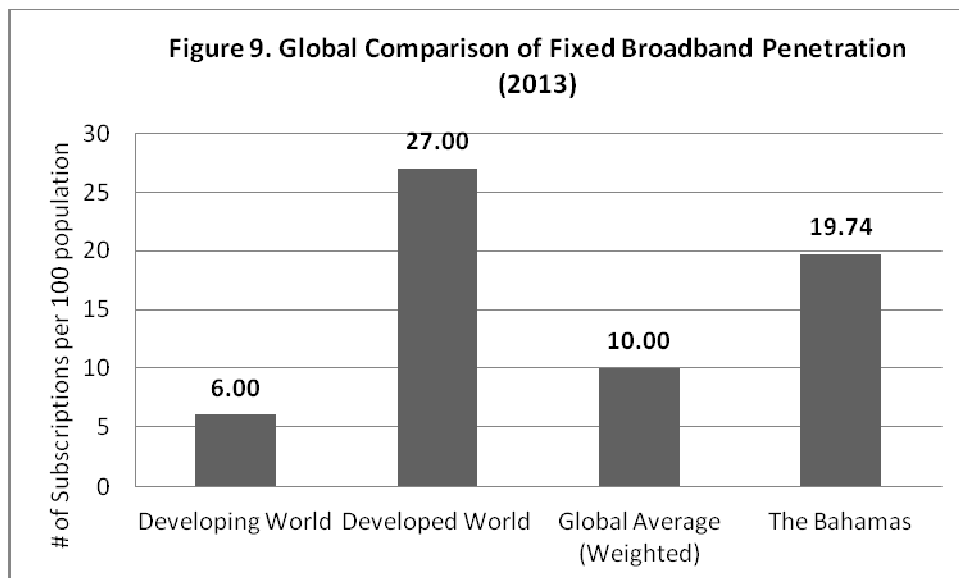
⁷⁴ Source: <http://www.btcbahamas.com/explore/mobile/prepaid>

⁷⁵ Estimate based on URCA information collected from ECS licensees for 2013

Information provided by key stakeholders indicates that average revenue per user in 2013 decreased by 7.38% while the number of subscribers reduced by 8.59% to just over 70,900 subscribers. Penetration decreased in 2013 by 2.11% to 19.7%. However, this level of penetration is roughly on par with the figures reported for previous years (See Figure 8).



Whilst this rate (i.e., 19.7%) is below the estimated developed world average for 2013, it remains higher than the average for the developing world. Figure 9 highlights the disparity in fixed broadband penetration in the developing world and the developed world relative to that which is seen in The Bahamas.



In 2013, unbundled broadband access prices ranged from \$29.99/month for up to 8 Mbps (BTC) to \$90.50/month for 50 Mbps (CBL).⁷⁶

Business Connectivity Services

The market for business connectivity services comprises both national and international connectivity services. National and international business connectivity services can be delivered via several network technologies. In The Bahamas there are currently three main network cabling technologies that have been deployed:

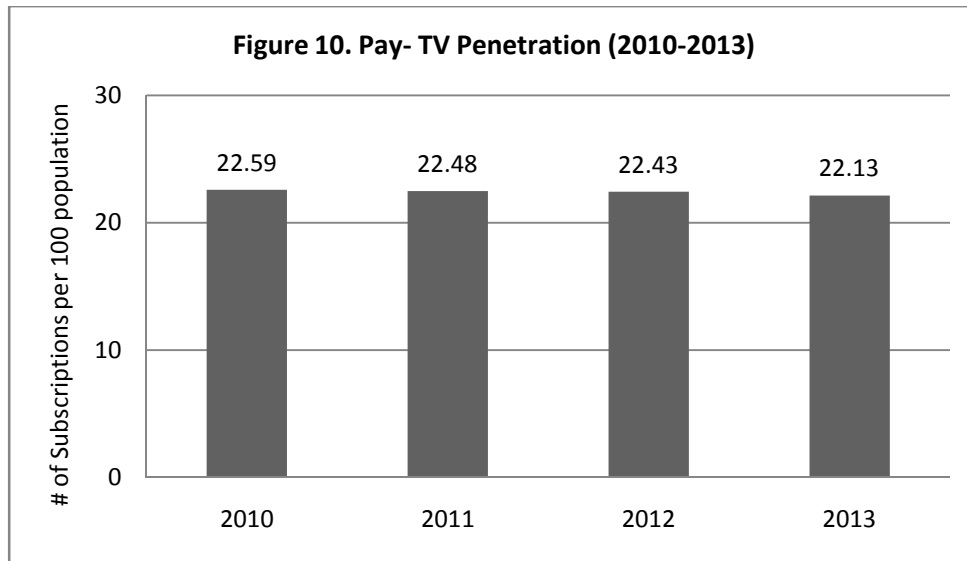
- a copper (PSTN) based network operated by BTC;
- a coaxial cable network operated by CBL; and
- fibre-based networks operated by both BTC and CBL.

BTC and CBL are currently the only providers of national business connectivity service in The Bahamas, offered through leased lines/circuits.

Pay TV

CBL is the major provider of Pay TV in The Bahamas and as such has been determined to hold SMP in this market. This service is provided to business and residential customers by way of a fibre optic/coaxial cable network to the islands of New Providence, Grand Bahama, Eleuthera, Abaco and other Family islands. Although statistics indicate that the size of the Pay TV market (in terms of penetration) shrunk by a paltry 1.29% in 2013, the rate of penetration has remained relatively stable (See Figure 10). Average revenue per user increased in 2013 by 1.04%.

⁷⁶ Source: BTC (<http://www.btcbahamas.com/explore/internet>) and CBL (<https://www.cablebahamas.com/revon/residential/unbundled>)



Prices for residential Pay TV packages range from \$30 to \$97.50 per month.

Free to Air Broadcasting

The commercial Free to Air Broadcasting market is comprised of over 40 licensed operators, all of which except ZNS (the free to air television service provided by BCB) are FM broadcasting radio stations.⁷⁷ The state-owned BCB is the only licensee that operates an AM broadcasting radio station with nationwide coverage. It also provides analog free-to-air television.

All other commercial entities in this market are niche operators broadcasting religious programming, music, sports, newscasts or talk shows. The coverage of each of these radio stations varies throughout The Bahamas with the majority operating out of and broadcasting to New Providence.

⁷⁷ Public Register Of: Individual Licensees and Class Licensees Requiring Registration [ECS 09/2010, May 2, 2014]. Available from <http://www.urcabahamas.bs/download/093846400.pdf>

Appendix 3 – Regulatory Framework

No representation or warranty, express or implied, is given by the Government, the Cellular Liberalisation Task Force or any of their officials, officers, employees or advisors as to the accuracy, fairness, sufficiency or completeness of the information, opinions or beliefs contained in this RFP. Registered Entities are accordingly required to conduct their own due diligence and seek their own advice prior to any decision to participate in this opportunity.

The Regulatory Framework for the Electronic Communications Sector (ECS) in The Bahamas comprised of legislative provisions established in the key pieces of legislation mentioned above, the Electronic Communications Sector Policy, as well as various regulatory measures established by URCA as the sector regulator. An overview of the framework is set out in this Appendix, however, for details on specific aspects of the regulatory framework, Applicants are encouraged to take their own advice and refer to the relevant regulatory instruments as referenced in this document or to URCA's website.

In relation to planned or ongoing regulatory activities (and associated timeframes), Applicants are also encouraged to refer to URCA's most recent Annual Plan, which sets out URCA's planned activities and performance indicators for the year 2014 including timelines for consultation on key regulatory measures.

Licensing

The Communications Act establishes a licensing regime for the ECS in The Bahamas and allows URCA considerable flexibility to respond to technological changes in order to maintain the licensing regime as relevant over time.

Part IV of the Communications Act prescribes that any person that provides an electronic communications service or establishes, maintains or operates an electronic communications network or provides a carriage service (including any such network that requires spectrum) is required to firstly obtain a licence from URCA.

There are two broad categories of licences under the Communications Act:

- i. URCA may issue an operating licence relating to the operation of electronic communications networks and provision of electronic communications services. An operating licence will authorise a licensee to offer those services or operate the network that is specified in the licence but will not give the licensee any authority to use radio spectrum.
- ii. Additionally, URCA may issue a spectrum licence that authorises the use of radio frequencies. A spectrum licence only gives the licensee permission to use spectrum frequency in a specified band but does not give the licensee the right to provide electronic communications services or operate an electronic communications network.

Some licensees will require both a spectrum licence and an operating licence. For example, an operator that provides cellular mobile services will require an Individual Operating Licence (IOL) in

respect of its cellular mobile network and the services offered through that network and an Individual Spectrum Licence (ISL) to ensure that it has exclusive use of the necessary frequency.

Under the Communications Act, licence conditions may not unfairly discriminate between licensees. Therefore, individual licences for a specific type of electronic communications network or service will be in a standard form to the greatest extent possible. However, where a licensee has special rights or obligations to use the spectrum related to the operation, technical standards, or the territory to be served, the licence may need to have specific conditions. The ISL for a new cellular mobile operator will contain certain roll-out obligations specific to the effective and efficient use of the Premium Spectrum allocated to the licensee, and may contain other specific obligations based on the nature of the rights granted, established in accordance with the policy positions mandated by the Government of The Bahamas.

The Communications Act requires URCA to specify in the Spectrum Plan those frequencies which are Premium Spectrum. The Communications Act also contains express provisions for the treatment of radio spectrum in a Premium Band under an ISL. Part V of the Communications Act provides that the Minister shall decide the method of allocating frequencies in the Premium Spectrum bands of the spectrum plan and shall set the spectrum fees or prescribe the method by which such fees are set.

Where the Minister, exercising powers under the Communications Act in relation to Premium Spectrum, intends to restrict the number of individual licences to be granted for the right to use Premium Spectrum, then, such licensee(s) will be selected for those individual licences pursuant to a competitive selection process. The Government seeks to balance the desire to maximise the revenue from allocating rights to valuable spectrum, which may include Premium Spectrum, with its broader objectives of promoting investment and innovation. As stipulated under the Communications Act, the actual issuance of the ISL for the use of Premium Spectrum will be executed by URCA, subsequent to this RFP process.

The Premium Spectrum bands have been specified in the Spectrum Plan⁷⁸ for The Bahamas. The Spectrum Plan is consistent with international treaties and standards including the International Telecommunications Union⁷⁹. Within three years of publication of each Spectrum Plan, URCA is required to formulate a new spectrum plan in consultation with the Minister.⁸⁰

Duration of Licence

The duration of a licence will be specified in the licence. Under the Communications Act, the duration of an IOL must be no less than five years. However, URCA generally grants an IOL for fifteen (15) years. Similarly, under the Communications Act, the duration of an ISL must also be no less than five

⁷⁸ Primarily spectrum bands used for mobile services such as 700 MHz, 850 MHz, 1900 MHz, 2100 MHz, and 2300 MHz.

⁷⁹ The Bahamas follows the ITU spectrum standards for Region 2.

⁸⁰ The current National Spectrum Plan ([ECS 03/2014](#)) was published on 10 April 2014.

years unless the licence is intended for temporary use or for testing or trialling new technology. A licensee under an IOL or ISL may apply to URCA for its licence to be renewed by submitting for consideration a renewal notice no later than one year before the licence is due to expire.⁸¹

Fees and charges

Without prejudice to other charges and fees that may be payable either under the Communications Act or under any other law, URCA has the power and duty to collect certain fees from licensees for itself and on behalf of the other bodies⁸² under Part XVI of the Communications Act. URCA collects the following fees from licensees: (i) URCA Fees; (ii) Spectrum Fees; (iii) Communications Licence Fees; and (iv) Tribunal Fees. Each of these fees is described further below and a schedule with details of fees payable by the licensees is available on URCA's website⁸³. Licensees or content providers may also be required to pay charges in contribution to a Universal Service Fund to be established and administered by URCA.

URCA Fees

Under section 92 of the Communications Act, URCA may determine and assess one or more of the following charges or fees as URCA fees on all licence holders: (i) annual charges for licences (to be calculated based on the licensee's relevant turnover) which funds URCA's annual activities and is charged annually in respect of the forthcoming financial year); (ii) charges for particular services rendered by URCA in the performance of its functions or the exercise of its powers; (iii) fees to be payable for any application required or for the supply or making copies of documents; and (iv) other fees and charges for the administration and allocation of state assets (spectrum, numbering and domain names). Before the start of each financial year, URCA will calculate the URCA Fee that is required to satisfy the budget included in URCA's draft annual plan. Licensees that are liable to pay the URCA Fee will receive an invoice for the fee in late November each year and will have thirty days to pay the invoice.

Spectrum Fee

Under section 93 of the Communications Act, URCA is required to bill and collect Spectrum fees for spectrum in the Premium and Standard bands on behalf of the Government of The Bahamas. As specified in the Communications Act, the Minister will prescribe the method for setting Premium Spectrum fees or will set the fees directly. Where spectrum is not in the Premium Spectrum band, URCA will determine the spectrum fees to be paid in accordance with section 93(2) of the Communications Act. URCA will invoice licensees for the Spectrum fee at the same time as it sends invoices for the URCA Fee (i.e. late November) and these are payable within thirty days. Current Spectrum Fees are set out in URCA's Fee Schedule, though as URCA has recently conducted a consultation on a revision to spectrum

⁸¹ Interested parties can consult URCA's website for further details on the ECS licensing regime in The Bahamas, and in particular, URCA's Licensing Guidelines – [ECS 15/2009](#).

⁸² Particularly the Government of The Bahamas and the UAT.

⁸³ See URCA's Fee Schedule [ECS 21/2013](#).

fees the outcome of which URCA is seeking to implement in 2015⁸⁴. It should be noted that one of the proposals consulted on in URCA's review of spectrum fees is the introduction of a Spectrum Administration Fee to be collected and retained by URCA to cover the costs of spectrum management and administration.

Communications Licence Fee

Under section 91 of the Communications Act, URCA acts on behalf of the Government to administer the billing and collection of the Communications licence fee. Any licensee that is liable to pay the URCA Fee under section 92(1) (c) of the Communications Act must also pay the Communications Licence Fee annually. The Communications Licence Fee is currently set at 3% of the licensee's relevant turnover⁸⁵. The quantum of the Communications Licence Fee may only be changed by Parliament, in accordance with paragraph 2 of Schedule 3 of the Communications Act. URCA will also invoice licensees for the Communications Licence Fee at the same time as it sends invoices for the URCA Fee.

Tribunal fee

Under schedule 3 of UAT Act, the expenses of the UAT and the salaries and allowances may also be collected by URCA and passed on to the Tribunal. Within three (3) months of publication of the Registrar's estimate, URCA will bill and collect the Tribunal Fee from all licensees or regulated persons in the regulated sectors. This fee relates to the costs of the operation of the UAT, for which URCA is the collecting agency. URCA will issue invoices to licensees holding individual operating licences and registrable class operating licences as prescribed upon publication by the UAT of its estimated expenditure. It should be noted that the total amount invoiced in 2014 was \$1,120,748.61, which amount is apportioned among relevant URCA licensees in shares proportionate to their share of ECS revenues, subject to a minimum fee of \$500.

Universal Service Fund

Under section 44 of the Communications Act, URCA may levy charges on licensees or content providers to contribute to a Universal Service Fund (USF). In this regard, the Communications Act provides for URCA to establish and administer one or more USFs for the installation and maintenance of networks and the provision of universal services in areas of The Bahamas where the gross avoidable cost of providing the universal service exceeds the revenue derived from those services. URCA is currently developing the framework for the establishment of the USF which will set out, *inter alia*, the methodology for determining the level of charges to be levied by URCA on licensees in contribution to the USF⁸⁶.

⁸⁴ [ECS 04/2014]. Available for download from <http://www.urbahamas.bs/download/082810900.pdf>.

⁸⁵ See Schedule 3 of the Communications Act

⁸⁶ For further information, interested parties can find URCA's consultation document "*Draft Regulation for the Establishment, Management and Administration of the Universal Service Fund (USF) under Section 44 of the Communications Act 2009*" document – [ECS 14/2013](#) found on the URCA website.

Significant Market Power (SMP) Regulation

The Communications Act establishes a SMP-based system of *ex-ante* regulation and outlines the approach that URCA, as an economic regulator, should undertake in relation to licensees deemed or determined to have SMP in any market for electronic communications services. Under section 39 of the Communications Act, URCA may determine that a licensee has SMP if the licensee enjoys a position of economic strength which enables it to hinder the maintenance of effective competition in the relevant market. Under section 40 of the Communications Act, URCA may impose specific, *ex ante* conditions on licensees determined to have SMP. Those conditions may include, but are not limited to, obligations relating to: (i) access and/or interconnection to any services and/or facilities in which the licensee has SMP; (ii) retail price regulations; (iii) cost accounting systems (Accounting Separation); (iv) sharing of infrastructure, facilities and systems used for the provision of electronic communications services; and (v) such other obligations as URCA may consider necessary in pursuance of the electronic communications policy objectives and the sector policy. These obligations supplement the basic obligations on SMP providers set out in section 40(4) of the Communications Act and Part G of the standard IOL.

Section 116, Schedule 4 of the Communications Act and the sector policy set out presumptions that BTC has SMP in the markets for fixed voice and data services, and mobile voice and data services; and that CBL has SMP in the markets for high speed data services and connectivity, and pay TV services. However, the markets identified in the Communications Act were high level and not an adequate basis for effective regulation. In a 2010 SMP Determination⁸⁷, URCA following a review of markets provided further details on the retail and wholesale products contained in each of the high-level SMP markets and set out the specific *ex-ante* obligations for both SMP operators. Table 10 sets out the regulatory obligations imposed on BTC and CBL pursuant to that determination.

⁸⁷ For further information interested parties may see URCA's Final Decision on "*Obligations imposed on Operators with Significant Market Power (SMP)*" – [ECS 11/2010](#) available on the URCA website.

Table 10: Current regulatory obligations imposed on BTC and CBL

SMP operator	Relevant products	SMP obligations
BTC		
	Retail – Fixed access and calling services	Ex- ante retail price regulation, based on Retail Pricing Rules (RPR) ⁸⁸
	Retail – Mobile access and calling services	
	Retail - Broadband internet	Geographic averaging of prices
	Retail – Incoming international calls to mobile numbers	Removal of charges for incoming international calls to mobile customers
	Wholesale - Call transit, call termination, entry into directory enquiries database & ancillary services, and enabling products (e.g., joining circuits and point of interconnection)	Publication of Reference Access and Interconnection Offer (RAIO) with cost-based charges ⁸⁹
	Wholesale - Network access	Offer (end-to-end) broadband product to allow for resale of BTC’s broadband products ⁹⁰
	All SMP products	Develop separated accounts in accordance with URCA’s Accounting Separation Guidelines
CBL		
	Retail – Super Basic TV	Ex- ante retail price regulation, based on Retail Pricing Rules
	Retail - Broadband internet	Untying of broadband packages from pay TV packages
	Wholesale - Network access	Offer (end-to-end) broadband product to allow for resale of CBL’s broadband products ⁹¹
	All SMP products	Develop separated accounts in accordance with URCA’s Accounting Separation Guidelines

These obligations remain in place to date.

⁸⁸ URCA ([ECS 06/2014](#)) issued 16 April 2014, “Regulation of Retail Prices for SMP operators – Rules”.
⁸⁹ <http://files.btcbahamas.com/2014/01/13/Final-BTC-URCA-Approved-RAIO-revised-January-8-2014.pdf>.
⁹⁰ <http://files.btcbahamas.com/2013/12/20/BTC-Broadband-Resale-Offer.pdf>
⁹¹ https://www.cablebahamas.com/public/downloads/Broadband_Resale.pdf

To ensure effective regulation going forward, in 2011 URCA published its “*Methodology for the Assessment of Significant Market Power (SMP)*”⁹², in which URCA established the criteria to be used in making future determinations of SMP under section 39(1) of the Communications Act.

Given the time that has elapsed since the establishment of the current regulatory regime and having regard to market developments in the intervening period, URCA considered it appropriate to carry out a further review of retail communications markets to determine which, if any, licensees have SMP in the relevant markets in accordance with the methodology established in ECS 20/2011. The market review is currently on-going, and on 22nd May 2014 URCA published a *Preliminary Determination on the Assessment of SMP in the ECS*, setting out its preliminary findings and inviting comments from interested persons⁹³.

The outcome of the market review will form the basis for any *ex ante* regulation of those retail services offered by SMP operators going forward. In particular, the assessment will help identify whether the SMP presumptions for BTC and CBL under the Communications Act remain valid in the current retail market environment. It will further allow URCA to validate the *ex-ante* regulatory obligations currently imposed on both SMP licensees and/or the need to design alternative measures to remedy any competition concerns identified in each relevant market.

The remainder of this Appendix describes the principal regulatory measures that URCA has implemented to date to regulate SMP providers in The Bahamas.

Access and interconnection

URCA has established an Access and Interconnection Guidelines⁹⁴ for the ECS designed, *inter alia*, to guide SMP licensees in The Bahamas in developing Reference Access and Interconnection Offers (RAIOs) that meet URCA’s requirements and thus support the objectives as specified in section 4 of the Communications Act, including:

- to promote investment and innovation in electronic communications networks and services; and
- to encourage, promote and enforce sustainable competition

The RAIO Guidelines are designed to facilitate licensees seeking to purchase interconnection and access services and facilities from an SMP licensee in The Bahamas in understanding the principles of access and interconnection applied by URCA and the scope of services and facilities and associated processes and documentation it should expect from an SMP licensee. In particular, the RAIO Guidelines are designed to ensure that: (i) access and interconnection are established and provided in accordance with standard terms and conditions as set out in the relevant RAIO document approved by URCA; (ii) operators determined by URCA to have SMP do not seek to impede competition through commercial,

⁹² For further information, interested parties can find this document, [ECS 20/2011](#), 2011, on the URCA website.

⁹³ The Preliminary Determination, [ECS 10/2014](#), is available for download from URCA’s website.

⁹⁴ See URCA’s “*Access & Interconnection Guidelines*” [ECS 14/2010](#)

technical, operational or other aspects of access and interconnection, or by setting charges in excess of efficiently incurred costs; (iii) the Access and Interconnection Agreement does not become a tool through which two or more operators can collectively remove the benefit of competition from customers and is not otherwise contrary to the Communications Act, relevant licence conditions and the RAI0 Guidelines.

The RAI0's for SMP operators must conform to the following high level principles:

- **Any-to-any connectivity:** The RAI0 shall offer access and interconnection services that enable any-to-any connectivity between customers on an SMP operator's network and customers on other networks;
- **Rights of access and interconnection for electronic communications systems:** (Provided that this is consistent with the relevant licence conditions) all licensed operators of electronic communications systems and services (including SMP operators) shall have the right to either physically or logically connect their systems to all other electronic communications systems. For the elimination of doubt, purely private electronic communications systems will not have the right to access and interconnection;
- **Obligation to interconnect:** (Provided that this is consistent with the relevant licence conditions) all operators of electronic communications systems (including SMP operators) shall be obliged to respond to requests for interconnection;
- **Good faith negotiation:** All operators of electronic communications systems must respond to requests for access and interconnection in good faith;
- **Timeliness:** All providers of electronic communications networks and services (including SMP operators) must respond to requests for access and interconnection, and requests for amendments to existing access and interconnection agreements, in a timely fashion. The processes contained in the RAI0s should specify timeframes that reflect this principle;
- **Technical standards:** Technical requirements for access and interconnection should be sufficient to protect the integrity of the system, and ensure interoperability of interconnected systems, without becoming a barrier to competition;
- **Non-discrimination:** The terms, conditions and charges for access and interconnection must be no less favourable than those the SMP operator offers its own business unit, its Affiliates (if any), or any other operator;
- **Points of Interconnection:** In general, interconnection should be available at any technically feasible point, unless interconnection at that point is not feasible given the existing network configuration or would compromise the integrity of an electronic communications system (whether the SMP operator's, interconnection seeker's, or a third party's system) or would compromise the interoperability of any electronic communications system (whether the SMP operator's, interconnection seeker's, or a third party's system);

- **Reasonably unbundled elements:** SMP operators should not be allowed to bundle access and interconnection services together if the purchaser only requires some of the services. Where an operator has SMP, it should unbundle distinct services and facilities, and corresponding charges, sufficiently so that an operator seeking access and/or interconnection need only pay for the specific elements of the network for which access and or interconnection is required;
- **Transparency:** SMP operators should ensure that their procedures for access and/or interconnection, and terms, conditions and charges for access and/or interconnection are transparent; and
- **Cost-oriented charges:** Access and interconnection charges offered by an SMP operator should be cost-oriented, i.e., charges should allow the SMP operator to recover the efficiently incurred costs, including a reasonable rate-of-return on capital employed. For the avoidance of doubt, prices set on a “retail minus” basis may also be considered to be cost-oriented⁹⁵.

URCA recently concluded a review of the market for wholesale call termination services in The Bahamas in order to update the SMP determination in this market based on current market participants⁹⁶. The review found that BTC, CBL and IP Solutions International Ltd (IPSi) hold SMP in the market for terminating calls (and mobile voice messages) on their respective networks. The review reaffirmed the remedies applicable to BTC’s call termination services pursuant to URCA’s 2010 SMP Assessment, and imposed new SMP obligations on CBL and IPSi. In particular, the fixed termination rates charged by CBL and IPSi to terminate traffic on their respective networks are now also subject to a wholesale price control, to be determined by URCA upon further consultation with stakeholders. URCA intends to treat similarly with any new network established in The Bahamas.

Price Regulation

URCA has adopted a rules based approach to price regulation for the ECS in The Bahamas. Retail prices for the key services provided to the public by SMP operators are regulated by URCA in accordance with the *Regulation of Retail Prices of SMP Operators – Rules*, which were updated by URCA on 16th April 2014 and published as ECS 06/2014⁹⁷. The Rules are designed to guard against unfair pricing practices by any SMP operator and protect consumers from excessive pricing.

In conjunction with its review of retail markets referred to above, URCA is currently considering a transition to a price cap regulation regime for certain retail electronic communications services. The arrangements should provide incentives for the operator to increase efficiency and should ensure that

⁹⁵ Interested parties may see URCA’s Statement of Results on “*Setting Regulated Interconnection Charges Of Bahamas Telecommunications Company Limited (BTC) Going Forward*” - [ECS 25/2012](#) in which URCA established new interconnection rates for fixed and mobile termination on BTC’s networks based on a benchmarking approach and also directed BTC to revise its RAI0 tariff schedule to reflect the new rates.

⁹⁶ For further information interested parties may see URCA’s Statement of Results and Final Determination document “*Assessment of Significant Market Power in Call Termination Services in The Bahamas under Section 39(1) of the Communications Act, 2009*” – [ECS 13/2013](#) available on the URCA website.

⁹⁷ Interested parties may see URCA’s “*Regulation of Retail Prices for SMP Operators – Rules*” – [ECS 06/2014](#).

operators have sufficient flexibility to respond to changing commercial circumstances, promoting sustainable competition while also ensuring that consumer interests are protected. The transition to price caps should also ensure prices remain reasonably aligned with costs through passing on cost increases which are outside the operator's control (such as inflation) and through periodically resetting the regulated price cap.

Accounting Separation

In 2010, URCA issued Final Accounting Separation and Cost Accounting guidelines for both BTC and CBL⁹⁸, requiring those SMP operators annually to provide to URCA separated accounts which set out individual accounts for each separate business. Accounting separation specifies how financial and other operational information should be collected and reported for each regulated business. However, accounting separation neither requires nor specifies how the regulated business should be organised or structured.

The main objectives of URCA for imposing accounting separation and cost accounting include: (i) monitoring actual performance against current price control assumptions; (ii) informing future price control decisions; (iii) estimating access and interconnection charges, such as those required by a Reference Access and Interconnection Offer (RAIO); and (iv) informing regulatory decisions regarding anti-competitive pricing. BTC and CBL must provide an independent audit opinion on these accounts before presenting the same to URCA.

It should be noted that while URCA has included a publication requirement in its Accounting Separation Framework⁹⁹, to date URCA has waived the publication requirement based on considerations and concerns related to the robustness of the information contained in separated accounts, and its utility in achieving the intended outcomes of the Accounting Separation requirement. However, the preparation and submission of separated accounts to URCA is an on-going obligation imposed on SMP operators, and URCA's review of those accounts is undertaken on an annual basis.

Consumer Protection

Under Part VIII of the Communications Act, URCA is required to monitor and enforce consumer protection conditions contained in licences and may issue general Regulations relating to the protection of consumers in The Bahamas. URCA has issued general Regulations¹⁰⁰ relating to the protection of consumers and the provision of services by licensees. The core areas covered by the regulations include: (i) consumer sales, contracts and services; (ii) consumer obligations; (iii) advertising billing and credit management; (iv) customer complaints handling; (v) customer quality of service; (vi) compliance monitoring by service providers; (vii) compliance reporting by URCA; and (viii) monitoring review and

⁹⁸ ECS [12/2010](#) and ECS [13/2010](#), respectively.

⁹⁹ ECS [18/2012](#) – URCA Final Decision on Publication of Regulatory (Separated) Accounts for SMP Licensees

¹⁰⁰ For further information, interested parties may see URCA's "Consumer Protection Regulations" [ECS 19/2013](#) as issued February 7, 2014.

amendments by URCA. Except where expressly provided in the Regulations, the Regulations shall apply to all licensees, including mobile operators, which have been issued an individual operating licence or class operating licence requiring registration by URCA in accordance with the Communications Act.

URCA has also imposed a licence condition on operating licensees to develop consumer complaints handling procedures. URCA's Consumer Complaint Handling Guidelines¹⁰¹ assist operators in establishing effective mechanisms through which consumers can have their complaints properly received, effectively handled and expeditiously resolved by operators in the ECS.

Universal Service Obligations

The Communications Act grants URCA powers to regulate licensees designated to be universal service providers (USP) and requires URCA to establish the framework for the implementation of the Government's policy on universal service. Under Part XIX of the Communications Act, both BTC and CBL have been designated as USPs. In fulfilment of its requirement to establish the regulatory framework necessary for the implementation of the Government's policy on universal service, URCA published its Statement of Results and Final Decision regarding the "*Framework for the Clarification and Implementation of Existing Universal Service Obligations (USO) under Section 119 and Schedule 5 of the Communications Act 2009*"¹⁰². The Statement of Results and Final Decision primarily (i) clarified the existing provisions in the legislation; (ii) addressed any ambiguities arising from those provisions; (iii) identified the core principles from which guidelines for calculating the costs of USO may be developed; and (iv) initiated a framework building process towards establishing appropriate funding mechanisms for universal services.

URCA is continuing the process toward establishing the USO framework as set out in ECS 01/2013. To date URCA has issued for consultation the *Draft Regulation for the Establishment, Management and Administration of the Universal Service Fund (USF)* [[ECS 14/2013](#)], and is considering the comments received from interested parties. URCA expects to finalise the USF Regulations in the near future¹⁰³, and expects to commence public consultations on the remaining documents during 2014. Those documents will establish the mechanism for BTC or CBL as the current USPs to demonstrate that a USO results in a net avoidable cost which should be offset via the USF, will establish guidelines for assessing affordability of USOs, and determine implementation plans for achieving the outstanding USOs by BTC and CBL.

¹⁰¹ For further information, interested parties may see URCA's Statement of Results and Final Determination on "*Guidelines for developing Licensee Consumer Complaints Handling Procedures*" [[ECS 16/2012](#)] as issued June 6, 2012.

¹⁰² For further information, interested may see URCA the document [[ECS 01/2013](#)] published January 23, 2013.

¹⁰³ It should be noted that the proposed Universal Service Fund Regulations do not envisage any requirement to contribute periodically or at all to the USF, unless and until a need for funding is demonstrated by a Universal Service Provider showing that a net avoidable cost is occasioned as a result of a Universal Service Obligation in a particular locality. To date, no such need has been demonstrated.

In the meantime, the transitional provisions in the Communications Act provide for the provision of USOs by BTC and CBL, and URCA continues to require the compliance with those obligations by the designated Universal Service Providers.

Number Administration and Number Portability

Bahamas National Numbering Plan

URCA has published the Bahamas National Numbering Plan (NNP)¹⁰⁴ in accordance with its mandate under the Communications Act¹⁰⁵ which requires URCA to publish a numbering plan for The Bahamas and makes rules for the allocation and assignment of numbers (Central Office Codes) to licensees. As The Bahamas is part of the North American Numbering Plan (NANP), the NNP complies with the rules and principles outlined by the North American Numbering Plan Administration (NANPA) and other relevant international treaty obligations.

The NNP sets out the policy and general guidelines that will be followed by URCA in the administration of all numbering resources in the ECS for The Bahamas. The NNP is designed to ensure that URCA manages numbering resources in an efficient manner, promotes investment and innovation in electronic communications networks and services, facilitates sustainable competition, and ensures optimal use of numbering resources. It also guides licensees on the process to be followed for obtaining and using numbering resources allocated and assigned by URCA. Applicants under this process are advised that the NNP addresses matters such as applications for Mobile Network Codes, and other similar resources.

Number Portability

Under section 80 of the Communications Act, URCA is required to issue a consultation and make a determination on Number Portability (NP) for The Bahamas. The Communications Act also mandates that licensees shall provide to the extent technically feasible, operator - to - operator number portability when required to do so in accordance with the requirements prescribed by URCA. Fixed Number Portability (FNP) was implemented in The Bahamas on 2nd December 2013 to allow all customers of fixed telephone services on any island with two or more providers (currently New Providence, Grand Bahama, Abaco and Eleuthera) to keep their number when switching providers (fixed to fixed, and within a single island, only).

Mobile number portability is also planned to coincide with the introduction of competition in the mobile market. The routing and database solutions that are currently used for fixed NP and which will also be used for Mobile NP in The Bahamas are All Call Query (ACQ) routing for voice calls and other forms of routed traffic in The Bahamas supported by a centralised NP database and clearinghouse function, provided by a third party service provider (NP Service Provider). Porting XS Porting Access BV

¹⁰⁴ [ECS 20/2010] available for download from <http://www.urcabahamas.bs/download/056748400.pdf>.

¹⁰⁵ Communications Act, section 79.

(Porting XS), a Netherlands based company, was selected after a competitive process as the Number Portability Service Provider.

Content Regulation

Part IX of the Communications Act requires URCA (in consultation with an industry group) to develop codes of practice that are to be observed by licensees providing audio-visual media services in The Bahamas. URCA therefore developed *ex ante* regulatory measures by way of the Code of Practice for Content Regulation¹⁰⁶ (the Code) to govern content in the ECS. Having regard to the widespread availability of carriage services, content services, and on-demand audio-visual media services in The Bahamas, it appeared to URCA that it would be in the best interests of The Bahamas and necessary for the effective achievement of the policy objectives set out in the Communications Act, for licensees providing carriage services, content services, and on-demand audio-visual media services in The Bahamas to also comply with and observe the Code.

Licensees under the Communications Act providing carriage services, content services, and on-demand audio visual media services in The Bahamas and licensees providing content services intended for reception by subscribers of carriage services are therefore expected to comply with the Code as issued by URCA¹⁰⁷.

Dispute Resolution and Enforcement

URCA is empowered by Part XVII of the Communications Act with a range of regulatory enforcement measures including the power to issue determinations, orders, and adjudications and licence revocation, which it may employ to address breaches of the ECS regulatory framework.

In addition, and pursuant to section 15 of the Communications Act, URCA has recently published a Consultation Document outlining Alternative Dispute Resolution Guidelines for the ECS¹⁰⁸ which will guide URCA's handling of disputes submitted to URCA for resolution. URCA expects to implement the Guidelines during the fourth quarter of 2014.

¹⁰⁶ Code of Practice for Content Regulation document – [ECS 06/2012](#).

¹⁰⁷ Interested parties may see URCA's Final Determination and Order on "*CONTENT REGULATION: APPLICATION OF THE CODE OF PRACTICE FOR CONTENT REGULATION (ECS 06/2012) TO CARRIAGE SERVICES, CONTENT SERVICES AND ON-DEMAND AUDIOVISUAL MEDIA SERVICES AND THE APPLICATION OF MUST CARRY OBLIGATIONS TO CONTENT SERVICES INTENDED FOR RECEPTION BY SUBSCRIBERS OF CARRIAGE SERVICES IN THE BAHAMAS*" [ECS – 11/2012](#) as issued May 29, 2012.

¹⁰⁸ Public Consultation on Alternative Dispute Resolution Guidelines – [ECS 02/2014](#) available for download from URCA's website.

Planned Regulatory Measures

URCA highlights the following regulatory measures or initiatives that are either on-going or which URCA intends to complete within the near future (within 2014) and which may be of particular relevance to the provision of cellular mobile services in The Bahamas:

Infrastructure sharing

The Communications Act gives URCA power to issue regulations for the purposes of carrying into effect the electronic communications policy objectives. In parallel with this RFP process, URCA will issue for consultation draft regulations that will effectively govern infrastructure sharing and have general applicability to all licensees of the ECS in The Bahamas. Once completed, any infrastructure regulations adopted will supersede any existing regulatory or other measure relating to infrastructure sharing.

Review of BTC Reference Access and Interconnection Offer

In preparation for mobile competition, URCA will be conducting a review of the RAIO published by BTC to ensure that it treats appropriately with all regulated wholesale services which are required to ensure the smooth introduction of competition. In particular, URCA noted that BTC's RAIO does not currently provide for *inter alia* direct connectivity to BTC's mobile network, or rates for termination of calls to mobile networks originating from within The Bahamas, given the RPP/MPP pricing structure applied by BTC. The review is expected to be commenced early in the fourth quarter of 2014, and any necessary amendments implemented within six months of commencement of the review.

Review of Access and Interconnection Guidelines

URCA recognises that there is considerable scope for existing operators to frustrate or delay the introduction of competition by the delay of interconnection negotiations or the installation of required interconnection equipment, and URCA is seeking to ensure that the framework for interconnection in The Bahamas guards against such behaviour, and provides URCA with the necessary tools to ensure that interconnection takes place in the most effective, efficient and expeditious manner. URCA has therefore commenced a review of the Access and Interconnection Guidelines, and expects to consult in the near future on any proposed changes thereto. Consultation on the review is expected to be commenced early in the fourth quarter of 2014, and any necessary regulatory measures implemented within six months of commencement of consultation.

Review of Spectrum Pricing

In 2013 URCA commenced work on a review of the Spectrum Fees currently charged in order to properly align those fees with the value of the spectrum, and to ensure that URCA duly recovers the sums expended in the management of the radio spectrum. Any changes to Spectrum Fees arising from the review will not apply to the Spectrum Fee for the Premium Spectrum allocation issued via this RFA process, though it should be noted that URCA has proposed the introduction of an annual Administrative

Fee which will be payable by all spectrum licensees to URCA to cover the cost of the management of radiofrequency spectrum (note that all Spectrum Fees are remitted to the Government). URCA published the spectrum pricing review for consultation on 11 April 2014 and the consultation closed on 30 June 2014.¹⁰⁹ URCA is reviewing comments received and expects to implement any revisions to Spectrum Fees and any Administrative Fee established, from the beginning of 2015. It should be noted that one of the proposals consulted on in URCA's review of spectrum fees is the introduction of a Spectrum Administration Fee to be collected and retained by URCA to cover the costs of spectrum management and administration.

¹⁰⁹ [ECS 04/2014](#), available for download from www.urcabahamas.bs.

**NAME AND ADDRESS OF
LICENSEE**

INDIVIDUAL OPERATING LICENCE

Commencement Date:

Licence Number: IO-

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PART A - GENERAL CONDITIONS

1 DEFINITIONS AND INTERPRETATION

1.1 In this Licence, except in so far as the context otherwise requires:

“Access” is the making available of Facilities and/or Carriage Services, to an Other Operator, under defined conditions, on either an exclusive or non-exclusive basis, for the purpose of providing Electronic Communications Services;

“Allocation”, in relation to a CO Code, means allocation by URCA and **“Allocated”** refers to the act of issuing an Allocation;

“Alternative Dispute Resolution Body” means the body of persons responsible for administering a relevant Alternative Dispute Resolution Scheme;

“Alternative Dispute Resolution Scheme” means procedures approved or established from time to time by URCA in accordance with section 15 of the Communications Act;

“American Standards Organisations” means the American National Standards Institute and ASTM International (formerly known as the American Society for Testing and Materials (ASTM));

“Approved Equipment” means, in relation to any Network, Equipment which complies with Condition 14;

“Associated Facility” means any Facility which: (a) is available for use in association with the use of a Network or Carriage Service (whether or not one operated or provided by the person making the Facility available); and (b) is so available for the purpose of: (i) making the operation of that Network or provision of that service possible; (ii) making possible the provision of other services provided by means of that Network or service; or supporting the provision of such other services;

“Caller Location Information” means any data or information processed in a Network indicating the geographic position of the terminal equipment of a person initiating a call;

“CO Code” means central office codes as specified in the Numbering Plan;

“Code of Practice for Complaints” means a code of practice published pursuant to Condition 18 and in accordance with section 45 of the Communications Act;

“Code of Practice for Sales and Marketing” means a code of practice established in accordance with Condition 36.4;

“Commencement Date” means the date of grant of this Licence;

“Communication” means a communication for transmission by a Network;

“Communications Act” means the Communications Act 2009;

“Communications Data” means Signals other than Traffic Data;

“Communications Licence Fee” means the fee payable under section 91 of the Communications Act;

“Condition” means a condition in this Licence;

“Directory” means a printed Document containing Directory Information on Subscribers of Public Telephone Services in The Bahamas which is made available to members of the public;

“Directory Enquiry Facility” means the provision of Directory Information by means of a Public Telephone Network;

“Directory Information” means: (a) in the case of a Directory, the name and address of the Subscriber and the Telephone Number assigned to the Subscriber for their use of Public Telephone Services and, (b) in the case of a Directory Enquiry Facility, shall be either such a Telephone Number of the Subscriber or information that such a Telephone Number of the Subscriber may not be supplied;

“Emergency Call Numbers” means the Telephone Numbers “911” and “919” and any other Telephone Number designated as emergency call numbers by URCA;

“Emergency Organisation” means in respect of any locality: (a) the relevant public police, fire, ambulance and coastguard services for that locality; and (b) any other organisation, as directed from time to time by URCA as providing a vital service relating to the safety of life in emergencies;

“End to End Connectivity” means the facility: (a) for different End-Users of the same Network or Carriage Service to be able to communicate with each other; and (b) for the End-Users of different Networks or Carriage Services to be able, each using the Network or Carriage Service of which each is an End User, to communicate with each other;

“End-User” in relation to Public Telephone Service or other publicly-available Carriage Service, means: (a) a person who, otherwise than as a Licensee, is a Subscriber for that service; (b) a person who makes use of the service otherwise than as a Licensee; or (c) a person who may be authorised, by a person falling within sub-paragraph (a), so to make use of the service;

“Equipment” includes any equipment, machinery or device and any wire or cable and the casing or coating for any wire or cable;

“European Standards Organisations” means the European Committee for Standardisation (CEN), the European Committee for Electrotechnical Standardisation (CENELEC), and the European Telecommunications Standards Institute (ETSI);

“Financial Year” means the Financial Year of URCA, as defined in the URCA Act;

“Force Majeure” means any event or effect that can be neither anticipated nor controlled and includes both acts of nature such as earthquake, flood, lightning and hurricane, and acts of people such as riot, civil disorder, terrorism, declared state of emergency and war;

“Free Broadcast Service” means Broadcasting that is intended for reception in an unencrypted, intelligible form and free of charge;

“Infrastructure” means towers, masts, poles, antennae mounting, ducts, duct chambers or other similar civil engineering or works structures which bear, carry or route any Signal carrying or processing elements of a Network;

“Intellectual Property Rights” means all inventions (whether patentable or not), patents, utility models, supplementary protection certificates, designs (both registered and unregistered and including rights in semiconductor topographies), copyright, database rights, trade and service marks (both registered and unregistered) together with all applications for, rights to the grant of and extensions of the same, and all other intellectual and industrial property including but not limited to all similar or analogous rights throughout the world, in each case for the full term of the relevant right;

“International Standards Bodies” means the International Telecommunication Union (ITU), the International Organisation for Standardisation (ISO), the International Electrotechnical Committee (IEC), the American Standards Organisations, European Standards Organisation and any other body recognised by URCA as an International Standards Body;

“Land Rights” means the land rights provisions set out at Part XIV of the Communications Act;

“Network Interconnection Interface” means the Technical Characteristics of each interface at any Network Interconnection Point;

“Network Interconnection Point” means the physical location at which Interconnection between different Public Networks takes place;

“Notified Licensees” means Licensees notified by the Named Licensee to URCA pursuant to section 21(1) of the Communications Act;

“Other Operator” means a person other than the Licensee who is authorised to operate a Network or provide a Carriage Service under a licence awarded or an exemption granted by URCA;

“Pay Telephone” means a telephone for the use of which the means of payment may include coins and/or credit/debit cards and/or pre-payment cards, including cards for use with dialling codes. For the avoidance of any doubt, references to a Pay Telephone include references to a Public Pay Telephone;

“Public Pay Telephone” means a Pay Telephone available to the general public;

“Public Service” means any Carriage Service that is provided so as to be available for use by members of the public;

“Public Telephone Network” means a Network which is used to provide Public Telephone Services; it supports the transfer between Network Termination Points of speech Communications, and also other forms of communication, such as facsimile and data;

“Public Telephone Service” means a Public Service for originating and receiving national and international calls and access to Emergency Organisations through a number or numbers in a Numbering Plan, and in addition may, where relevant, include one or more of the following services: Directory Enquiry Facilities, provision of Public Pay Telephones;

“Radiocommunications” means the transmission, emission or reception of messages, sound, visual images or Signals using electromagnetic waves which are propagated in space and having frequencies of lower than 3,000 GHz;

“Records” means data or information showing the extent of any Network or service actually provided to an End-User and any data or information used in the creation of a bill for an End-User;

“Residential Customer” means, in relation to the Licensee, a Subscriber of that Licensee who is a natural person who uses the Licensee’s services and who contracts at a place of residence;

“Served Premises” means a single set of premises in single occupation where Equipment has been installed for the purpose of the provision of Carriage Services by means of a Network at those premises;

“Slamming” means misselling where a Subscriber is switched from an Other Operator to the Licensee without the express knowledge or consent of the Subscriber, including where there has been no contact at all between the Licensee and the Subscriber;

“Small Business Customer” means, in relation to the Licensee, a Subscriber of that Licensee who is: (a) not an Other Operator; and (b) a Subscriber in respect of an

Undertaking carried on by him which has an annual turnover that does not exceed two hundred and fifty thousand dollars;

“Technical Characteristics” means the physical, electrical and other relevant characteristics and the Network interworking and service management protocols;

“Telephone Number” means any number, including data of any description, that is used (whether or not in connection with telephony) for any one or more of the following purposes: (a) identifying the destination for, or recipient of, a Signal; (b) identifying the origin, or sender, of a Signal; (c) identifying the route for a Signal; (d) identifying the source from which a Signal or Carriage Service: (i) may be obtained or accessed; (ii) selecting the service that is to be obtained or accessed, or required elements or characteristics of that service; or (e) identifying the Licensee by means of whose Network or service a Signal is to be transmitted, or treated as transmitted;

“Toll Free Services” means calls to Telephone Numbers that are toll free under the Numbering Plan;

“Traffic Data” means any data comprised in a Signal: (a) identifying or purporting to identify any person or location to or from which the Signal is or may be transmitted; (b) identifying or selecting, or purporting to identify or select, Equipment to or from which, or by means of which, the Signal is or may be transmitted; (c) for the actuation of Equipment used for the purposes of the relevant Network for effecting the transmission of the Signal; or (d) any data identifying the Traffic Data or any other Signals as being comprised in or attached to a particular Signal;

“UAT Act” means the Utilities Appeal Tribunal Act; and

“URCA Act” means the Utilities Regulation and Competition Authority Act 2009.

1.2 For the purpose of interpreting the Conditions in this Licence:

1.2.1 except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in:

- (a) the Licence, and otherwise
- (b) the Communications Act, and otherwise
- (c) the URCA Act, and otherwise
- (d) the UAT Act;

1.2.2 for ease of reference, in this Licence terms defined in the Communications Act have been capitalised;

- 1.2.3 subject to Condition 1.2.1, where there is any conflict between the provisions of this Licence and the Communications Act, the provisions of the Communications Act shall prevail;
- 1.2.4 references to Conditions, paragraphs, subparagraphs and appendices are to Conditions, paragraphs, subparagraphs of and to the appendices to the Licence, as modified from time to time in accordance with this Licence and the Communications Act;
- 1.2.5 a Document will be incorporated into and form part of the Licence if it is referred to in this Licence and a reference to a Document is to a Document as modified from time to time;
- 1.2.6 headings and titles used in this Licence are for reference only and shall not affect its interpretation or construction;
- 1.2.7 references to any law or statutory instrument include any modification re-enactment or legislative provisions substituted for the same;
- 1.2.8 use of the word “include” or “including” is to be construed as being without limitation;
- 1.2.9 expressions cognate with those referred to in this Licence shall be construed accordingly;
- 1.2.10 words importing: (i) the singular only shall include the plural and vice versa; (ii) the whole shall be treated as including a reference to any part; and (iii) any gender shall include all other genders; and
- 1.2.11 reference to persons shall include firms or companies.

2 **DURATION**

- 2.1 This Licence shall come into force on the Commencement Date and shall continue in force until the fifteenth (15th) anniversary of the Commencement Date.
- 2.2 This Licence may be further renewed as specified by the procedures at section 26 of the Communications Act.

3 **NATURE AND SCOPE OF THE LICENCE**

- 3.1 URCA grants to the Licensee:
 - 3.1.1 a right to provide any Carriage Services; and
 - 3.1.2 the rights to establish, maintain and operate one or more Networks,

within, into, from and through The Bahamas, subject to the Conditions of this Licence, Regulatory And Other Measures and the provisions of the Communications Act.

- 3.2 Subject to Condition 38 and to the Land Rights, the Licensee is entitled to carry out any and all projects, construction, and trading activities relating to the establishment, operation, maintenance and improvement of the Network.
- 3.3 Subject to all other applicable laws and regulations of The Bahamas at the time being in force, the Licensee undertakes to comply with the Conditions of this Licence, Regulatory And Other Measures and the provisions of the Communications Act.
- 3.4 Nothing in this Licence shall relieve the Licensee of any legal requirement to obtain any additional consents, permissions, authorisations or licences that are necessary for the establishment, operation, maintenance or improvement of the Network, the provision of the Carriage Services or the exercise of the Licensee's rights or discharge of its obligations under the Licence, including obtaining any licences required under the Communications Act for the use of Radiocommunications.
- 3.5 In accordance with section 26(3)(b) of the Communications Act, the Licensee shall ensure that the administration and management of the business associated with the establishment, operation and maintenance of the Network and the provision of the Carriage Services shall be conducted from premises in The Bahamas.

4 PAYMENT OF FEES AND CONTRIBUTIONS

- 4.1 The Named Licensee shall pay to URCA the following fees and contributions notified by URCA from time to time in accordance with the Communications Act:
 - 4.1.1 any URCA Fees;
 - 4.1.2 the communications licence fees notified by URCA on behalf of the Minister;
 - 4.1.3 the contribution to the Universal Service Fund set by URCA from time to time in accordance with the Communications Act; and
 - 4.1.4 the Tribunal Fee payable pursuant to Schedule 3 of the UAT Act.
- 4.2 For each Financial Year of the Licence, any annual fees payable by the Named Licensee under section 92(1)(c) of the Communications Act shall be based upon the following accounts or, where appropriate, business plan for the Named Licensee and each of the Notified Licensees (or, where these are consolidated, the Named Licensee's consolidated accounts showing the turnover and revenue for the Named Licensee and each of the Notified Licensees):
 - 4.2.1 the last available audited accounts; or

- 4.2.2 if the audited accounts are not available or those accounts do not include any Relevant Turnover, accounts certified by an accountant in possession of a practising certificate issued by the Bahamas Institute of Chartered Accountants; or
 - 4.2.3 if the Licensee does not have any available accounts certified by an accountant in possession of a practising certificate issued by the Bahamas Institute of Chartered Accountants, the expected Relevant Turnover in the Licensee's business plan.
- 4.3 The annual fees calculated in accordance with Condition 4.2 shall be paid in advance on the first day of the Financial Year, with any adjustment due as a result of the audited accounts for that Financial Year becoming available being paid to URCA (or deducted from any other payment due to URCA) on the first day of the next Financial Year.
- 4.4 Without prejudice to Condition 6.1, in the event of a default by the Named Licensee in the payment of any fees when due under this Licence:
- 4.4.1 the Named Licensee shall pay to URCA interest under section 94 of the Communications Act; and
 - 4.4.2 URCA may revoke this Licence under the terms of the Communications Act.

5 **INFORMATION, AUDIT, INSPECTION AND ACCESS**

- 5.1 URCA may require:
- 5.1.1 an audit of any aspect of the business of the Licensee and the Licensee shall or shall procure assistance to URCA as it may reasonably require;
 - 5.1.2 the Named Licensee or any Notified Licensee to provide it with such information, Documents, accounts, returns, estimates, reports or other information required by URCA in the manner and at the times specified by URCA. URCA may use this information for purposes of compiling statistics and publishing periodical reviews of the Electronic Communications industry, and as required or permitted by the Communications Act or other laws or legal process;
 - 5.1.3 the Named Licensee to notify URCA of the details of all Subsidiary Undertakings providing a Network or Carriage Service under this Licence or providing a Content Service; and
 - 5.1.4 the Licensee to permit a person authorised by URCA to carry out an inspection.

6 BREACH OF LICENCE

6.1 If URCA has reason to believe that any Licensee has failed to comply with any Condition it may exercise all such powers and duties as are afforded to or required of it under the Communications Act or any other relevant law and may take all such action as is permitted to it under those sections against either the Named Licensee or that Notified Licensee.

6.2 The Named Licensee shall be liable for all the acts and omissions of each of the Notified Licensees in respect of its obligations under this Licence.

6.3 Without prejudice to the Named Licensee's other obligations under this Licence, where a Notified Licensee has done something which would if done by the Named Licensee:

6.3.1 be prohibited or not authorised by this Licence; or

6.3.2 require the Named Licensee to take or refrain from taking a particular action under this Licence and that no Licensee, including the Named Licensee, has met that further requirement,

then, if URCA is not satisfied that the Named Licensee has taken all reasonable steps to prevent any Notified Licensee from acting in that way, URCA may direct that the Named Licensee take such steps as URCA deems appropriate for the purpose of remedying the matter, including restraining the defaulting Notified Licensee from carrying on with such commercial activities connected with Networks or Carriage Services as URCA may determine.

7 REVOCATION AND MODIFICATION

URCA may revoke or modify this Licence in accordance with the procedures set out in section 27 of the Communications Act.

8 CHANGE IN CONTROL

8.1 The Licensee shall obtain URCA's approval of any change in control of the Named Licensee or any Notified Licensee prior to the change in control occurring.

8.2 Without limiting URCA's ability and duty to apply the merger control provisions in sections 70 to 78 of the Communications Act, URCA may object to a change in control if in URCA's view the acquirer would not meet any of the criteria referred to in, or set by URCA pursuant to, section 26(3) of the Communications Act.

9 ASSIGNMENT

9.1 The Licensee shall not, without the prior written consent of URCA, sub-license, assign or grant any right, interest or entitlement in the Licence to any person or transfer or dispose of any of its assets that are necessary to provide any Carriage Service that the

Licensee is obliged to provide under this Licence unless such assets have been adequately replaced.

9.2 Condition 9.1 shall not apply to a mortgage, charge or other transaction entered into for the purpose of securing borrowings of the Licensee, being borrowings for the purposes of establishing, operating or maintaining the Licensee's Network or providing the Carriage Services or the provision of anything incidental to the Network or the Carriage Services.

10 **NOTICES**

10.1 Notices to the Licensee under the Conditions shall be in writing and sent by post or hand to the address shown at the front of this Licence or any other relevant address known to URCA or sent by facsimile if the parties agree beforehand that they will use facsimile for transmission of specific notices.

10.2 Notices to URCA under the Conditions shall be in writing and sent to the Chief Executive Officer of URCA by post or hand to the business address of URCA or by facsimile.

PART B - GENERAL ACCESS AND INTERCONNECTION OBLIGATIONS

11 OBLIGATION TO NEGOTIATE ACCESS AND INTERCONNECTION

11.1 Subject to the Conditions of this Licence, the Communications Act, any Regulatory and Other Measures issued by URCA pursuant to the Communications Act and any other relevant enactment, the Licensee is required in good faith to negotiate, conclude and amend agreements with any Other Operator for Interconnection, Access and other related services, including the types and amount of charges.

11.2 Subject to any other terms of this Licence and Part XI (Competition Provisions) of the Communications Act, where the Licensee acquires information from any Other Operator before, during or after the process of negotiating or arranging Interconnection or Access and where such information is acquired in confidence in connection with and solely for the purpose of such negotiations or arrangements, the Licensee shall use that information solely for the purpose for which it was supplied and respect at all times the confidentiality of information transmitted or stored. Such information shall not be passed on to any other person without the prior written approval of the Other Operator.

12 MUST-CARRY OBLIGATIONS

The Licensee shall, on a direction of URCA made from time to time for the purposes of this Condition 12 broadcast or otherwise transmit any service specified in that direction.

PART C - STANDARDS AND TECHNICAL OBLIGATIONS

13 TECHNICAL REGULATIONS

- 13.1 The Licensee shall comply with all determinations or regulations issued by URCA under section 83 of the Communications Act in relation to technical standards for Electronic Communications Networks and systems, Electronic Communications equipment, including End-User Equipment at Network Termination Points, and procedures for testing such equipment and apparatus.
- 13.2 In accordance with Section 83(2) of the Communications Act, the Licensee shall not use or supply any Facilities that do not comply with relevant technical rules, standards, conditions and approval processes established by URCA. The Licensee may request approval or consent from URCA for any Facilities and URCA shall not unreasonably withhold such consent.
- 13.3 Notwithstanding Condition 14, the Licensee shall as soon as reasonably practicable cease to provide any Carriage Service that uses any Equipment that:
- 13.3.1 has not been approved, licensed or exempted from approval or licensing by URCA; or
 - 13.3.2 no longer meets the requirements for approval or licensing by URCA, in respect of which URCA has issued a notice to that effect to the person who has under his control such Equipment.
- 13.4 The Licensee shall not impose technical or other Conditions or employ any arrangements for the provision of its Carriage Services or for the use of its Network or any Equipment in connection with its provision of Carriage Services or the use of its Network other than those set by URCA. In particular, the Licensee shall not, except where URCA is satisfied that it is reasonable, exercise any Intellectual Property Rights which it owns or is licensed to use in a manner which prevents or inhibits the provision of any Other Operator's Carriage Services with its Carriage Services or Access and Interconnection between its Network and any other Network.
- 13.5 Subject to Condition 16, the Licensee shall not modify or interfere with its Network or its operation or monitor Communications Data transmitted by means of its Network, so as to make those Communications Data available, whilst being transmitted, other than to the sender or intended recipient of the Signals.
- 13.6 The Licensee shall take all appropriate measures to safeguard the security and integrity of its Carriage Services, including, where relevant and necessary, in conjunction with its Network.

14 **STANDARDISATION AND SPECIFIED INTERFACES**

- 14.1 The Licensee shall comply with any relevant compulsory standards and/or specifications published by International Standards Bodies for the provision of Carriage Services, technical interfaces and/or Network functions in connection with any of its Networks or Carriage Services. Where no compulsory standards or specifications have been so published, the Licensee shall take full account of any relevant voluntary standards, specifications or recommendations so published.
- 14.2 In the absence of such standards, specifications or recommendations referred to in Condition 14.1, the Licensee shall take full account of any other standard specified by URCA in a direction under this Condition 14.2 for the purposes of service and Network interoperability and Interconnection, provided that URCA shall not make such a direction if an appropriate international standard is expected to be promulgated within a reasonable time.
- 14.3 URCA may from time to time issue a direction under this Condition 14.3 requiring a specified Network Interconnection Interface to be compliant with a specified standard. Any such direction shall be to ensure End to End Connectivity and interoperability, and shall only require compliance with a relevant standard in existence as referred to in Conditions 14.2.
- 14.4 The Licensee shall not be required to comply with Condition 14.3 above where any Other Operator seeking Interconnection with the Licensee's Network at the relevant Network Interconnection Point does not require it to do so.

15 **CHANGES TO NETWORKS**

- 15.1 The Licensee shall give notice in writing to URCA and shall notify all Other Operators who may be affected of any changes it intends to implement in the configuration, specification or performance of any of its Networks which would require changes to any Equipment or Networks connected to any of its Networks or which would materially adversely affect the Other Operators, including having the effect of making such connections inoperable or otherwise materially adversely affecting interoperability.
- 15.2 The period of notice given under Condition 15.1 shall be appropriate to the likely impact on the Other Operators affected and on connected equipment or systems and shall be approved by URCA.
- 15.3 Where URCA notifies the Licensee that it considers that a change in the Network(s) referred to in Condition 15.1 would require an Other Operator to make major changes in its own Network in order to connect its Network to the Licensee's Network(s), the Licensee shall have due regard to impact and costs on Other Operators. The Licensee may be liable to compensate Other Operators if so directed by URCA.

16 **MATTERS OF NATIONAL INTEREST**

16.1 In addition to complying with the obligations in Part XV of the Communications Act, the Licensee shall:

16.1.1 take reasonable steps to prevent the operation of any Networks and provision of the Carriage Services being used in the commission of offences against the laws of The Bahamas or in criminal activities; and

16.1.2 assist the officers and authorities of the Government when reasonably required to do so for the purposes of enforcing criminal law, protecting the interests of the revenue and the interests of the public, and protecting national security.

16.2 **Traffic Data Retention**

16.2.1 Subject to Condition 16.2.3 below, the Licensee shall, on the request of and in consultation with:

(a) the authorities responsible for protecting national security or preventing or detecting serious crime; and

(b) such departments of central and local government as URCA may from time to time direct for the purposes of this Condition,

make arrangements for the retention of all Traffic Data in respect of End-Users of its Network.

16.2.2 Subject to Condition 16.2.3 below, the Licensee shall, on request by any person as is designated for the purpose in any such arrangements, implement those arrangements in so far as is reasonable and practicable to do so.

16.2.3 Nothing in this Condition 16.2 precludes the Licensee from making the implementation of any such arrangements conditional upon it being permitted to recover its reasonable costs incurred in making or implementing any of those arrangements.

PART D - CONSUMER PROTECTION OBLIGATIONS

17 REQUIREMENT TO OFFER CONTRACTS WITH MINIMUM TERMS

- 17.1 The Licensee shall, in offering to provide, or providing, Public Services other than Free Broadcast Services, ensure that clear and up to date information on its applicable prices and tariffs (which for the avoidance of doubt shall not include customised or individual prices and tariffs), and on its standard terms and conditions, in respect of access to and use of Public Services by End-Users, except Public Pay Telephones, are published, in accordance with Condition 17.4.
- 17.2 The Licensee shall ensure that its standard terms and conditions of any contract between the Licensee and a Residential Customer, and between the Licensee and a Small Business Customer shall specify the following minimum requirements:
- 17.2.1 the identity and address of the Licensee;
 - 17.2.2 the services provided, details of the service quality levels offered and the time for initial connection;
 - 17.2.3 details of maintenance services offered;
 - 17.2.4 particulars of prices and tariffs, and the means by which up to date information on all applicable tariffs and maintenance charges may be obtained;
 - 17.2.5 the duration of the contract, provided always that prior to and at the time of agreeing the contract, Residential Customers and Small Business Customers shall have the option of entering into a contract with a fixed term of no more than twelve (12) months on fair and reasonable terms;
 - 17.2.6 the conditions for renewal and termination of services and of the contract;
 - 17.2.7 compensation and refund arrangements which will apply if quality service levels are not met; and the method of initiating procedures for settlement of disputes in respect of the contract; and
 - 17.2.8 any such other information as may be required by determination of URCA pursuant to the Communications Act.
- 17.3 Where the Licensee intends to modify a condition in a contract with a Residential Customer or a Small Business Customer which is likely to be of material detriment to the Residential Customer or the Small Business Customer, the Licensee shall:
- 17.3.1 provide the Residential Customer or the Small Business Customer, as appropriate, with at least one month's notice of its intention detailing the proposed modification; and

- 17.3.2 inform the Residential Customer or the Small Business Customer of the ability to terminate the contract without penalty if the proposed modification is not acceptable to the Residential Customer or the Small Business Customer.
- 17.4 Publication of the information under Condition 17.1 shall be effected by:
 - 17.4.1 sending a copy of such information or any appropriate parts of it to any Residential Customer or Small Business Customer who may reasonably request such a copy; and
 - 17.4.2 placing a copy of such information on any relevant website operated or controlled by the Licensee or, where no such website exists, placing a copy of such information in every major office of the Licensee such that it is readily available for inspection free of charge by members of the general public during normal office hours.

18 **CODE OF PRACTICE FOR COMPLAINTS**

Without prejudice to any regulations that URCA may issue under section 45(2) of the Communications Act, as soon as practicable and in any event within six (6) months of the Commencement Date, the Licensee shall establish and thereafter maintain procedures for the handling of complaints made by its Residential Customers or its Small Business Customers in relation to the provision of Public Services.

19 **METERING AND BILLING**

- 19.1 The Licensee shall not render any bill to a Subscriber in respect of the provision of any Public Services unless every amount stated in that bill represents and does not exceed the true extent of any such service actually provided to the Subscriber or its End-Users.
- 19.2 The Licensee shall retain such Records as may be necessary, or as URCA may from time to time direct are necessary, for the purpose of establishing its compliance with Condition 19.1 above.
- 19.3 Subject to the following, URCA may from time to time direct the minimum period for retention of necessary Records by the Licensee. This Condition 19.3 (and any direction of URCA made under it) shall not require the Licensee to retain any Records for the purposes of this Condition for more than five (5) years from the date on which they were created.

20 **ITEMISED BILLS**

- 20.1 The Licensee shall provide to each of its Subscribers, on request, and either at no extra charge or for a reasonable fee, a basic level of itemised billing. The Licensee shall ensure that each itemised bill shows a sufficient level of detail to allow the Subscriber to:

- 20.1.1 verify and control the charges incurred by the Subscriber in using any Public Service; and
- 20.1.2 adequately monitor the Subscriber's usage and expenditure and thereby exercise a reasonable degree of control over his bills.
- 20.2 URCA may from time to time direct the minimum level of itemisation to be provided by the Licensee under Condition 20.1.
- 20.3 The Licensee shall ensure that calls which are made from a Subscriber's telephone which are Toll Free Services, including calls to distress hotlines, shall not be identified in the Subscriber's itemised bill.
- 20.4 The Licensee shall not be subject to Condition 20.1 in respect of any Subscriber where:
 - 20.4.1 it provides Public Services to the Subscriber on a pre-paid basis; and
 - 20.4.2 the Subscriber has an alternative means, free of charge, of adequately monitoring the Subscriber's usage and expenditure.

21 **NON-PAYMENT OF BILLS**

- 21.1 Where the Licensee's Subscriber has not paid the Licensee all or part of a bill for Carriage Services provided by the Licensee, any measures taken by the Licensee to effect payment or disconnection shall:
 - 21.1.1 be proportionate and not unduly discriminatory;
 - 21.1.2 give due warning to the Subscriber beforehand of any consequent service interruption or disconnection; and except in cases of fraud, persistent late payment or non-payment, confine any service interruption to the Carriage Service concerned, as far as technically feasible.
- 21.2 The Licensee shall publish details of generic measures it may take against Subscribers generally to effect payment or disconnection in accordance with Condition 21.1 above by:
 - 21.2.1 sending a copy of such information or any appropriate parts of it to any Subscriber who may request such a copy; and
 - 21.2.2 placing a copy of such information on any relevant website operated or controlled by the Licensee.

22 **QUALITY OF SERVICE**

- 22.1 The Licensee shall, on the direction of URCA, publish adequate and up to date information on the quality of its Carriage Services in a format that may be used by End-Users for industry comparison.
- 22.2 Subject to Condition 22.3, where URCA makes a direction under Condition 22.1 it may amongst other things direct:
- 22.2.1 the quality of service parameters to be measured;
 - 22.2.2 the consequences of non-compliance with the quality of service parameters to be measured;
 - 22.2.3 the content and form of the information to be published, and how the comparability of the information is to be validated. For the purposes of validation, URCA may require independent audit of the specified information;
 - 22.2.4 the manner of publication of the information;
 - 22.2.5 the timing of publication of the information; and/or that the Licensee shall provide URCA with a copy of the information to be published well in advance of the publication as agreed by URCA.
- 22.3 URCA shall only make such a direction under Condition 22.1 to be effective no sooner than twelve (12) months after the launch of any new Public Services to End-Users.

23 **EXCEPTIONS AND LIMITATIONS**

- 23.1 Prior to any planned interruption to or suspension of any type of service or Network carried out under this Licence, the Licensee shall give reasonable advance notice to any Subscriber that will be affected by the interruption or suspension.
- 23.2 The Named Licensee shall notify URCA and, to the extent practicable, any affected Subscribers of any event of unplanned interruptions which prevents it from carrying out its obligations under this Licence as soon as reasonably practicable.
- 23.3 The Named Licensee shall take all reasonable steps as are required to prevent and resolve unplanned interruptions to the provision of its Carriage Services and operation of its Networks. The Named Licensee shall inform URCA on a regular basis about measures taken to deal with the unplanned interruptions.

24 **FAIR DEALING**

- 24.1 The Licensee must only charge a Subscriber for the specific Carriage Services or Equipment that the Subscriber has ordered, and a user shall have no liability to pay for any Carriage Service or Equipment that it has not ordered.

- 24.2 In the case of Subscribers who have contracted for Carriage Services for which they will pay after usage, the Licensee must provide such Subscriber with invoices:
- 24.2.1 in writing, which may be transmitted electronically if the Subscriber consents;
 - 24.2.2 on a regular basis;
 - 24.2.3 in a plain and simple format;
 - 24.2.4 that provide accurate information about the Carriage Services provided and the amounts due for each Carriage Service; and
 - 24.2.5 that clearly indicate the method of calculation of prices for any Carriage Service for which invoices are based on the duration of calls or other measure of usage.
- 24.3 In the case of Subscribers who have purchased Carriage Services for which they have paid prior to the provision of such Carriage Services, the Licensee must permit such Subscriber on request to review his expenditures.
- 24.4 The Licensee shall not make or cause to be made any claim or suggestion regarding the availability, price or quality of its Electronic Communications Services or Equipment or that of an Other Operator if the Licensee knows or reasonably ought to know that the statement or claim is false or misleading.
- 24.5 The Licensee shall provide services to Residential Customers and Small Business Customers on terms that are fair, reasonable and non-discriminatory.
- 24.6 The Licensee shall ensure that all standard terms and conditions and codes of practice are drafted in plain English that is easy to understand and copies of the codes of practice shall be provided on request and free of charge to any Residential Customer or Small Business Customer and be prominently available on the Licensee's public website.
- 24.7 The Licensee shall not engage in any Slamming activities and shall obtain Subscribers' authorisations and verification of those authorisations prior to executing any change in provider of a Public Service from an Other Operator to the Licensee. Where URCA prescribes any form or manner for verification of Subscribers' authorisations for the prevention of Slamming, the Licensee shall maintain Records of verification in such a form or manner for a minimum period of twelve (12) months.

25 **CONFIDENTIALITY OF SUBSCRIBER'S INFORMATION**

- 25.1 Subject to Conditions 25.2 and 25.3, any other provision of this Licence or any provision of the Act or another enactment, the Licensee –
- 25.1.1 must not without a Subscriber's consent collect, use, maintain or disclose information about a Subscriber for any purpose; and

- 25.1.2 must apply appropriate security safeguards to prevent the collection, use, maintenance or disclosure of such information.
- 25.2 The Licensee may disclose a Subscriber's name, address and listed Telephone Number in a printed or electronic telephone Directory except where a Subscriber specifically requests that his details should be excluded from the Directory.
- 25.3 The Licensee may be required by URCA (by determination under the Communications Act) to retain or to be prohibited from retaining specified information relating to Subscribers, including information about billing, beyond a specified period.
- 25.4 The Licensee must ensure that information it discloses or retains concerning a Subscriber is accurate and complete for its intended use.
- 25.5 The Licensee must permit a Subscriber to inspect its Records regarding a Carriage Service provided to that Subscriber and to require correction or removal of information that is shown to be incorrect.
- 25.6 The Licensee must disclose to Subscribers the purpose of requesting or collecting any information about the Subscriber and must not use or maintain information about the Subscriber for undisclosed purposes.

26 **CONFIDENTIALITY OF COMMUNICATIONS**

- 26.1 The Licensee must take all reasonable steps to ensure the confidentiality of its End-Users' Communications.
- 26.2 The Licensee must not intercept, monitor, alter or modify the content of a message unless required to do so by the Communications Act or any other enactment.

PART E - PUBLIC TELEPHONE SERVICE OBLIGATIONS

The following Conditions in Part D of this Licence, being Conditions 27 to 29, apply only where the Licensee establishes, maintains and operates a Public Telephone Network or provides Public Telephone Services in The Bahamas, as applicable.

27 PROPER AND EFFECTIVE OPERATION OF PUBLIC TELEPHONE NETWORKS AND PROVISION OF PUBLIC TELEPHONE SERVICES

27.1 Continuity of Public Telephone Networks and Carriage Services

27.1.1 The Licensee shall take all reasonably practicable steps to maintain, to the greatest extent possible:

- (a) the proper and effective functioning of any Public Telephone Network provided by it at all times, and
- (b) in the event of Force Majeure, the availability of the Public Telephone Services provided by it, including uninterrupted access to Emergency Organisations as part of any Public Telephone Services offered by it.

27.1.2 The Licensee shall ensure that any restrictions imposed by it on access to and use of a Public Telephone Network operated by it on the grounds of ensuring compliance with Condition 27.1.1 are proportionate, non-discriminatory and based on objective criteria identified in advance.

27.2 Emergency Call Numbers

27.2.1 The Licensee shall ensure that its Public Telephone Network is capable of providing any End-User with access to Emergency Organisations by using the Emergency Call Numbers at no charge and, in the case of a Pay Telephone, without having to use coins or cards.

27.2.2 The Licensee shall ensure that any End-User can access Emergency Organisations via a public emergency call service, being an Electronic Communications Service that enables an End-User, at any time and without incurring any charge or requiring any token, to communicate with the police, the ambulance or fire services or the maritime search and rescue services and to notify them of an emergency.

27.2.3 The Licensee shall, to the extent technically feasible, make Caller Location Information for all calls to the Emergency Call Numbers available to the Emergency Organisations handling those calls.

27.3 **Emergency Planning**

27.3.1 Subject to Condition 27.3.3, the Licensee shall, on the request of and in consultation with:

- (a) the authorities responsible for Emergency Organisations; and
- (b) such departments of central and local government as URCA may from time to time direct for the purposes of this Condition,

make arrangements for the operation and provision or rapid restoration of such Networks and Carriage Services as are practicable and may reasonably be required in any major incident having a significant effect on the general public.

27.3.2 Subject to Condition 27.3.3, the Licensee shall, on request by any person as is designated for the purpose in any such arrangements, implement those arrangements in so far as is reasonable and practicable to do so.

27.3.3 Nothing in this Condition 27.3 precludes the Licensee from:

- (a) recovering the reasonable and efficient costs incurred in making or implementing any such arrangements; or
- (b) making the implementation of any such arrangements Conditional upon being indemnified by the person for whom the arrangements are to be implemented for all reasonable and efficient costs incurred as a consequence of the implementation.

27.4 **Public Pay Telephones**

27.4.1 The Licensee shall ensure that every Public Pay Telephone in its Public Telephone Network that is permanently installed on Public Land and to which the public has access at all times can access operator assistance services and a Directory Enquiry Facility, except where such services or Facilities have been rendered inaccessible by the Licensee for the purposes of debt management.

27.4.2 Where the Licensee provides a Public Telephone Service, it shall display and take all reasonable steps to keep displayed prominently on or around each of its Public Pay Telephones a notice specifying:

- (a) the minimum charge for connection,
- (b) call charge information,
- (c) methods of payment,

- (d) a statement as to whether incoming calls can be received, and if so, the Telephone Number of the Public Pay Telephone,
- (e) contact information in the event of services complaints,
- (f) contact information for Emergency Organisations,
- (g) the location of the Public Pay Telephone sufficient to enable it to be located as swiftly as possible by the Emergency Organisations, and
- (h) that calls to Emergency Organisations using the Emergency Call Numbers may be made from the Public Pay Telephone free of charge and without having to use coins or cards.

27.4.3 The Licensee shall give at least ninety (90) days notice before withdrawing from service a Public Pay Telephone.

27.5 Operator Assistance, Directories and Directory Enquiry Facilities

27.5.1 The Licensee shall ensure that its Public Telephone Network is capable of providing:

- (a) any Public Pay Telephone that is permanently installed on Public Land and to which the public has access at all times; and
- (b) any End-User,

with access to:

- (i) operator assistance services; and
- (ii) subject to any direction by URCA, a Directory Enquiry Facility containing Directory Information on all Subscribers in The Bahamas who have been assigned Telephone Numbers by the Licensee and any Other Operator, except those Subscribers who have exercised their right to have their Directory Information removed,

except where such services or Facilities have been rendered inaccessible to a particular End-User by the Licensee at the End-User's request or for the purposes of debt management.

27.5.2 Unless directed otherwise by URCA, where the Licensee assigns Telephone Numbers to Subscribers, it shall ensure that each of those Subscribers is, on request, supplied with a Directory containing Directory Information on all of its Subscribers who have been assigned Telephone Numbers in the Subscriber's local area. Directories containing Directory Information for all other

Subscribers outside the local area who have been assigned Telephone Numbers by the Licensee and any Other Operator must be supplied to the Subscriber on request. Any Directories supplied shall not contain Directory Information for those Subscribers who have exercised their right to have their Directory Information removed.

27.5.3 A Directory may be produced by the Licensee, or by another person. Where a Directory is produced by the Licensee, the Licensee shall ensure that it is updated on a regular basis (at least once a year). URCA may from time to time direct that a Directory is available in a particular form.

27.5.4 The Licensee may charge its Subscribers or End-Users a reasonable fee for making available a Directory Enquiry Facility, local Directory and any additional Directories, and may charge its Subscribers a reasonable fee for inclusion of non-standard Directory Information in a Directory or as part of a Directory Enquiry Facility.

28 PROVISION OF DIRECTORY INFORMATION

28.1 Where the Licensee has been Allocated Telephone Numbers in accordance with this Condition 28, it shall meet all reasonable requests from any person to make available the Directory Information of:

28.1.1 its Subscribers who have been assigned those Telephone Numbers; and

28.1.2 any other End-User assigned a Telephone Number originally Allocated to the Licensee,

for the purposes of the provision of Directories and Directory Enquiry Facilities.

28.2 Where the Licensee has been authorised (either directly or indirectly) to use Telephone Numbers Allocated to another person, it shall on request supply to:

28.2.1 the person who was originally Allocated such Telephone Numbers; or

28.2.2 if different from the above, the person who authorised the use of such Telephone Numbers by it,

the Directory Information of the Licensee's Subscribers and of any other End-User assigned a Telephone Number from such Telephone Numbers.

28.3 Where the Licensee is requested to supply Directory Information in accordance with Conditions 28.1 or 28.2, it shall do so on terms which are fair, cost-oriented and non-discriminatory, and in a format which is agreed between the Licensee and the person requesting the information. The Licensee shall comply with any direction made by URCA from time to time with respect to the format to be applied to the information.

29 **ALLOCATION AND USE OF CO CODES AND OTHER NUMBERING RESOURCES**

29.1 The Licensee shall comply with the Numbering Plan that is in force.

29.2 **General Prohibitions on Use**

The Licensee may only use a numbering resource from the Numbering Plan where that resource has been Allocated to a person, unless the use in question is for the purposes of indicating that the numbering resource has not been Allocated.

29.3 **Requirements in Connection with the Assignment of Telephone Numbers**

29.3.1 The Licensee shall have a plan for assigning Telephone Numbers out of each CO Code block as URCA may Allocate to it from time to time. Except where URCA otherwise consents in writing, such plan shall be consistent with the Numbering Plan. When applying for CO Codes, the Licensee shall provide such details to URCA as are required in the Numbering Plan and the associated guidelines, or any other instruction issued by URCA.

29.3.2 The Licensee shall install, maintain and adjust its Network so that it routes Signals and otherwise operates in accordance with the Numbering Plan and any Allocation of numbering resources made by URCA from time to time.

29.3.3 Where CO Codes have been Allocated to the Licensee, the Licensee shall ensure that Telephone Numbers within the CO Code are assigned to Subscribers or otherwise used effectively and efficiently.

29.3.4 The Licensee shall take all reasonably practicable steps to secure that its Subscribers, in using Telephone Numbers, comply with the provisions of this Condition, where applicable, and the provisions of the Numbering Plan.

29.4 **Application for Allocation or Reservation of Telephone Numbers**

When applying for an Allocation or reservation of CO Codes, the Licensee shall:

29.4.1 use an appropriate application form contained in the Numbering Plan and its guidelines, or as directed by URCA from time to time;

29.4.2 provide such information as required by URCA on the application form; and

29.4.3 provide to URCA, on request, any other information considered by URCA to be relevant to the application, and the supply of which does not place an undue burden on the Licensee.

29.5 **Withdrawal of a Number Allocation**

URCA may withdraw an Allocation of the relevant CO Codes and other numbering resources from the Licensee in accordance with the Numbering Plan, where the Licensee has not:

29.5.1 activated and confirmed the activation of an Allocated CO Code within six (6) months for an Allocated CO Code or twelve (12) months for a CO Code that has been reserved, or such other period as URCA may approve in accordance with the Numbering Plan, from the effective date on which the resources were Allocated or reserved; or

29.5.2 ensured that the Telephone Numbers from an Allocated CO Code are effectively and efficiently assigned in accordance with Condition 29.3.3, as determined by URCA.

30 **NUMBER PORTABILITY**

Where the Licensee is subject to a determination by URCA concerning Number Portability pursuant to section 80(2) of the Communications Act, the Licensee shall comply with any directions of URCA concerning Number Portability.

PART F – UNIVERSAL SERVICE OBLIGATIONS

31 UNIVERSAL SERVICE OBLIGATIONS

- 31.1 Where the Licensee is determined to be a Universal Service provider pursuant to section 42(2) of the Communications Act, the Licensee shall comply with any directions of URCA concerning the Universal Services that the Licensee must provide pursuant to section 41 of the Communications Act, and this Licence shall be modified accordingly pursuant to section 27(2) of the Communications Act.
- 31.2 Unless URCA consents otherwise, the Licensee shall provide the Universal Services referred to in Condition 31.1 on the basis of uniform prices throughout The Bahamas.

PART G – SMP OBLIGATIONS

32 APPLICATION OF SMP OBLIGATIONS

Without limiting the application of any other Conditions and Part XI of the Communications Act, where the Named Licensee or any Notified Licensee is presumed to have SMP pursuant to section 116 of the Communications Act or is determined by URCA to have SMP pursuant to section 39 of the Communications Act, that Licensee (the “SMP Licensee”) shall, in respect of that market where it is presumed or determined to have SMP, comply with the following:

- (a) with respect to all markets where the SMP Licensee has been determined or presumed to have SMP:
 - (i) Condition 34; and
 - (ii) any such obligations as URCA may set out in any determination, including, when relevant, the obligations listed in Conditions 37, 38, 39, 40 and 41 below, which are listed for the purposes of exemplification only; and
- (b) with respect to any retail markets where the SMP Licensee has been determined or presumed to have SMP, Conditions 35 and 36.

33 COMPLIANCE WITH OBLIGATIONS BY LICENSEES PRESUMED TO HAVE SMP

If the SMP Licensee is presumed to have SMP pursuant to section 116 of the Communications Act, is shall not be permitted to engage in the operation of any Network or provision of any Carriage Service which it was not licensed to operate or provide prior to the Commencement Date until URCA has confirmed the SMP’s Licensee’s compliance under section 116(4) of the Communications Act with any obligations imposed under section 116(2) of the Communications Act.

34 NON-DISCRIMINATION

- 34.1 The SMP Licensee shall not unduly discriminate against particular persons or a particular description of persons in relation to Carriage Services offered by it.
- 34.2 Nothing done in any manner by the SMP Licensee shall be regarded as undue discrimination under this Condition if and to the extent that the SMP Licensee is required or expressly permitted to do such thing in that manner by or under any Condition set out in this Licence.

35 REQUIREMENT TO PUBLISH CHARGES AND TERMS AND CONDITIONS

- 35.1 The SMP Licensee shall publish charges, terms and conditions, including bundled charges, terms and conditions (whether or not those bundles include charges, terms and

conditions for Carriage Services supplied in markets to which this Condition does not apply) for all Carriage Services related to the markets in which it is determined or presumed to have SMP.

- 35.2 The SMP Licensee shall publish any amendments to the charges, terms and conditions published under Condition 35.1, including charges, terms and conditions for any new services, within ten working days of the time that the amendment comes into effect.
- 35.3 Publication referred to in Condition 35.1 shall be effected by placing a copy of the information on any relevant website operated or controlled by the SMP Licensee.
- 35.4 Where it would be impractical for the SMP Licensee to publish under this Condition any charge or amended charge, the SMP Licensee shall instead publish the method to be adopted for determining that charge or amended charge.
- 35.5 The SMP Licensee shall provide Carriage Services at the charges, terms and conditions published under this Condition, and shall not depart from those charges, terms and conditions either directly or indirectly.

36 **CONSUMER PROTECTION**

- 36.1 This Condition 36 shall apply where the SMP Licensee provides Public Services to Residential Customers or Small Business Customers.

36.2 **Maximum duration for fixed term contracts**

The duration of any contract between the SMP Licensee and a Residential Customer or Small Business Customer for the provision of Public Services for which the Licensee has SMP shall not be longer than twenty-four (24) months.

36.3 **Compensation and Refunds**

36.3.1 Within three (3) months of being determined to have SMP, or within three (3) months from the Commencement Date if the Licensee is presumed to have SMP, the SMP Licensee shall establish and publish a set of quality of service levels and the levels of compensation and refunds payable to Residential Customers and Small Business Customers if quality of service levels are not met. These levels shall constitute a term of the contract with Residential Customers and Small Business Customers. The SMP Licensee shall thereafter maintain a Code of Practice for Complaints, together with a schedule setting out the compensation and refunds payable to Residential Customers and Small Business Customers if quality of service levels are not met.

36.3.2 The levels of compensation and refunds under Condition 36.3.1 shall:

- (a) set out the requirements for entitlement to compensation and the levels of compensation and of the refunds on fair, reasonable and non-discriminatory terms; and
- (b) conform to the requirements set out by URCA from time to time, setting out the compensation and refunds payable to Residential Customers and Small Business Customers if contracted quality of service levels are not met.

36.3.3 At any time, URCA may review the schedule to the Code of Practice for Complaints and require the SMP Licensee to make such amendments to the schedule to the Code of Practice to ensure that it complies with Condition 36.3.2.

36.4 **Codes of Practice for Sales and Marketing**

If required by URCA, the SMP Licensee shall establish and thereafter maintain a Code of Practice for Sales and Marketing for dealing with its Residential Customers and its Small Business Customers, which conforms with the requirements set out by URCA from time to time, and comply with the provisions of any Code of Practice for Sales and Marketing.

37 **RETAIL PRICE CONTROLS**

37.1 If so required by URCA, the SMP Licensee shall be subject to retail price controls in relation to those services in which it is determined or presumed to have SMP in order to:

- 37.1.1 prevent to the extent possible instances of anticompetitive pricing, including unfair cross-subsidies and predation;
- 37.1.2 foster an environment where prices are cost oriented to promote efficiency;
- 37.1.3 develop an environment where persons in The Bahamas can share in the expected efficiency gains through lower prices.

38 **INFRASTRUCTURE SHARING AND DEPLOYMENT**

38.1 The Licensee shall comply with any directions or codes of practice issued by URCA under section 40(1) (e) of the Communications Act concerning Facilities sharing.

38.2 Where URCA considers it necessary for the Licensee to share Infrastructure with Other Operators in designated areas in the national and/or public interest or otherwise, URCA shall inform the Licensee accordingly so that the Licensee can make the necessary arrangements before submitting its infrastructure sharing plans to URCA for approval. The Licensee shall share infrastructure whenever and wherever mandated by URCA in accordance with URCA's directions or codes of practice pursuant to Condition 38.1.

39 **CONDITIONAL ACCESS SYSTEMS**

The Licensee shall comply with any directions or codes of practice issued by URCA under section 40(1) (f) of the Communications Act concerning technical compatibility of and access to conditional access systems used in the provision of content.

40 **OBLIGATION TO PROVIDE ACCESS AND INTERCONNECT**

40.1 In accordance with section 40(1)(b) of the Communications Act, if so required by URCA the SMP Licensee shall develop and comply with any reference offer or reference offers, ensuring equivalence of Access and Interconnection levied by the SMP Licensee to any of those services and Facilities in which the Licensee has SMP at cost-oriented tariffs.

40.2 The terms, conditions and charges for Access and Interconnection must be no less favourable than those the SMP operator offers its own business unit, any of its Affiliates, or any Other Operator.

40.3 SMP Licensees shall unbundle distinct Access services and elements and corresponding charges sufficiently so that an Other Operator seeking Access need only pay for the specific services or elements it requires.

40.4 SMP Licensees shall unbundle distinct Interconnection services and elements and corresponding charges sufficiently so that an Other Operator seeking Interconnection need only pay for the specific services or elements it requires.

40.5 The SMP Licensee shall ensure that Interconnection is available at all exchanges or other relevant Network nodes, unless Interconnection at any point:

40.5.1 is not feasible given the existing Network configuration; or

40.5.2 would compromise the integrity or interoperability of an Electronic Communications system (whether the SMP Licensee's, Interconnection seeker's or a third party's system).

41 **ACCOUNTING SEPARATION**

41.1 If so determined by URCA, the SMP Licensee shall within the period specified by URCA:

41.1.1 prepare and maintain accounting records in a form that enables the activities of any business unit specified by URCA to be separately identifiable,

41.1.2 adopt a cost accounting system that estimates the cost of discrete elements of the retail and wholesale services on a relevant market basis and identifies the associated costs and revenues of providing those services it provides from time to time; and

- 41.1.3 adopt a cost accounting system that identifies individual wholesale and retail services and their respective cost elements in sufficient detail to support development of cost-oriented retail and wholesale charges, including Access and Interconnection charges.
- 41.2 The SMP Licensee shall comply with the Regulatory And Other Measures in relation to the preparation and delivery of accounting statements.

Appendix 3B – Form of Individual Spectrum Licence

Name and Address of Licensee

INDIVIDUAL SPECTRUM LICENCE

Commencement Date:

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APPENDIX

1 DEFINITIONS

1.1 In this Licence, except in so far as the context otherwise requires:

“Assigned Radio Spectrum” means the radio spectrum set out in the Appendix, as amended from time to time;

“Commencement Date” means the date on the front of this Licence;

“Communication” means a communication for transmission by a Network;

“Communications Act” means the Communications Act 2009;

“Condition” means a condition in this Licence;

“Equipment” includes any equipment, machinery or device and any wire or cable and the casing or coating for any wire or cable;

“European Standards Organisations” means the European Committee for Standardisation (CEN), the European Committee for Electrotechnical Standardisation (CENELEC), and the European Telecommunications Standards Institute (ETSI);

“Harmful Interference” means any Interference which has, is, or, in the reasonable opinion of URCA, is likely imminently to: (a) cause loss or damage to any person; (b) impair the normal operation of any Network; (c) corrupt any message conveyed by any such system, to a material extent; (d) endanger the functioning of a radionavigation service or of other safety services; or (e) seriously degrade, obstruct or repeatedly interrupt a Radiocommunications service operating in accordance with the terms of a relevant Spectrum Licence or other Regulatory And Other Measures;

“Interference” means, in relation to any terrestrial technical system, the prejudicing by any emission or reflection by the Licensee’s Radiocommunications Station or Radiocommunications Equipment of any of the forms of electromagnetic energy, of the fulfilment of the purposes for which that terrestrial technical system is installed or maintained;

“International Standards Bodies” means the International Telecommunication Union (ITU), the International Organisation for Standardisation (ISO), the International Electrotechnical Committee (IEC), the American Standards Organisations, European Standards Organisation and any other body specified by URCA to be an International Standards Body;

“Mobile Speech Communications Service” means any Radiocommunications service the functionality of which enables continued use of speech Communications across boundaries between the different areas of radio coverage, with no perceptible

interruption of such services and which, for the avoidance of doubt, includes a handover process between elements of its Network;

“Radiocommunications” means the transmission, emission or reception of messages, sound, visual images or Signals using electromagnetic waves which are propagated in space and having frequencies of lower than 3,000 GHz;

“Radiocommunications Equipment” means any Equipment designed or used for Radiocommunications;

“Radiocommunications Station” means a site upon which Radiocommunications Equipment is deployed, including any vehicle, ship or aircraft;

“Technical Conditions” means the technical conditions that apply to the use of the whole or any part of the Assigned Radio Spectrum, in terms of radiated power limits, technical standard, modulation techniques or other characteristics established by URCA;

“Territory” means, in respect of each frequency range, the geographic area specified in the Appendix, as may be amended from time to time;

“UAT Act” means the Utilities Appeal Tribunal Act; and

“URCA Act” means the Utilities Regulation and Competition Authority Act 2009.

1.2 For the purpose of interpreting the Conditions in this Licence:

1.2.1 except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in:

- (a) the Licence, and otherwise
- (b) the Communications Act, and otherwise
- (c) the URCA Act, and otherwise
- (d) the UAT Act;

1.2.2 for ease of reference, in this Licence terms defined in the Communications Act have been capitalised;

1.2.3 subject to Condition 1.2.1, where there is any conflict between the provisions of this Licence and the Communications Act, the provisions of the Communications Act shall prevail;

1.2.4 references to Conditions, paragraphs, subparagraphs and appendices are to Conditions, paragraphs, subparagraphs of and to the appendices to the Licence, as modified from time to time in accordance with this Licence and the Communications Act;

- 1.2.5 a Document will be incorporated into and form part of the Licence if it is referred to in this Licence and a reference to a Document is to a Document as modified from time to time;
- 1.2.6 headings and titles used in this Licence are for reference only and shall not affect its interpretation or construction;
- 1.2.7 references to any law or statutory instrument include any modification re-enactment or legislative provisions substituted for the same;
- 1.2.8 use of the word “include” or “including” is to be construed as being without limitation;
- 1.2.9 expressions cognate with those referred to in this Licence shall be construed accordingly;
- 1.2.10 words importing: (i) the singular only shall include the plural and vice versa; (ii) the whole shall be treated as including a reference to any part; and (iii) any gender shall include all other genders; and
- 1.2.11 reference to persons shall include firms or companies.

2 **DURATION**

- 2.1 This Licence shall come into force on the Commencement Date and shall be valid for a period of fifteen years (15) from the Commencement Date.¹¹⁰
- 2.2 This Licence may be further renewed for such period as URCA thinks fit and subject to such terms and conditions as may be specified by URCA under section 26 of the Communications Act.

3 **SCOPE OF THE LICENCE**

- 3.1 The Licensee shall be permitted, subject to the provisions of this Licence and the Technical Conditions, to use the Assigned Radio Spectrum in the Territory or, where no Territory is specified in the Appendix for any Assigned Radio Spectrum, the Commonwealth of The Bahamas.
- 3.2 Subject to all other applicable laws and regulations of The Bahamas at the time being in force, the Licensee undertakes to comply with the Conditions of the Licence, any schedules to the Licence, any Regulatory And Other Measures and the provisions of the Communications Act.

¹¹⁰ The duration of the licence is set on a case by case basis and will depend on surrounding factors, such as the duration of any related operating licences and whether the spectrum is required for temporary use or trial use.

4 **PAYMENT OF LICENCE FEE**

4.1 The Licensee shall pay to URCA the following fees and contributions notified by URCA from time to time in accordance with the Communications Act, in the manner notified by URCA:

4.1.1 any URCA Fees;

4.1.2 the spectrum fees payable pursuant to section 93 of the Communications Act;

4.1.3 the Tribunal Fee payable pursuant to Schedule 3 of the UAT Act.

5 **USE OF RADIO SPECTRUM**

5.1 The Licensee shall take all necessary steps to ensure that the use of the Assigned Radio Spectrum is safe and does not cause Harmful Interference to the other existing Radiocommunications Stations and Networks operating in the same geographical area or radio frequency band or in adjacent areas or bands.

5.2 The Licensee shall take all appropriate measures to ensure that its Radiocommunications Equipment are adequately protected from interference that may be caused by Radiocommunications Stations and Networks operating in the same geographical area or radio frequency band or in adjacent areas or bands.

5.3 The Licensee shall take all necessary steps to comply with any relevant Technical Conditions, including those established in URCA's guidelines, and compulsory standards and specifications published by International Standards Bodies relating to the use of the Assigned Radio Spectrum. Where no compulsory standards or specifications have been so published, the Licensee shall take full account of any relevant voluntary standards, specifications or recommendations so published.

5.4 The Licensee shall cooperate with URCA for the purposes of assisting URCA in coordinating and managing the efficient use of radio frequencies in relation to neighbouring countries, including but not limited to the provision of information to URCA, and the reduction of emission levels of Radiocommunications Stations.

5.5 Subject to this Condition, the use of any part of the Assigned Radio Spectrum for the purposes of managing Harmful Interference (including the provisioning for a guard band(s)) shall be at the discretion of the Licensee.

5.6 Where the Licensee's Radiocommunications Station or Radiocommunications Equipment causes the emission of Harmful Interference or directly causes any other Radiocommunications Station or Radiocommunications Equipment to emit Harmful Interference, the Licensee shall promptly take such reasonably practicable steps as URCA may direct to remove the source of such Harmful Interference or to mitigate its effect.

- 5.7 In making any direction under Condition 5.6, URCA shall consult the Licensee and any other person it considers may be affected by the direction in such manner and for such period as it considers appropriate, having regard in particular to the urgency of the matter.
- 5.8 The Licensee shall investigate, immediately upon being notified in writing from URCA, any complaint alleging that Harmful Interference has been, is being or is about to be emitted by its Radiocommunications Station or Radiocommunications Equipment.
- 5.9 The Licensee shall furnish to URCA, in such manner and at such times as URCA may reasonably request, all information about any investigation carried out pursuant to Condition 5.8 including, without limitation, any and all steps taken by the Licensee to comply with any guidance given by URCA in respect of the application of this Condition.
- 5.10 Unless expressly permitted in the Appendix, the Licensee shall not do any of the following:
- 5.10.1 use or intentionally allow the use of its Assigned Radio Spectrum for the provision of any Cellular Service;
 - 5.10.2 implement any technology that is intended to provide the ability or facilitate the use of any terminal equipment of any Subscriber to receive, use or provide Cellular Services.

6 RADIOCOMMUNICATIONS EQUIPMENT

- 6.1 The Licensee shall comply with any relevant compulsory standards and specifications published by International Standards Bodies for emissions, non-ionising radiation safety and electromagnetic compatibility in connection with any of its Radiocommunications Equipment. Where no compulsory standards or specifications have been so published, the Licensee shall take full account of any relevant voluntary standards, specifications or recommendations so published.
- 6.2 In the absence of such standards, specifications or recommendations referred to in Conditions 6.1 above, the Licensee shall take full account of any other standard specified by URCA, provided that URCA shall not specify such a standard if an appropriate international standard is expected to be promulgated within a reasonable time.
- 6.3 The Licensee shall ensure that the Radiocommunications Equipment that are operated within the Assigned Radio Spectrum are not used for unlawful purposes or misused in any way.
- 6.4 The Licensee shall ensure that all persons using its Radiocommunications Equipment are made aware of the relevant terms of this Licence together with any other relevant licence and comply with such terms.

7 **CONFIDENTIALITY OF COMMUNICATIONS**

If the Licensee receives a message through the course of its operations which is not addressed to the Licensee, it shall not make known its contents, its origin or its destination, its existence or the fact of its receipt to any person other than the addressee or URCA or a competent legal tribunal and shall not reproduce in writing, copy or make any use of such message or allow the same to be reproduced in writing, copied or made use of.

8 **CHANGE IN CONTROL**

8.1 The Licensee shall obtain URCA's approval of any change in control of the Licensee prior to the change in control occurring.

8.2 Without limiting URCA's ability and duty to apply the merger control provisions in section 70 to 78 of the Communications Act, URCA may object to a change in control if in URCA's view the acquirer would not meet any of the criteria set by URCA pursuant to section 26(3) of the Communications Act.

9 **RADIO SPECTRUM TRADING AND SHARING**

9.1 The Licensee shall not, except with the prior written approval of URCA or in accordance with rules or regulations published under section 38 of the Communications Act, assign, transfer, trade, sell or otherwise dispose of the whole or any part of the rights, privileges, duties or obligations under this Licence to any person or persons.

9.2 The Licensee shall not, except with the prior written approval of URCA, authorise any person or persons to operate a Radiocommunications Station or Network within the Assigned Radio Spectrum.

10 **BREACH OF LICENCE**

If URCA has reason to believe that any Licensee has failed to comply with any Condition it may exercise all such powers and duties as are afforded to or required of it under the Communications Act or any other relevant law and may take all such action as is permitted to it under those sections against the Licensee.

11 **REVOCATION AND MODIFICATION**

11.1 URCA may revoke or modify this Licence in accordance with the procedures set out in section 27 of the Communications Act.

11.2 URCA may determine any spectrum to be vacated in accordance with sections 36 and 37 of the Communications Act.

11.3 URCA may amend the Appendix:

- 11.3.1 with immediate effect, subject to the Licensee's consent; or
- 11.3.2 pursuant to a determination issued under section 99 of the Communications Act.

12 **NOTICES**

- 12.1 Notices to the Licensee under the Conditions shall be in writing and sent by post or hand to the address shown at the front of this Licence or any other relevant address known to URCA or sent by facsimile if the parties agree beforehand that they will use facsimile for transmission of specific notices.
- 12.2 Notices to URCA under the Conditions shall be in writing and sent to the Chief Executive Officer of URCA by post or hand to the business address of URCA or by facsimile.

SCHEDULE

Under Condition 3.2 of the Individual Spectrum Licence (“ISL”), the Licensee shall further comply with the Conditions contained in this Schedule as established by URCA in accordance with the electronic communications policy objective to promote the optimal use of state assets, including radio spectrum.

1 Roll-out Obligations – Network Coverage

1.1 The Licensee shall provide electronic communications services to the general public in The Bahamas and at a minimum use the radiofrequency spectrum assigned as contained in the Appendix under the Individual Spectrum Licence in this ISL (“the Assigned Spectrum”) to establish and maintain an electronic communications network with full end-to-end network and service provisioning situated in The Bahamas (the “Network”) used to provide electronic communications services in accordance with the geographic and population coverage requirements and timeframes set out below¹¹¹:

[Core Network Roll-out Requirements]

- i) Phase 1 - Within 6 months of the date on which the ISL is issued, provide electronic communications services over the Network on New Providence (including Paradise Island), Grand Bahama, 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;
- ii) Phase 2 - Within 12 months of the date on which the ISL is issued, provide electronic communications services over the Network on Cat Island, Long Island, San Salvador, Berry Islands (including Big Strip Cay, Big Whale Cay, Chub Cay, Coco Cay, Fraziers Hog Cay, Frozen Cay, Little Harbour Cay and Little Whale Cay), Inagua and Ragged with at least 75% population coverage; provide electronic communications services over the Network on Andros with at least 90% population coverage, and provide electronic communications services over the Network on New Providence (including Paradise Island), Grand Bahama, 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) and Bimini (including Cat Cay and Ocean Cay) with at least 99% population coverage;

¹¹¹ Each subsequent coverage requirement is cumulative to the previous coverage requirement.

- iii) Phase 3 - Within 18 months of the date on which the ISL is issued, provide electronic communications services over the Network on Acklins, Crooked Island, Long Cay, Rum Cay, Mayaguana with at least 75% population coverage; provide electronic communications services over the Network Cat Island, Long Island, San Salvador, Berry Islands (including Big Strip Cay, Big Whale Cay, Chub Cay, Coco Cay, Fraziers Hog Cay, Frozen Cay, Little Harbour Cay and Little Whale Cay), Inagua and Ragged with at least 90% population coverage and provide electronic communications services over the Network on New Providence (including Paradise Island), Grand Bahama, 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 99% population coverage;
- i) Phase 4 - Within 24 months of the date on which the ISL is issued, provide electronic communications services over the Network on Exuma Cays (including Crab Cay, Bayview, Regatta Ridge, Norman's Cay, Elizabeth Island, Children's Bay, William Cay, Over Yonder Cay) with at least 75% population coverage; provide electronic communications services over the Network on Acklins, Crooked Island, Long Cay, Rum Cay and Mayaguana with at least 90% population coverage; and provide electronic communications services over the Network on Cat Island, Long Island, San Salvador, Berry Islands (including Big Strip Cay, Big Whale Cay, Chub Cay, Coco Cay, Fraziers Hog Cay, Frozen Cay, Little Harbour Cay and Little Whale Cay), Inagua and Ragged Island with at least 99% population coverage; and
- iv) Phase 5 - Within 36 months of the date on which the ISL is issued, provide electronic communications services over the Network on Exuma Cays (including Crab Cay, Bayview, Regatta Ridge, Norman's Cay, Elizabeth Island, Children's Bay, William Cay, Over Yonder Cay) with at least 80% population coverage; and provide electronic communications services over the Network on Acklins, Crooked Island, Long Cay, Rum Cay and Mayaguana with at least 99% population coverage.

[Enhanced Network Roll-out Requirements]

- ii) Phase 1 - Within 3 months of the date on which the ISL is issued, provide electronic communications services over the Network on New Providence (including Paradise Island), Grand Bahama, 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 Stocking Island), Andros and Bimini with at least 75% population coverage;

- iii) Phase 2 - Within 8 months of the date on which the ISL is issued, provide electronic communications services over the Network on Cat Island, Long Island, San Salvador, Berry Islands (including Big Strip Cay, Big Whale Cay, Chub Cay, Coco Cay, Fraziers Hog Cay, Frozen Cay, Little Harbour Cay and Little Whale Cay), Inagua and Ragged Island with at least 75% population coverage; provide electronic communications services over the Network on Andros with at least 90% population coverage; and provide electronic communications services over the Network on New Providence (including Paradise Island), Grand Bahama, 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) and Bimini (including Cat Cay and Ocean Cay) with at least 99% population coverage;
- iv) Phase 3 - Within 12 months of the date on which the ISL is issued, provide electronic communications services over the Network on Acklins, Crooked Island, Long Cay, Rum Cay and Mayaguana with at least 75% population coverage; provide electronic communications services over the Network on Cat Island, Long Island, San Salvador, Berry Islands (including Big Strip Cay, Big Whale Cay, Chub Cay, Coco Cay, Fraziers Hog Cay, Frozen Cay, Little Harbour Cay and Little Whale Cay), Inagua and Ragged Island with at least 90% population coverage; and provide electronic communications services over the Network on New Providence (including Paradise Island), Grand Bahama, 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 99% population coverage;
- v) Phase 4 - Within 18 months of the date on which the ISL is issued, provide electronic communications services over the Network on Exuma Cays (including Crab Cay, Bayview, Regatta Ridge, Norman's Cay, Elizabeth Island, Children's Bay, William Cay, Over Yonder Cay) with at least 75% population coverage; provide electronic communications services over the Network on Acklins, Crooked Island, Long Cay, Rum Cay and Mayaguana with at least 90% population coverage and provide electronic communications services over the Network on Cat Island, Long Island, San Salvador, Berry Islands (including Big Strip Cay, Big Whale Cay, Chub Cay, Coco Cay, Fraziers Hog Cay, Frozen Cay, Little Harbour Cay and Little Whale Cay), Inagua and Ragged Island with at least 99% population coverage; and

- vi) Phase 5 - Within 24 months of the date on which the ISL is issued, provide electronic communications services over the Network on Exuma Cays (including Crab Cay, Bayview, Regatta Ridge, Norman’s Cay, Elizabeth Island, Children’s Bay, William Cay, Over Yonder Cay) with at least 80% population coverage and provide electronic communications services over the Network on Acklins, Crooked Island, Long Cay, Rum Cay and Mayaguana with at least 99% population coverage.

1.2 The term “population coverage” means that the Network shall provide coverage with the relevant signal strengths set out in the table below (indoor/outdoor) in the specified percentage of all places where persons habitually live and traverse on each island as indicated above:

Technology	Minimum Field Strength (dBm)	Maximum Field Strength (dBm)
Wi-Fi	-100	-30
GSM	-113	-51
CDMA	-100	-75
HSPA	-105	-75
HSPA+	-105	-75
EVDO	-105	-65
LTE	-140	-44

2 Proof of Coverage

2.1 The Licensee shall demonstrate to URCA’s satisfaction the achievement of each coverage requirement as set out in Condition 2 of this Schedule, in accordance with the following:

- a. No later than six (6) weeks prior to the expiry of the period within which a coverage requirement is to be achieved, the Licensee shall submit a comprehensive written report (a “Coverage Report”) to URCA detailing the areas covered by the Network, corresponding population percentages, and the specific services provided to persons within the coverage areas. The Licensee shall include the following at a minimum:
 - (i) coverage maps, showing the Network’s geographic coverage on each island;
 - (ii) a population coverage analysis estimating the percentage of the persons resident on each island that can access the services provided

by the Licensee over the Network (with justification for any assumptions made);

- (iii) a list of services provided in each area covered by the Network; and
- (iv) where the Licensee has not achieved the required coverage requirements it shall provide full reasoning including, but not limited to, timeframes for the fulfilment of its coverage requirements.

2.2 URCA shall review the Licensee's Coverage Report, assess whether the coverage meets the minimum levels required in Condition 2 above and shall within twenty-one (21) calendar days of receipt of the Coverage Report issue the Licensee either a "Statement of No Objection" certifying the Licensee's achievement of the coverage requirements or a "Statement of Objection" to the aspects of the coverage requirements which the Licensee has failed to meet.

2.3 URCA shall be entitled to request further information to assess the Coverage Report and where URCA requests such information it shall have a further fourteen (14) calendar days from the date of receipt of the requested information to assess the Coverage Report and either issue its "Statement of No Objection" or "Statement of Objection".

2.4 Failure by the Licensee to achieve and demonstrate its achievement of the coverage requirements in the manner and as described in this Schedule shall be considered a breach of the ISL.

3 Technical Restrictions

3.1 The Licensee shall use the Assigned Spectrum in accordance with the technical rules, standards and regulations as published from time to time by the International Mobile Telecommunications (IMT).

3.2 The Licensee shall also comply with the technical standards and specifications as published from time to time by the international telecommunications standardisation bodies having responsibility for the specific technology employed by the Licensee.

4 Quality of Service Obligations

4.1 The Licensee shall meet the quality of service standards outlined below to ensure that the public in The Bahamas is able to access reliable, high quality mobile voice and data services in the shortest possible time and in line with those available in developed economies, having regard to their technical and economic feasibility.

Broadband Data Speed

[4.2 The Licensee shall provide electronic communications services over its Network capable of providing to users with 90% confidence in all areas which it is required to cover

pursuant to its roll-out commitments, a mobile broadband data service with a sustained downlink speed of not less than 2 Mbps when that network is lightly loaded.

Network Availability (data)

Broadband session availability of 99%

Network Availability (voice)

99.9%

Call Completion Rate

(d) Average monthly completion rate across all cell sites - >99%

(e) Average monthly completion rate in busiest cell site on each island - >95%

(f) Average monthly completion rate for each cell site - >75%

Dropped Call Rate

(d) Average monthly dropped call rate - <1%

(e) Average monthly busy hour dropped call rate - <2%

(f) Average monthly dropped call rate for the hour with worst performance - <3%]

[Broadband Data Speed

- 4.2 The Licensee shall provide electronic communications services over its Network capable of providing users with 90% confidence in all areas which it is required to cover pursuant to its roll-out commitments, a mobile broadband data service with a sustained downlink speed of not less than 5 Mbps when that network is lightly loaded.

Network Availability (data)

Broadband session availability of 99%

Network Availability (voice)

99.9%

Call Completion Rate

(d) Average monthly completion rate across all cell sites - >99%

(e) Average monthly completion rate in busiest cell site on each island - >95%

(f) Average monthly completion rate for each cell site - >75%

Dropped Call Rate

(d) Average monthly dropped call rate - <1%

(e) Average monthly busy hour dropped call rate - <2%

(f) Average monthly dropped call rate for the hour with worst performance - <3%]

5 Performance Bond

5.1 Where the Licensee fails to comply with the terms of this Schedule, including the network coverage requirements, quality of service obligations and enhanced social obligations as outlined above URCA may, without prejudice to any powers or remedies available to URCA under the Communications Act 2009, demand the satisfaction and discharge of the applicable Bonded Sums pursuant to the terms and conditions of the Performance Bond executed by the Licensee and the Surety on the [] day of [], 2014.

APPENDIX
Assigned Radio Spectrum

Licence No. IS-

The Assigned Radio Spectrum means, unless otherwise specified below, the radio frequency band(s) consisting of the range of radio frequencies between the upper and lower frequency limits specified in the table(s) below.

Table A: Point to Multipoint

	Location		Frequency (MHz)		Specific permissions or restrictions
	Base station	Island	Lower Frequency	Upper Frequency	
					Cellular Services Permitted

Appendix 4 – Form of Performance Bond

This Performance Bond is dated the XX day of XXXX, 2014.

WHEREAS the Utilities Regulation and Competition Authority (hereinafter referred to as “URCA”) has on XX, XXXX, 2014, in exercise of the powers granted by the Communications Act 2009 issued to [], whose registered office is at [] (hereinafter called “the Licensee”):

- an Individual Operating Licence authorising the establishment, maintenance and operation of an electronic communications network and provision of electronic communications services, subject to the terms and conditions set out therein (hereinafter referred to as “the IOL”); and,
- an Individual Spectrum Licence authorising the use of radio spectrum designated in the Bahamas National Spectrum Plan as “Premium” in accordance with section 31 of the Communications Act 2009 (hereinafter referred to as “the ISL”);

AND WHEREAS in the ISL URCA has imposed on the Licensee certain specific obligations and the Licensee has made certain commitments regarding the speed and extent of its network rollout, the range and quality of services to be offered; all of which are more particularly set out in the Annex to the ISL (hereinafter, the “Commitments and Undertakings”) and repeated as Milestones in the Annex hereto.

AND WHEREAS pursuant to the terms of the ISL, the Licensee has agreed to obtain a surety to be bound unto URCA for the due performance by the Licensee of the Commitments and Undertakings.

KNOW ALL MEN BY THESE PRESENTS THAT WE the Licensee, and [SURETY NAME] whose registered office is at [] (“the Surety”) are irrevocably and unconditionally bound to URCA in the total sum of [] (“the Bonded Sums”) and with the Milestones set out in the Annex for payment of which sum the Licensee and the Surety bind themselves their successors and assigns jointly and severally in accordance with the provisions of this Bond.

AND KNOW THAT THE TERMS AND CONDITIONS of this Bond are as follows:-

1. Where applicable, words and expressions used in this Bond shall have the meaning assigned to them in the ISL.
2. In the event of default by the Licensee in respect of the Deadlines for Compliance or the Quality of Service Requirement with any of the Milestones set out in the Annex, the Surety shall upon demand made by URCA in writing and without proof or conditions satisfy and discharge the Bonded Sums provided that the aggregate liability of the Surety under this Bond in respect of any Milestone shall not exceed the Bonded Sum in respect of that Milestone set out in the Annex.

3. The liability of the Surety under this Bond shall not be affected or discharged in any way by (and the Surety hereby waives any requirement to give notice in respect of):

- (a) any suspension of, variation to, or amendment of the ISL or the IOL (including without limitation extensions of time for performance) or any concession or waiver by URCA in respect of the Licensee's obligations under the ISL. Without prejudice to the foregoing and purely on a "for information basis", the Surety will be notified of any such suspension, variation, amendment, concession or waiver and if necessary and if so requested by the Surety, URCA will amend the Annex accordingly;
- (b) the cancellation or revocation of the ISL or the IOL as a result of default by the Licensee under either the IOL or ISL or any other provision of the Communications Act or any regulatory measure made under the Communications Act;
- (c) any forbearance or waiver of any right or remedy URCA may have against the Licensee;
- (d) any act or omission of the Licensee pursuant to any other arrangement with URCA or with the Surety;
- (e) subject to clause 4 and 5 below, the issue of any certificate of completion by URCA in respect of the Milestones set out in the Annex.

4. The liability of the Surety under this Bond shall reduce on each occasion on which:

- (a) the Surety pays any part of the Bonded Sums to URCA; or,
- (b) URCA issues its certificate of completion in respect of each Milestone (as set out in the Annex);

the amount of such reduction being equal to the amount paid or the Bonded Sum set opposite such Milestone in the Annex, and the Surety shall be discharged from all further liability under this Bond upon such liability being reduced to zero or the issue of the certificate of completion by URCA of the ultimate Milestones set out in the Annex.

5. The liability of the Surety under this Bond shall cease upon:

- (a) the payment by the Surety of all the Bonded Sums in full to URCA; and/or
- (b) the issue by URCA of any certificate of completion;

in respect of all Milestones set out in the Annex.

6. URCA shall be entitled to assign the benefit of this Bond to any Government or Statutory body at any time without the consent of the Surety or the Licensee being required. Without prejudice to the

foregoing and purely on a “for information basis”, the Surety will be notified by URCA within a reasonable period after any such assignment.

7. This Bond shall expire, at any time that the liability of the Surety has ceased in accordance with Clause 5, or on the date six (6) months after the Deadline for Compliance of the last Milestone by which date any claim hereunder must be received by the Surety in writing, whichever is later.

8. All documents arising out of or in connection with this Bond shall be served in writing by hand or post, with a copy via facsimile to the following addresses:

- (a) upon URCA, UBS Building Annex, East Bay Street, Nassau N4860, The Bahamas, marked for the attention of the Board Secretary.
- (b) upon the Licensee at [], The Bahamas.
- (b) upon the Surety, at [], The Bahamas.

9. A party may change its respective address for service of documents to another address in The Bahamas but only by prior written notice to each other given in accordance with clause 8 above.

10. This Bond shall be governed by and construed according to the laws of the Commonwealth of The Bahamas and the Licensee and the Surety agree to submit to the exclusive jurisdiction of the courts of The Commonwealth of The Bahamas.

IN WITNESS whereof this Bond has been executed as a deed by the Licensee and the Surety on the date first above written.

THE COMMON SEAL of [Surety] was affixed hereto in the presence of:

Director

Director/Secretary

THE COMMON SEAL of [Licensee] was affixed hereto in the presence of:

Director

Director/Secretary

Milestone	Deadline	Bonded Sum
<p>Before commencing to provide any mobile services, the licensee will be required to have established a mobile network that facilitates full end-to-end network and service infrastructure in The Bahamas which is capable of providing services on New Providence (including PI), Grand Bahama, Abaco (including Gorda 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), achieving coverage with the relevant signal strengths set out in Table 1 below (indoor/outdoor), as applicable, in all places on each island where persons habitually live and traverse (“Population Coverage”) of at least 75% on each island. The licensee will be required to meet this condition within six (6) months of the issuance of the ISL.</p> <p>Table 1 - Required Indoor and Outdoor Signal Strengths</p>	[6 months from issuance of the ISL]	[B\$2,000,000]

Technology	Minimum Field Strength (dBm)	Maximum Field Strength (dBm)		
Wi-Fi	-100	-30		
GSM	-113	-51		
CDMA	-100	-75		
HSPA	-105	-75		
HSPA+	-105	-75		
EVDO	-105	-65		
LTE	-140	-44		
<p>The licensee’s mobile network must have</p> <ul style="list-style-type: none"> i. 99% Population Coverage on New Providence (including PI), Grand Bahama, Abaco (including Gorda 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), and Bimini (including Cat Cay and Ocean Cay) ; ii. 85% coverage on Andros; and iii. 75% Population Coverage on Cat Island, Long Island, San Salvador, Berry Islands (including Big Stirrup Cay, Big Whale Cay, Chub Cay, Coco Cay, Fraizers Hog Cay, Frozen Cay, Little Harbour Cay, Little Whale Cay), Ragged Island and Inagua 			[12 months from issuance of the ISL]	[B\$1,000,000]
<p>The licensee’s mobile network must have</p> <ul style="list-style-type: none"> i. 99% Population Coverage on New Providence (including PI), Grand Bahama, Abaco (including Gorda 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 			[18 months from issuance of the ISL]	[B\$1,000,000]

<p>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) ;</p> <p>ii. 90% population Coverage on Cat Island, Long Island, San Salvador, Berry Islands (including Big Stirrup Cay, Big Whale Cay, Chub Cay, Coco Cay, Fraizers Hog Cay, Frozen Cay, Little Harbour Cay, Little Whale Cay), Ragged Island and Inagua; and</p> <p>iii. 75% Population Coverage on Acklins, Crooked Island, Long Cay, Rum Cay and Mayaguana</p>		
<p>The licensee’s mobile network must have:</p> <p>i. 99% Population Coverage on New Providence (including PI), Grand Bahama, Abaco (including Gorda 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);</p> <p>ii. 99% Population Coverage on Cat Island, Long Island, San Salvador, Berry Islands (including Big Stirrup Cay, Big Whale Cay, Chub Cay, Coco Cay, Fraizers Hog Cay, Frozen Cay, Little Harbour Cay, Little Whale Cay), Ragged Island and Inagua;</p> <p>iii. 90% Population Coverage on Acklins, Crooked Island, Long Cay, Rum Cay, Mayaguana; and</p> <p>iv. 75% on all remaining Exuma Cays (including Crab Cay, Bayview, Regatta Ridge, Norman’s Cay, Elizabeth Island, Children’s Bay, William Cay, Over Yonder Cay).</p>	<p>[24 months from issuance of the ISL]</p>	<p>[B\$500,000]</p>

<p>The licensee’s mobile network must have:</p> <ul style="list-style-type: none"> i. 99% Population Coverage on New Providence (including PI), Grand Bahama, Abaco (including Gorda 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); ii. 99% Population Coverage on Cat Island, Long Island, San Salvador, Berry Islands (including Big Stirrup Cay, Big Whale Cay, Chub Cay, Coco Cay, Fraizers Hog Cay, Frozen Cay, Little Harbour Cay, Little Whale Cay), Ragged Island and Inagua; iii. 99% Population Coverage on Acklins, Crooked Island, Long Cay, Rum Cay, Mayaguana; and iv. 80% on all remaining Exuma Cays (including Crab Cay, Bayview, Regatta Ridge, Norman’s Cay, Elizabeth Island, Children’s Bay, William Cay, Over Yonder Cay). 	<p>[36 months from issuance of the ISL]</p>	<p>[B\$500,000]</p>
Milestone	Deadline	Bonded Sum
Additional commitments on Network Roll Out		
<p>Before commencing to provide any mobile services, the licensee will be required to have established a mobile network that facilitates full end-to-end network and service infrastructure in The Bahamas which is capable of providing services on New Providence (including PI), Grand Bahama, Abaco (including Gorda 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</p>	<p>[3 months from issuance of the ISL]</p>	<p>[B\$4,000,000]</p>

<p>and Bimini (including Cat Cay and Ocean Cay), achieving coverage with the relevant signal strengths set out in Table 1 above (indoor/outdoor), as applicable, in all places on each island where persons habitually live and traverse (“Population Coverage”) of at least 75% on each island. The licensee will be required to meet this condition within six (6) months of the issuance of the ISL.</p>		
<p>The licensee’s mobile network must have:</p> <ul style="list-style-type: none"> i. 99% Population Coverage on New Providence (including PI), Grand Bahama, Abaco (including Gorda 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), and Bimini (including Cat Cay and Ocean Cay) ii. 85% Population Coverage on Andros, and iii. 75% Population Coverage on Cat Island, Long Island, San Salvador, Berry Islands (including Big Stirrup Cay, Big Whale Cay, Chub Cay, Coco Cay, Fraizers Hog Cay, Frozen Cay, Little Harbour Cay, Little Whale Cay), Ragged Island and Inagua 	<p>[8 months from issuance of the ISL]</p>	<p>[B\$2,000,000]</p>
<p>The licensee’s mobile network must have:</p> <ul style="list-style-type: none"> i. 99% Population Coverage on New Providence (including PI), Grand Bahama, Abaco (including Gorda 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 	<p>[12 months from issuance of the ISL]</p>	<p>[B\$2,000,000]</p>

<p>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);</p> <p>ii. 90% Population Coverage on Cat Island, Long Island, San Salvador, Berry Islands (including Big Stirrup Cay, Big Whale Cay, Chub Cay, Coco Cay, Fraizers Hog Cay, Frozen Cay, Little Harbour Cay, Little Whale Cay), Ragged Island and Inagua; and</p> <p>iii. 75% Population Coverage on Acklins, Crooked Island, Long Cay, Rum Cay and Mayaguana</p>		
<p>The licensee’s mobile network must have</p> <p>i. 99% Population Coverage on New Providence (including PI), Grand Bahama, Abaco (including Gorda 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);</p> <p>ii. 99% Population Coverage on Cat Island, Long Island, San Salvador, Berry Islands (including Big Stirrup Cay, Big Whale Cay, Chub Cay, Coco Cay, Fraizers Hog Cay, Frozen Cay, Little Harbour Cay, Little Whale Cay), Ragged Island and Inagua;</p> <p>iii. 90% Population Coverage on Acklins, Crooked Island, Long Cay, Rum Cay, Mayaguana; and</p> <p>iv. 75% on all remaining Exuma Cays (including Crab Cay, Bayview, Regatta Ridge, Norman’s Cay, Elizabeth Island, Children’s Bay, William Cay, Over Yonder Cay).</p>	<p>[18 months from issuance of the ISL]</p>	<p>[B\$1,000,000]</p>

<p>The licensee’s mobile network must have</p> <ul style="list-style-type: none"> i. 99% Population Coverage on New Providence (including PI), Grand Bahama, Abaco (including Gorda 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); ii. 99% Population Coverage on Cat Island, Long Island, San Salvador, Berry Islands (including Big Stirrup Cay, Big Whale Cay, Chub Cay, Coco Cay, Fraizers Hog Cay, Frozen Cay, Little Harbour Cay, Little Whale Cay), Ragged Island and Inagua; iii. 99% Population Coverage on Acklins, Crooked Island, Long Cay, Rum Cay, Mayaguana; and iv. 80% on all remaining Exuma Cays (including Crab Cay, Bayview, Regatta Ridge, Norman’s Cay, Elizabeth Island, Children’s Bay, William Cay, Over Yonder Cay).. 	<p>[24 months from issuance of the ISL]</p>	<p>[B\$1,000,000]</p>
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I. Quality of Service

Milestone	Deadline	Bonded Sum
Core Quality of Service		
<p>Throughout each island, the Network rolled out pursuant to the obligations set out in Section I. of this Annex must be capable of providing to users, with 90% confidence, a mobile broadband data service with a sustained downlink speed of not less than 2 Mbps when that network is lightly loaded.</p>	<p>Upon network roll out</p>	<p>[B\$200,000 per island]</p>

Milestone	Deadline	Bonded Sum
Enhanced Quality of Service Option		
On each island, the Network rolled out pursuant to the obligations set out in Section I. of this Annex must be capable of providing to users, with 90% confidence, a mobile broadband data service with a sustained downlink speed of not less than 5 Mbps when that network is lightly loaded.	Upon network roll out	[B\$400,000 per island]

Appendix 5 – Phase I Selection Criteria

Part I of this Appendix sets out the minimum information that Applicants must provide in order for the Government and URCA to be able to judge the Applicant’s eligibility for Individual Licences.

Part II of this Appendix sets out the additional information that Applicants must provide in order for the Evaluation Committee to be able to judge compliance with the Technical and Financial Core Criteria as well as the Enhanced Commitments as set out in Section 7.2 above. For the avoidance of doubt, whilst this information must be provided to enable URCA or the Government, as appropriate, to judge a Proposal, the provision of this information does not entitle an Applicant to qualify for further consideration.

Part I - Provision of information necessary to assess compliance with the General Core Criteria

Table 11 sets out the information that Applicants must provide in order to demonstrate their eligibility to be granted an Individual Licence.

TABLE 11

Requirement	Required document / information
General	<p>A completed Proposal Form, following the template set out in Appendix 7, including contact details and address for the Applicant.</p> <p>A notarised copy of a Power of Attorney granting power to the Authorised Person to sign documents on the Applicant’s behalf.</p> <p>Details of the Applicant’s ownership¹¹², including:</p> <p>A diagram of the ownership of the Applicant and its associated companies, showing parent, subsidiary and associated or affiliated companies.</p> <p>Identification of all shareholders and ultimate beneficial owners of the Applicant if private, or for a public company, all ultimate beneficial owners owning more than 5% of the issued share capital (including names, addresses, nationality and</p>

¹¹² Details of ownership must be submitted for:

- each member, where the Applicant is a Joint Venture or Consortium;
- any holding or parent company

	<p>shareholding). Note, all Applicants must provide a commitment that:</p> <ul style="list-style-type: none">• The Applicant will conduct the business activities in The Bahamas through NewCo which will hold the relevant licences, and which must be 51 % legally and beneficially owned by HoldingCo.• the remaining interest of NewCo (49%) will be owned by the Successful Applicant who will also have board and management control of NewCo.• The Government’s primary role will be to facilitate the immediate transfer of shares to Bahamian private investors at the time that HoldingCo is formed. Secondly, and if necessary, the Government is prepared to serve as the initial and sole shareholder of HoldingCo. However, the Government’s shareholding in HoldingCo would only be temporary in nature, pending an offering of the shares in HoldingCo to eligible investors¹¹³.• The Successful Applicant and HoldingCo will be responsible for their pro-rata share of the costs associated with the start-up and initial operations of NewCo.• The schedule of projected capital injections (submitted as part of the business plan) will be reviewed and agreed between the Successful Applicant and HoldingCo once the Successful Applicant is selected but before the licences are issued.• The associated capital injections set-
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¹¹³ As defined in the draft Shareholder’s Agreement

	<p>out in the agreed schedule will be funded by its shareholders in proportion to their shareholdings in NewCo, as and when such funding is required and in line with the timing set out in the agreed schedule.</p> <ul style="list-style-type: none"> • All of the costs of NewCo associated with the Performance Bond at Appendix 4 shall be paid by the Successful Applicant. • Save for nominal cost overruns (“Cost Overruns”), the consent of HoldingCo shall be required before the shareholders in NewCo may be called upon to contribute to any costs and expenses of NewCo which are not included in the agreed schedule of capital and operating expenditure. • The funding of the agreed expenditure shall not be made by way of debt unless agreed by HoldingCo. • The revised draft SHA following the Request for Clarifications period will form the basis of the arrangement between HoldingCo and the Applicant, should it be successful in this process. <p>In the event that the Applicant is a Consortium, the nature of the relationship among members, including a copy and details of any joint venture agreement, memorandum of understanding or voting agreement to provide evidence that the participating members have agreed to bid in the Selection Process as a Consortium.</p>
<p>Corporate Documentation</p>	<p>A notarised copy of the Applicant’s Memorandum and Articles of Association (or equivalent incorporating documents); notarised copy of the Applicant’s certificate of good standing from the Registrar of Companies (where applicable); confirming that these are true copies and that the</p>

	<p>Applicant is otherwise compliant with all regulatory laws.</p> <p>All of the above requirements are applicable to:</p> <ul style="list-style-type: none"> • each member, where the Applicant is a Joint Venture or Consortium; • any holding or parent company
<p>The Applicant must conduct the administration and management of NewCo from premises in The Bahamas and must commit to continue to doing so, in the event it is awarded the licence</p>	<p>Letter from an Authorised Person confirming that the Applicant will conduct the administration and management of NewCo, namely the mind and management constituting a significant substantial physical presence, from premises in The Bahamas. The Business Plan should conclusively demonstrate that there is a commitment and intention to manage its business from premises in The Bahamas.</p>
<p>Each of the Applicant¹¹⁴ and NewCo must be a fit and proper person to establish, maintain and operate a network or carriage system or use radio spectrum</p>	<p>A letter from an Authorised Person reflecting the template set out in Appendix 7 (Part 4) and confirming that none of the exclusions on the 'fit and proper persons' test set out in URCA's licensing guidelines apply.</p>

Part II - Provision of information necessary to assess compliance with the Technical and Financial Core Criteria, and to assess any Enhanced Commitments

Table 12 sets out the information that Applicants must provide and which the Evaluation Committee will assess to determine whether the Applicant has demonstrated that it has the necessary **financial strength** to deliver its planned operations, in order to satisfy the Financial Core Criteria and be awarded the points required for this category (See Table 9 of Section 7)

TABLE 12

Aspect	Requirement
1a Financial history	Where the Applicant is a publicly traded corporation, audited financial statements for the last three (3) years preceding the submission of the Proposal must be included. Where financial statements for the last year covers the period ending more than six (6) months before the date of the Applicant's Proposal, the Applicant must submit management accounts

¹¹⁴ Or the Applicant's parent company, where the Applicant is a newly formed entity.

(certified by the Applicant's Chief Financial Officer) for the period ending not more than one (1) month preceding the date of submission of the Proposal.

Where the Applicant is a private corporation or partnership, financial statements including balance sheet, profit and loss and cash flow statements and such notes and annotations that accompany them for the last three (3) years preceding the submission of the Proposal must be included. Where financial statements for the last year covers the period ending more than six (6) months before the date of the Applicant's Proposal, the Applicant must submit management accounts (certified by the Applicant's Chief Financial Officer) for the period ending not more than one (1) month preceding the date of submission of the Proposal.

Applicants must also include a history, preferably within the last 3-5 years, in obtaining financing commitments, the type of project, financing source, amounts committed, etc.

Information should also be provided on the Applicant's litigation history.

All of the above requirements are applicable to:

- each member, where the Applicant is a Joint Venture or Consortium;
- any holding or parent company

2a Financial resources

Details, including suitable proof, of the financial resources available to the Applicant demonstrating that the funding shall be sufficient for the Applicant to deploy its network and offer services in line with its business plan and Licence requirements

The proposed initial source and level of funding, together with an assessment of its certainty:

The Applicant must identify the amount of its equity contribution and shall describe the sources of these equity funds. All terms and conditions relating to these commitments shall be identified. The equity commitments shall be substantiated through a banker's letter of credit or other appropriate banking instrument.

The Applicant shall also identify the amounts of debt related financing and shall describe the methods for obtaining such financing.

2b Risk assessment

A description of the main risks associated with the level and timing of funding, including an assessment of the Applicant's capacity to deal with any contingencies arising. In particular, the Applicant should identify the

		risks associated with its debt financing, including the terms and maturity of such debt and describe any guarantees or other securities pledged to the repayment of such debt and any restrictions and covenants associated with the debt. The cost associated with underwriting and issuing the debt instrument as well as the method of issuance should also be provided.
3a	Financial References:	The financial commitments shall be substantiated through a banker's letter of credit or other appropriate banking instrument along with two (2) original reference letters from reputable banks, addressed to The Financial Secretary, Ministry of Finance, Cecil Wallace-Whitfield Centre, West Bay Street, Nassau, The Bahamas and dated no more than thirty (30) days prior to the date of the application. The references should include a statement that the Applicant is financially sound and has financial resources or has access to finances sufficient to successfully execute the Applicant's Proposal.

Table 13 sets out the information that Applicants must provide and which the Government will assess to determine whether the Applicant has demonstrated that it has the necessary **technical capability** to meet the coverage and service provisions of the template IOL and ISL and any enhanced commitments made by the Applicant, and has the technical expertise to implement its plan. This table will also set out how points will be awarded for each sub-category (sub-criteria) as per Table 9 in Section 7.

TABLE 13

Aspect	Requirement
4a Track record and capability	<p>Evidence that the Applicant, or its parents, subsidiaries associates or affiliates, have experience of operating and having deployed a greenfield telecommunications networks providing services to no less than 300,000 customers.</p> <p>And / Or</p> <p>Evidence that the key members of the executive team (including the Chief Technical Officer, the Chief Executive Office and the Chief Financial Officer or officers holding similar roles, where these designations do not</p>

apply) have experience of managing the operation and deployment of a greenfield telecommunications network providing services to no less than 300,000 customers. For the avoidance of doubt, the Government will consider applications from Applicants who do not have direct experience of operating and having deployed greenfield telecommunications networks, where the senior team has significant experience of managing the deployment and operation of greenfield telecommunications networks of not less than 300,000 customers;

Provided that where the Applicant relies on any group company experience, Joint Venture or Consortium, the Proposal should make clear the manner in which such expertise would be made available to the Applicant in The Bahamas.

In this category, points will only be awarded to Applicants who are able to demonstrate the above.

4b

The Applicant's details for its proposed management structure and corporate governance in the event it is awarded the Licence, including details and, where applicable, signed copies of any management agreements reached with third parties.

The names, positions and responsibilities of the key managers/staff members the Applicant intends to use to execute its Proposal.

Evidence that key staff members nominated by the Applicant for technical functions have adequate qualifications and experience. The Applicant should supply CVs of the key staff members. The CVs must be signed by the respective members or an Authorised Person.

4c

In the event that the Applicant is the legal vehicle for a Consortium or Joint Venture, the nature of the relationship among members, including a copy and details of any joint venture agreement, memorandum of understanding or voting agreement.

5 **Spectrum blocks**

Confirmation on which spectrum blocks to be assigned within each frequency band, in the event of being the Successful Applicant.

6 **Technical proposal**

In order to obtain the 10 points allotted to this category, the Applicant must submit a description and the specifications of the technology that will be used, including compliance with international standards. The technical proposal must include the following sub-components at a minimum.

6a

A network overview which includes information on the proposed

		network topology and design (including techniques to be adopted for efficient spectrum use), proposed network capacity, proposals for links between islands serviced, and any requirements for interconnection with other existing or future networks in The Bahamas;
6b		Any likely additional spectrum requirements, e.g. for backhaul and supplemental links ¹¹⁵ ;
6c		Annual predictive coverage maps for the Applicant’s network for the three (3) years following the grant of a licence.
6d		Applicants should also include its proposed RF Site Plan for achieving the required coverage. Where possible, the Applicant should indicate where collocation may be required, and alternative siting should preferred sites not be available.
6e		A commitment in writing, in form of a declaration and evidenced in its submitted business and financial plan, to locate all facilities or procure all services required to provide full end-to-end Mobile Network and Mobile Communications Services in The Bahamas ¹¹⁶ .
7	Quality of service	<p>The Applicant’s plans for achieving high quality of service to customers in The Bahamas, including a commitment to achieve either the minimum OR the enhanced standards set out in Section 5.3 and the Licence and a detailed description of how this will be achieved.</p> <p>The Applicant’s plans for achieving high quality of service to customers in The Bahamas, including a commitment to achieve either the minimum OR the enhanced standards set out in Section 5.3 and the Licence and a detailed description of how this will be achieved.</p> <p>Applicants will obtain the minimum 5 points by committing to the core QOS standards (See Table 9 and Section 5.3). There is an additional 5 points available for Applicants who commit to enhanced QOS (See Table 9).</p>
8	Roll out plan	A detailed description of the Applicant’s proposed roll out plan demonstrating the Applicant’s intention and ability to achieve, at a minimum, the roll-out requirements set out in Table 6 of Section 5.3,

¹¹⁵ Applicants should note that applications for such spectrum should be submitted separately after the end of the selection process. Neither URCA nor the Government can guarantee that any specific spectrum will be made available to the Successful Applicant.

¹¹⁶ This includes, amongst others, the MSC, RAN, VAS, Packet Core, billing systems and other customer facing hardware. However the Successful Applicant may seek co-location or lease intra-and inter-island backhaul facilities from existing providers in The Bahamas.

which will be required by the Licence granted, and any commitments to offer any enhanced roll out (Table 8 of Section 5.3).

The Roll-out Plan should include the Applicant's approach to managing the roll-out throughout the key phases identified in Table 6 OR Table 8 of Section 5.3. The Roll-out Plan should also highlight the Applicant's proposed approach to performing the scope of work to meet and or exceed requirements. The plan should therefore address:

- the Applicant's proposed approach for construction and logistics management;
- planned project activities including communication and key stakeholder engagement. A Gantt chart should be used to depict project sequencing, scheduling and resource allocation;
- the Applicant's approach to addressing and resolving project issues.

Additionally, where the Applicant intends to commit to the enhanced roll-out, the Applicant must submit its plans for achieving the enhanced roll-out (as set out in Table 8 of Section 5.3) in The Bahamas, including a commitment to achieve this roll-out and a description of how this will be achieved.

Applicants will obtain the minimum 5 points by committing to the core roll-out requirements (See Table 8 and Table 9). There is an additional 5 points available for Applicants who commit to enhanced Roll-out (See Table 9).

9 Business plan	The Applicant's description of its proposed business is an important part of the overall application and integral to the approval process. The amount of detail submitted should be proportionate to the scale and complexity of the proposed business and the associated risks. A realistic and achievable business plan for the first three (3) years should be provided, incorporating at a minimum the following elements:
9a	In order to obtain the 10 points allotted to this sub-category, the Applicant must submit a comprehensive assessment over a three (3) year period of the primary and secondary markets the Applicant proposes to enter, describing the outcomes of the assessment including the following sub-components at a minimum: <ul style="list-style-type: none">• revenue or traffic forecasts,• consumer studies,• price analyses and strategies,

	<ul style="list-style-type: none"> • marketing strategies, and • estimates of market share to be gained.
9b	<p>A detailed description of the services it intends to provide including its detailed plans for roll-out of those services (including launch timeframes), the specific markets to be served and the means of service delivery. In order to obtain the 5 points in this category, the Applicant must demonstrate that at least voice and data services at the QOS levels committed to must be offered at the same speed of roll out of network in accordance with Table 6 OR Table 8 (as applicable).</p>
9c	<p>In order to obtain the 5 points allotted to this category, Applicants must submit a Financial Plan which includes the following at a minimum:</p> <ol style="list-style-type: none"> i. Key assumptions ii. Volume and revenue forecasts consistent with the Applicant’s target level of market share, the services it proposes to offer, its proposed technology choice and proposed rollout; iii. A capital expenditure forecast (by year) consistent with the level and speed of rollout the Applicant is proposing, and the technology it is proposing to utilise, but <u>excluding</u> any licence fee payments linked to the Award; iv. A forecast of operating expenditure (by year) consistent with the other aspects of the plan (i.e. the Applicant’s marketing plan, planned network deployment and service offerings). v. A schedule of shareholder capital injections based on forecasts of capital and operating expenditure over the build out and initial phases of operations. vi. Pro-forma financials; vii. Break -even revenues; viii. Proposed rates and charges; ix. Financing costs and taxes; x. Projected balance sheet; xi. Projected income statements and project cash flow statements; xii. Key Financial Ratios. <p>Applicants must also submit their Financial Plan on a CD-ROM containing an Excel spreadsheet.</p>
9d	<p>A description of customer service processes and standards to be implemented. Minimum customer service standards are outlined in the Consumer Protection Regulations established by URCA. Applicants who commit to the minimum customer service standards as outlined by URCA</p>

will achieve a score of 2.5 (the required minimum for this sub-criterion). An additional 2.5 points will only be awarded to applicants that commit to exceeding those standards.

9e

The Applicant's personnel plans, showing the availability of adequate technical and other expertise. The Applicant should identify the extent to which Bahamian employees will be engaged specifying Executive, Management and Staff levels. In order to obtain the minimum marks of 2.5 for this category, the Plan must demonstrate a commitment to up-skilling Bahamians to fill specialist positions (technical or otherwise) throughout the organisation. Additionally, Applicants must also commit to up-skilling Bahamians to fill the COO, CFO and CEO posts in at least a 5 year timeframe. Applicants who are able to commit to filling the COO, CFO and CEO posts with Bahamians in a shorter timeframe will be awarded additional marks up. There is a maximum of 5 points available for this sub criterion.

9f

In order to obtain the 5 points allotted for this category, Applicants must include a Local Benefits Plan which should state that the Applicant will maximise the supply of goods and services from The Bahamas for network build-out and will demonstrate a commitment to maximising local participation throughout the term of the licence. In furtherance of the foregoing the Successful Applicant will be expected to engage as many local contractors and design and construction professionals as may be appropriate. The Local Benefits Plan must describe the policies and strategies that will be employed to achieve these objectives.

Table 14 sets out the information that Applicants must provide and which the Government will assess to determine whether the Applicant has demonstrated that it could fulfil the enhanced social commitment to further the economic and social benefits accruing to The Bahamas, in the manner set forth in Section 7.2 in the RFP.

TABLE 14 Enhanced Commitments

	Aspect	Requirement
10	Commitment to greater Bahamian Ownership through HoldingCo	A commitment provided through a letter signed by a duly Authorised Person on behalf of the Applicant, that more than 51% of NewCo will be legally and beneficially owned by Bahamians through HoldingCo, either at the time of initial subscription of the shares in NewCo or at a subsequent date. The maximum points of 5 will be awarded to the Applicant that commits to HoldingCo having the largest additional shareholding, when compared to proposals by other Applicants in respect of this category. Other Applicants that make this commitment would be marked proportionately to the Applicant scoring the highest in this category.

Table 15 sets out the additional information that Applicants must provide and which the Government will assess to determine whether the Applicant has met other requirements of the RFP.

TABLE 15

	Aspect	Requirement
11	Declaration of Compliance¹¹⁷	Declaration by a duly Authorised Person on behalf of the Applicant attesting to the Applicant’s compliance with the requirements of the RFP, the truthfulness of the information presented in the Proposal, and the Applicant’s commitment to all matters stated in the Proposal

¹¹⁷ Using the form set out in Part 5 of Appendix 7

Appendix 6 – Useful Contact Information

Please note that where queries are sent via e-mail, the subject line should read: “Cellular Liberalisation Process”

Agency	Contact
<p>Bahamas Investment Authority Office of The Prime Minister 2nd Floor Sir Cecil Wallace Whitfield Centre West Bay Street New Providence, Bahamas P.O. Box CB-10990</p>	<p>Primary Contact Alivia Forbes: (242) 702-5513 Email: aliviaforbes@bahamas.gov.bs</p> <p>Secondary Contact Samantha Rolle: (242) 702-5536 Email: samantharolle@bahamas.gov.bs</p>
<p>Inland Revenue (Business License/Valuation Unit) Ministry of Finance Charlotte Street. New Providence, Bahamas P. O. Box N-13</p>	<p>Primary Contact Shunda Strachan: (242) 502-7148 Email: shundastrachan@bahamas.gov.bs</p> <p>Secondary Contact Michael Moss: (242) 502-7109 Email: michaelmoss@bahamas.gov.bs</p>
<p>Registrar General Shirley St. New Providence, Bahamas P.O Box N-532</p>	<p>Primary Contact Mr. Darian Creary: (242) 397-9101 Email: dariancreary@bahamas.gov.bs</p> <p>Secondary Contact Ms. Georgette Stubbs: (242) 397-8997 Email: georgettestubbs@bahamas.gov.bs</p>
<p>The Buildings Control Division Ministry of Public Works and Urban Development Ground Floor John F Kennedy Drive New Providence, Bahamas P.O Box N-8156</p>	<p>Primary Contact Craig Delancy: (242) 302-9511 Email: craigdelancy@bahamas.gov.bs</p> <p>Secondary Contact Brent Ferguson: (242) 302-9550 Email: brentferguson@bahamas.gov.bs</p>

Agency	Contact
<p>Department of Physical Planning Ministry of Public Works and Urban Development Ground Floor John F Kennedy Drive Nassau, Bahamas P.O Box N-1611</p>	<p>Primary Contact Michael Major: (242) 322-7550/2 Email: michaelmajor@bahamas.gov.bs</p> <p>Secondary Contact Charles B. Zonicle: (242) 302-9537 Email: charlesbzonicle@bahamas.gov.bs</p>
<p>Lands and Surveys East Bay St. Nassau, Bahamas P.O Box N-592</p>	<p>Primary Contact Richard Hardy : (242) 502-1200 Email: richardhardy@bahamas.gov.bs</p> <p>Secondary Contact Martha Taylor: (242) 502-1200 Email: marthataylor@bahamas.gov.bs</p>
<p>Grand Bahama Port Authority Pioneers Way & East Mail Freeport, Grand Bahama The Bahamas PO Box F-42666</p>	<p>Primary Contact Nicole Colebrooke: (242) 340-9050 Email: ncolebrooke@gbpa.com Website: www.gbpa.com</p>
<p>Department of Labour Clarence A. Bain Building Thompson Boulevard P. O. Box N 1586 Nassau, N.P., The Bahamas</p>	<p>Primary Contact Robert Farquharson: (242) 302-2558/9 Email: robertfarquharson@bahamas.gov.bs</p> <p>Secondary Contact Ms. Elise Delancy: (242) 397-0700/ (242) 397-0749 Email: elisedelancy@bahamas.gov.bs.</p>
<p>Bahamas Civil Aviation Authority East St. South New Providence, Bahamas P.O. Box N-925</p>	<p>Primary Contact Mrs. Shemeka Forbes: (242) 326-0339 / 326-0340 Email: shemeka.forbes@bcaa.gov.bs</p> <p>Secondary Contact Mr. Ivan L. Cleare: (242) 322-2887 Email: ivancleare@bahamas.gov.bs</p>

Agency	Contact
<p>The BEST Commission Dockendale House, 2nd Floor, West Wing Nassau, Bahamas P. O. Box N-7132</p>	<p>Primary Contact Mr. Philip S Weech: (242) 397-5508/5526 Email: philipweech@bahamas.gov.bs</p> <p>Secondary Contact Mrs. Hilda Luoga: (242) 397-5508/5520 Email: hildaluoga@bahamas.gov.bs</p>
<p>Department of Immigration Ministry of Foreign Affairs and Immigration Hawkins Hill New Providence, Bahamas P. O. Box N-831</p>	<p>Primary Contact Dwight Beneby Tel: (242) 502-0507/ 3223881/357-5331 Email: dwightbeneby@bahamas.gov.bs</p> <p>Secondary Contact William Pratt Tel: (242) 326-1211/ 326-8845/ 427-1512 Email: williampratt@bahamas.gov.bs</p>

Appendix 7 – Proposal Template

Proposal for Operating and Spectrum Licences for Cellular Mobile Services in The Bahamas

Applicants must complete this application form which contains the following parts:

- Part 1: General information
- Part 2: Documents submitted with this Proposal
- Part 3: Additional Commitment Form Part 4: Fit and proper test form
- Part 5: Declaration.

Part 1: General information

For an application to be complete the administrative information listed in Table 16 and Table 17 below must be provided.

Table 16: Administrative Information

Applicant information

Legal Entity Name:

Company Registration number (if applicable):

Address of registered office:

Date of incorporation:

Place of incorporation:

Signature of Authorised Person 1:

Applicant is:

- Company
- General Partnership
- Limited Partnership
- Publicly held corporation
- Consortium
- Other (please state)

Table 17: Contact information for Authorised Persons

Authorised Persons must be authorised to bind the Applicant and to take all decisions or communicate all decisions connected with the Selection Process on the Applicant’s behalf. Applicants can authorise one more person, who could act as an alternate Authorised Person in case of unavailability of the primary Authorised Person.

Authorised Person 1 – Full name: _____

Mailing address: _____

Contact telephone number: _____

Contact fax number: _____

Contact email: _____

Signature of Authorised Person 1: _____

Authorised Person 2 – Full name: _____

Mailing address: _____

Contact telephone number: _____

Contact fax number:

Contact email:

Signature of Authorised Person 2:

Part 2: Documents attached to this Proposal

Applicants must complete Tables 18, 19, 20 and 21 (Part 3) to confirm that they have appended the relevant documents to their Proposal. The purpose of the checklist is to assist bidders in ensuring that it has provided URCA and the Government with the relevant information. URCA, or the Government, as appropriate, will use all the information provided to assess the Applicants against the assessment criteria as set out in section 7 and Appendix 5.

Electronic copies of the documents should be provided with each document compliant with the following file name convention: "BIDDER NAME-DOCREF-[INSERT DOC REFERENCE]-RFP".

Table 18: Documents attached to this Proposal - General information

Document reference	Required document / information	Included (please tick if included)
1.1	A completed Proposal Form.	
1.2	A notarised copy of a Power of Attorney granting power to the Authorised Person to sign documents on the Applicant's behalf.	
1.3	Details of the Applicant's ownership ¹¹⁸ , including: <ol style="list-style-type: none"> <li data-bbox="495 1077 1208 1251">i. Identification of all shareholders and ultimate beneficial owners of the Applicant if private, or for a public company, all ultimate beneficial owners owning more than 5% of the issued share capital, including names, addresses, nationality and shareholding. <li data-bbox="495 1266 1208 1360">ii. A diagram of the ownership of the Applicant and its associated companies, showing parent, subsidiary and associated or affiliated companies. <li data-bbox="495 1375 1208 1698">iii. A Commitment that: <ul style="list-style-type: none"> <li data-bbox="581 1417 1208 1549">• The Applicant will conduct the business activities in The Bahamas through NewCo which will hold the relevant licences, and which must be 51 % legally and beneficially owned by HoldingCo. <li data-bbox="581 1564 1208 1659">• the remaining interest of NewCo (49%) will be owned by the Successful Applicant who will also have board and management control of NewCo. <li data-bbox="581 1673 1208 1698">• The Government's primary role will be to facilitate the 	

¹¹⁸ Details of ownership must be submitted for:

- each member, where the Applicant is a Joint Venture or Consortium;
- any holding or parent company

Document
reference

Required document / information

Included
(please
tick if
included)

immediate transfer of shares to Bahamian private investors at the time that HoldingCo is formed. Secondly, and if necessary, the Government is prepared to serve as the initial and sole shareholder of HoldingCo. However, the Government's shareholding in HoldingCo would only be temporary in nature, pending an offering of the shares in HoldingCo to eligible investors¹¹⁹.

- The Successful Applicant and HoldingCo will be responsible for their pro-rata share of the costs associated with the start-up and initial operations of NewCo.
- The schedule of projected capital injections (submitted as part of the business plan) will be reviewed and agreed between the Successful Applicant and HoldingCo once the Successful Applicant is selected **but before the licences are issued.**
- The associated capital injections set-out in the agreed schedule will be funded by its shareholders in proportion to their shareholdings in NewCo, as and when such funding is required and in line with the timing set out in the agreed schedule.
- **All of the costs of NewCo associated with the Performance Bond at Appendix 4 shall be paid by the Successful Applicant.**
- Save for nominal cost overruns ("Cost Overruns"), the consent of HoldingCo shall be required before the shareholders in NewCo may be called upon to contribute to any costs and expenses of NewCo which are not included in the agreed schedule of capital and operating expenditure.
- The funding of the agreed expenditure shall not be made by way of debt unless agreed by HoldingCo.
- The revised draft SHA following the Request for Clarifications period will form the basis of the arrangement between HoldingCo and the Applicant, should it be successful in this process.

¹¹⁹ As defined in the draft Shareholder's Agreement

Document reference	Required document / information	Included (please tick if included)
	iv. In the event that the Applicant is a Consortium, the nature of the relationship among members, including a copy and details of any joint venture agreement, memorandum of understanding or voting agreement to provide evidence that the participating members have agreed to bid in the Selection Process as a Consortium.	
1.4	A notarised copy of the Applicant’s Memorandum and Articles of Association (or equivalent incorporating documents); notarised copy of the Applicant’s certificate of good standing from the Registrar of Companies (where applicable); confirming that these are true copies and that the Applicant is otherwise compliant with all regulatory laws. These should be submitted for: <ul style="list-style-type: none"> • each member, where the Applicant is a Joint Venture or Consortium; • any holding or parent company 	
1.5	Completed fit and proper test forms (Part 4 of this Appendix) and any supporting information that URCA would require to assess whether the Applicant (or the Applicant’s parent company, where the Applicant is a newly formed entity) is fit and proper within the meaning of s26(3) of the Communications Act.	
1.7	Declaration by Authorised Person on behalf of the Applicant: <ul style="list-style-type: none"> • Affirming that the Applicant will conduct the administration and management of NewCo , namely the mind and management constituting a significant substantial physical presence, from premises in The Bahamas, and will continue to do so; • Attesting to the fact that the Applicant has read and understood the RFP, and to the Applicant’s compliance with the requirements of the RFP, the truthfulness of the information presented in the Proposal, and the Applicant’s commitment to all matters stated in the Proposal (Part 5 of this Appendix). • Affirming that the conduct of this process and any selection of any or no Applicant is solely at the discretion of the Minister (and the Utilities Regulation and Competition Authority as appropriate). 	

Document reference	Required document / information	Included (please tick if included)
1.8	Guarantee by the Applicant (or by the Applicant's parent or Consortium Member or Applicant's bank) in favour of NewCo that it will guarantee any commitments under the licence and otherwise with the Government. The Government may, in its sole and absolute discretion, require a bank and/or parental/Consortium Member guarantee or adequate credit support in form or substance satisfactory to the Government	

Table 19: Documents attached to this Proposal - Financial information

Document reference	Required document / information	Included (please tick if included)
2.1	<p>i. Where the Applicant is a publicly traded corporation, audited financial statements for the last three (3) years preceding the submission of the Proposal must be included. Where financial statements for the last year covers the period ending more than six (6) months before the date of the Applicant's Proposal, the Applicant must submit management accounts (certified by the Applicant's Chief Financial Officer) for the period ending not more than one (1) month preceding the date of submission of the Proposal.</p> <p>OR</p> <p>Where the Applicant is a private corporation or partnership, financial statements including Balance Sheet, Profit and Loss and Cash Flow statements and such notes and annotations that accompany them for the last three (3) years preceding the submission of the Proposal must be included. Where financial statements for the last year covers the period ending more than six (6) months before the date of the Applicant's Proposal, the Applicant must submit management accounts (certified by the Applicant's Chief Financial Officer) for the period ending not more than one (1) month</p>	

Document reference	Required document / information	Included (please tick if included)
	<p>preceding the date of submission of the Proposal.</p> <ul style="list-style-type: none"> ii. A history, preferably within the last 3-5 years, in obtaining financing commitments, the type of project, financing source, amounts committed, etc. iii. Information on the Applicant's litigation history. <p>All of the above requirements are applicable to each member, where the Applicant is a Joint Venture or Consortium; any holding or parent company.</p>	
2.2	<p>Details, including suitable proof, of the financial resources available to the Applicant, including:</p> <ul style="list-style-type: none"> a. a description of the proposed initial source and level of funding, together with an assessment of its certainty b. an identification of the amount of any equity contribution and a description of the sources of these equity funds. All terms and conditions relating to these commitments shall be identified. c. A banker's letter of credit or other appropriate banking instrument to substantiate equity commitments. d. An identification of the amount of debt related financing and a description of the methods for obtaining such financing. e. A demonstration that the funding shall be sufficient for the Applicant to deploy its network and offer services in line with its business plan and Licence requirements 	
2.3	<p>A Risk Assessment, including a description of the main risks associated with the level and timing of this funding, including an assessment of the Applicant's capacity to deal with any contingencies arising. In particular, the Applicant should identify the risks associated with its debt financing, including the terms and maturity of such debt and describe any guarantees or other securities pledged to the repayment of such debt and any restrictions and covenants associated with the debt. The cost associated with underwriting and issuing the debt instrument as well as the method of issuance should also be provided.</p>	
2.4	<p>The provision of a banker's letter of credit or other appropriate banking instrument along with two (2) original reference letters from reputable banks, addressed to The Financial Secretary,</p>	

Document reference	Required document / information	Included (please tick if included)
	Ministry of Finance, Cecil Wallace-Whitfield Centre, West Bay Street, Nassau, The Bahamas and dated no more than thirty (30) days prior to the date of the application. The references should include a statement that the Applicant is financially sound and has financial resources or has access to finances sufficient to successfully execute the Applicant's Proposal.	

Table 20: Documents attached to this Proposal - Technical information

Document reference	Required document / information	Included (please tick if included)
3.1	<p>a. A description of the experience of the Applicant, or its parents, subsidiaries or affiliates at deploying greenfield telecommunications networks providing services to no less than [300,000] customers.</p> <p>b. Description of the experience of the key members of the executive team (including the Chief Technical Officer, the Chief Executive Office and the Chief Financial Officer or officers holding similar roles, where these designations do not apply) at managing the deployment and operation of greenfield telecommunications networks providing services to no less than [300,000] customers.</p> <p>c. Where the Applicant will rely on any group company experience, Joint Venture or Consortium, a description of the relevant experience and the manner in which such expertise will be made available the Applicant in The Bahamas.</p>	
3.2	A description of the proposed management structure and corporate governance in the event it is awarded the Licence, including details and signed copies of any management agreements reached with third parties.	
3.3	The names, positions and responsibilities of the key managers/staff members the Applicant intends to use to execute	

Document reference	Required document / information	Included (please tick if included)
	its Proposal, and Evidence in the form of CVs that key staff members nominated by the Applicant for technical functions have adequate qualifications and experience. CVs must be signed by the respective members or an Authorised Person.	
3.4	In the event that the Applicant is the legal vehicle for a Consortium or Joint Venture, the nature of the relationship among members, including a copy and details of any joint venture agreement, memorandum of understanding or voting agreement.	
3.5	<p>Technical proposal including:</p> <ul style="list-style-type: none"> <li data-bbox="495 709 1179 804">i. Confirmation on which spectrum blocks to be assigned within each frequency band, in the event of being the Successful Applicant. <li data-bbox="495 814 1179 909">ii. A description and specifications of the technology that will be used, including compliance with international standards; <li data-bbox="495 919 1179 1161">iii. A network overview which includes information on the proposed network topology and design (including techniques to be adopted for efficient spectrum use), proposed network capacity, proposals for links between islands serviced; and any requirements for interconnection with other existing or future networks in The Bahamas; <li data-bbox="495 1171 1179 1371">iv. An indication of any likely additional spectrum requirements, e.g. for backhaul and supplemental links (applications for such spectrum should be submitted by NewCo separately after the end of the selection process; URCA cannot guarantee that any specific spectrum will be made available to the Applicant) <li data-bbox="495 1381 1179 1476">v. Annual predictive coverage maps for the Applicant's network for the three (3) years following the grant of a licence <li data-bbox="495 1486 1179 1623">vi. RF Site Plan, including an indication of how the Applicant intends to achieve the required coverage, where collocation may be required, and suggestions for alternative siting should preferred sites not be available. <li data-bbox="495 1633 1179 1696">vii. A written commitment, in form of a declaration to locate all facilities or procure all services required to provide full 	

Document reference	Required document / information	Included (please tick if included)
	<p>end-to-end Mobile Network and Mobile Communications Services in The Bahamas¹²⁰</p> <p>viii. Quality of service plan (See requirements at Table 13 of Appendix 5)</p> <p>ix. Roll out plan (See requirements at Table 13 of Appendix 5)</p>	
3.6	<p>A three (3) year business plan including:</p> <p>i. A comprehensive assessment (over a 3-year period) of the primary and secondary markets the Applicant proposes to enter, describing the outcomes of the assessment including revenue or traffic forecasts, consumer studies, price analyses and strategies, marketing strategies and estimates of market share to be gained.</p> <p>ii. A detailed description of the services to be provided including detailed plans for roll-out of those services (including launch timeframes), the specific markets to be served and the means of service delivery.</p> <p>iii. A Financial Plan, (which must also be submitted on a CD-ROM in MS Excel format), including</p> <ul style="list-style-type: none"> • Key assumptions • Volume and revenue forecasts consistent with the Applicant’s target level of market share, the services it proposes to offer, its proposed technology choice and proposed rollout. • A capital expenditure forecast consistent with the level and speed of rollout the Applicant is proposing, and the technology it is proposing to utilise, but <u>excluding</u> any licence fee payments linked to the Award. • A forecast of operating expenditure consistent with the other aspects of the plan (i.e. the Applicant’s marketing plan, planned network deployment and service offerings). • A schedule of shareholder capital injections based 	

¹²⁰ This includes, amongst others, the MSC, RAN, VAS, Packet Core, billing systems and other customer facing hardware. However the Successful Applicant may seek co-location or lease intra-and inter-island backhaul facilities from existing providers in The Bahamas.

Document reference	Required document / information	Included (please tick if included)
	on forecasts of capital and operating expenditure over the build out and initial phases of operations	
	<ul style="list-style-type: none"> • Pro-forma financials • Break-even revenues • Proposed rates and charges • Financing costs and taxes • Projected balance sheet • Projected income statements and projected cash flow statements • Key financial ratios 	
	iv. A description of customer service processes and standards to be implemented including the relevant commitment (See requirements at Table 13 of Appendix 5).	
	v. The Applicant’s personnel plans including commitments related to up-skilling Bahamians to fill specialist positions (technical or otherwise) and to fill the COO, CFO and CEO posts in at least a 5 year timeframe (See requirements at Table 13 of Appendix 5)	
	vi. A Local Benefits Plan (See requirements at Table 13 of Appendix 5).	

Part 3: Enhanced Commitments Form

As set out in this RFP, Applicants may commit to offering enhanced services which benefit the Bahamian Society. Applicants must fill in Table 21 which identifies any enhanced commitments that the Applicant will make as part of its application. As set out in this RFP the Applicant’s commitments will be binding.

In the case of the Enhanced Electronic Communications Services (relating to roll out and average download speeds), the Government will consider Applicant’s ability to meet its commitments as part of its assessment of Technical and Financial Core Criteria. Applicants should ensure that the information supplied in relation to the Technical and Financial Core Criteria is sufficient to give the Government confidence that the Applicant’s commitments can be met.

Table 21: Enhanced Commitments

Document Reference	Required document/Information	Included (please tick if included)
4.1	Commitment to provide enhanced roll out network coverage over two (2) years from licence commencement date ¹²¹ , including plans as to how this will be achieved	
4.2	Commitment to provide enhanced quality of services – Enhanced download speed, 5 Mbps ¹²² , including plans as to how this will be achieved	
4.3	A commitment provided through a letter signed by a duly Authorised Person on behalf of the Applicant, that more than 51% of NewCo will be legally and beneficially owned by Bahamians through HoldingCo, either at the time of initial subscription of the shares in NewCo or at a subsequent date.	

¹²¹ In accordance with Table 8 of Section 5.3 of this RFP

¹²² In accordance with Section 5.3 of this RFP

Part 4: Fit and proper test

Under section 26(3) of the Communications Act, URCA will not issue an individual licence to someone who is not considered to be a “fit and proper” person. URCA has issued guidance on the licensing regime under the Communications Act, including on how it would assess whether licensees are “fit and proper” in the context of applying s26 (3) of the Communications Act¹²³.

In order to assist the Government in making its assessment Applicants must answer all the questions contained in Table 22 below. If the Applicant answers “yes” to any question, it should provide a full description of the context and issues involved in relation to its answer to the question.

For the avoidance of doubt, in any question where reference is made to “Applicant” it relates to:

- the Applicant (or the Applicant’s parent company, where the Applicant is a newly formed entity);
- the following members of the proposed executive team of NewCo: the Chief Technical Officer, the Chief Executive Officer and the Chief Financial Officer (or officers holding substantially similar roles where these titles are not used);
- In the event that the Applicant is a Consortium, each member of the Consortium.

Table 22: Fit and proper test

Reference	Required document / information	Yes/No. If yes please provide full details.
5.1	Has the Applicant been convicted of any criminal offence; particular consideration will be given to offences of dishonesty, fraud, financial crime or an offence or offences under legislation relating to electronic communications networks, carriage services or content services?	
5.2	Has the Applicant been the subject of any adverse finding or any settlement in civil proceedings, particularly in connection with investment or other financial business, misconduct, fraud or the formation or management of a body corporate?	
5.3	Is or has the Applicant been the subject of, or interviewed in the course of, any existing or previous investigation or disciplinary proceedings, by URCA, other regulatory authorities (including a legacy regulator in The Bahamas), professional bodies, or government bodies or agencies?	

¹²³ See: Guidance On The Licensing Regime Under The Communication Act, 2009 Guidelines – ECS 15/2009 section 3.4.2.

5.4	Is or has the Applicant been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any potential proceedings or of any investigation which might lead to those proceedings?
5.5	Has the Applicant contravened any of the requirements and standards of the communications regulatory system or the equivalent standards or requirements of other regulatory authorities (including a legacy regulator in The Bahamas), professional bodies, or government bodies or agencies? This includes a history of non-payment of fees by the person.
5.6	Has the Applicant been the subject of any upheld complaint relating to electronic communications sector activities;
5.7	Has the Applicant been involved with a company, partnership or other organisation that has been refused registration, authorisation, membership or a licence to carry out a trade, business or profession, or has had that registration, authorisation, membership or licence revoked, withdrawn or terminated, or has been expelled by a regulatory or government body?
5.8	Has the Applicant, as a result of the removal of the relevant licence, registration or other authority, been refused the right to carry on a trade, business or profession requiring a licence, registration or other authority?
5.9	Has the Applicant been a director, partner, or concerned in the management, of a business that has gone into insolvency, liquidation or administration while the person has been connected with that organisation or within one year of that connection?
5.10	Has the Applicant, or any business with which the Applicant has been involved, been investigated, disciplined, censured or suspended or criticised by a regulatory or professional body, a court or tribunal, whether publicly or privately?
5.11	Has the Applicant has been dismissed, or asked to resign and resigned, from employment or from a position of trust, fiduciary appointment or similar?
5.12	Has the Applicant ever been disqualified from acting as a director or disqualified from acting in any managerial capacity?
5.13	Has the Applicant, in the past, not been candid and truthful in all his dealings with any regulatory body and whether the person demonstrates a readiness and willingness to comply with the requirements and standards of the electronic communications regulatory system and with other legal, regulatory and professional requirements and standards?

Part 5: Declaration of Compliance

We, the undersigned, being duly authorised by [_____] (the “Applicant”) to make these declarations, hereby declare that:

1. The Applicant has ensured and will ensure that all information and all declarations contained in the Proposal and appendices attached thereto are correct and accurate.
2. The Applicant has complied with the requirements of the RFP and commits to all matters stated in the Proposal.
3. The Applicant will conduct the administration and management of NewCo from premises in The Bahamas and will continue to do so.
4. The Applicant is fit and proper in the meaning of section 26(3) of the Communications Act.

Applicant name:

Signature of Authorised Person:

Name in block capitals:

Date:

Appendix 8 – Draft Shareholders’ Agreement (Supplement)

The draft SHA will be provided as a supplement to this RFP and will be available in electronic form to Registered Entities in the data room.

Appendix 9 – Format for Submission of Comments on Draft SHA

Comments submitted on the draft SHA in accordance with Section 6.1.4 of this RFP should take the following form.

Section/ Clause	Comments