

FOR IMMEDIATE RELEASE

URCA Approved BTC's Retail Charging Proposals for Calls to Automated Ancillary Services

Market Update by URCA – 12 September 2011

On 30 August 2011 URCA approved Bahamas Telecommunications Company Limited's (BTC's) application to apply a rate of zero as the retail charge for calls to automated ancillary services (i.e., calls to weather and time of day/temperature services) and a rate of zero as the charge for the equivalent wholesale services. BTC had applied to URCA in response to a regulatory measure issued by URCA on 11 January 2011 requiring the Significant Market Power (SMP) operator to submit its retail proposals for calls to directory enquiry (DQ) and automated ancillary services, thereby ensuring fair competition between operators. URCA has not yet completed its consideration of BTC's retail proposal for calls to directory enquiry services, on which URCA proposes to issue a consultation paper seeking public comment in the near future.

As an outcome of this approval, URCA directed BTC to remove the current wholesale charges for automated ancillary services in BTC's URCA-approved Reference Access and Interconnection Offer (RAIO) which is published online on BTC's website. URCA notes that BTC has complied with this request.

URCA has advised BTC that it shall only be permitted to apply the approved non-zero charges for the wholesale inputs to ancillary services in the event that URCA authorises an appropriate non-zero retail rate for calls to automated ancillary services.

URCA believes BTC's proposal is realistic and appropriate given the absence of relevant costing information or benchmarking evidence to determine the reasonableness of a non-zero charge for automated ancillary services. Furthermore, the proposal is consistent with URCA's final decision on Question 18 of the RAIO Response and Final Decision document (ECS 01/2011 issued 11 January 2011) which stated that:

... in the absence of realistic and appropriate proposals from BTC, URCA will review the situation and, if appropriate, URCA could mandate BTC to remove the non-zero charges for terminating ... calls to DQ and automated ancillary services originating from other operators

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