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BTC's Application to Remove Inter Island Toll Charge for Mobile Originated Calls

Market Update by URCA – 8 July 2011

On 2 June 2011, BTC applied to URCA for approval to remove the inter-island toll charge for mobile originated calls to prepaid and post paid mobile and fixed subscribers. Previously, when a mobile subscriber called a mobile or fixed line subscriber located on another island, the call originator would pay both a per minute airtime charge and a \$0.18 per minute toll (Domestic Long Distance – DLD) for placing this call. The application seeks to remove the \$0.18 per minute toll surcharge for such calls. Alongside the price application, BTC also proposed changes to the dial plan for mobile origination calls to fixed and mobile subscribers.

As mobile originated calls fall within the SMP market for mobile voice services, the proposed price reduction requires regulatory approval prior to BTC implementing the change. URCA conducted a comprehensive and thorough evaluation of the application against the requirements set out in URCA's "Regulation of Retail Prices for SMP Operators – Rules" - ECS 15/2010. Arising from this review, on July 6, 2011 URCA approved the application on the basis that:

- the proposed price reduction is in the interests of persons in The Bahamas in relation to the electronic communications sector;
- conformed to the ex ante Retail Prices Rules for SMP Operators; and
- the price reduction would not be detrimental to competition in the provision of DLD calls originated from fixed networks.

BTC must adhere to the requirements of the ex ante Retail Prices Rules with respect to any future change in the level of pricing for mobile originated calls to fixed or mobile subscribers.

The proposed change in the dial plan will enable mobile subscribers to dial mobile and fixed line subscribers from any location within The Bahamas using 7, 10, and 11-digit dialing. URCA has no objection to the proposed change in the dial plan for mobile originated calls, on the basis that it will have no impact on either the effective price paid by customers or the costs incurred by the service

provider, and would simplify the dialing arrangements to the benefit of the customer. Further, the proposed change is not inconsistent with the Numbering Plan that will shortly be published by URCA.