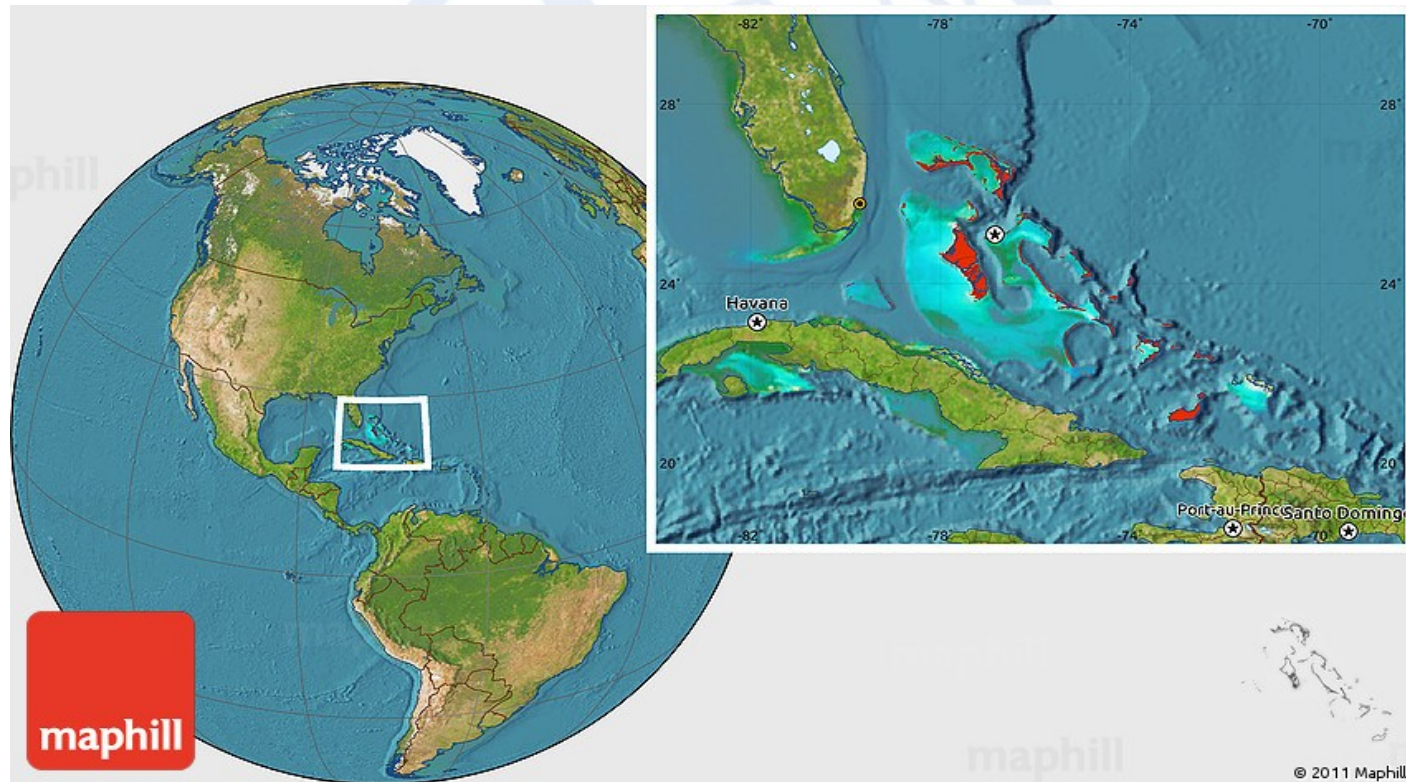


Significant Market Power in The Bahamas

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Overview of The Bahamas



Overview of URCA



- Independent Regulator of phone, TV, radio, internet and cable
- Electricity was recently added but regulations are still in the developing stage

Policy Objectives

To further the interests of consumers by promoting competition:

- To enhance the efficiency of the Bahamian electronic communications sector and the productivity of the Bahamian economy
- To promote investment and innovation in electronic communications networks and services
- To encourage, promote and enforce sustainable competition
- To promote the optimal use of state assets including radio spectrum

Policy Objectives (continued)

To further the interests of persons in The Bahamas in relation to the electronic communications sector by –

- Promoting affordable access to high quality networks and carriage services in all regions of The Bahamas
- Promoting availability of a wide range of content services which are of high quality

How is SMP Determined?



Market
Definition

Competition
Assessment

Remedy
Design

Who has SMP?

Service	Market Definition	SMP Findings
Retail Fixed Voice Services	<p><u>Product Market</u></p> <p>Fixed access and call services irrespective of whether these services are offered on a standalone basis or as part of a product bundle delivered via:</p> <ul style="list-style-type: none">• a fixed network• a cable network <p><u>Geographic Market</u></p> <ul style="list-style-type: none">• National market	<ul style="list-style-type: none">• BTC has SMP

Service	Market Definition	SMP Findings
Retail Mobile Voice and Data Services	<p><u>Product Market</u></p> <ul style="list-style-type: none"> • Mobile voice services • Mobile data services <p><u>Geographic Market</u></p> <ul style="list-style-type: none"> • National market 	<ul style="list-style-type: none"> • BTC has SMP

Service	Market Definition	SMP Findings
Retail Broadband Services	<p><u>Product Market</u></p> <ul style="list-style-type: none"> • Fixed (DSL) broadband services offered by BTC • Cable-based broadband services offered by CBL <p><u>Geographic Market</u></p> <ul style="list-style-type: none"> • Geographic Market 1 - The islands where both CBL and BTC are offering broadband services (i.e., New Providence, Abaco, Grand Bahama and Eleuthera). • Geographic Market 2 - All remaining islands (i.e., where only BTC offers broadband services) 	<ul style="list-style-type: none"> • CBL has SMP in Geographic Market 1. • BTC has SMP in Geographic Market 2.

Service	Market Definition	SMP Findings
Business Data and Connectivity	<p><u>Product Market</u></p> <ul style="list-style-type: none"> • Traditional leased line products • Fibre-based leased line products <p><u>Geographic Market</u></p> <ul style="list-style-type: none"> • Geographic Market 1 - The islands where both CBL and BTC are offering broadband services (i.e., New Providence, Abaco, Grand Bahama and Eleuthera). • Geographic Market 2 - All remaining islands (i.e., where only BTC offers broadband services) 	<ul style="list-style-type: none"> • Geographic Market 1 is prospectively competitive. • BTC has SMP in Geographic Market 2.

Service	Market Definition	SMP Findings
Pay TV Services	<p><u>Product Market</u></p> <ul style="list-style-type: none"> Access to pay TV content provided over a cable TV and terrestrial network infrastructure (currently offered by CBL). <p><u>Geographic Market</u></p> <ul style="list-style-type: none"> National Market 	<ul style="list-style-type: none"> CBL has SMP.

SMP in Wholesale Markets

- BTC, CBL and iPSi have SMP in fixed call termination on its respective networks.
- BTC and Aliv have SMP in call and SMS termination on its respective mobile networks.
- BTC has SMP in mobile call origination
 - Basis for national roaming obligation

Ex-ante Remedies Applied

Mobile voice and data services

- BTC's mobile products are subject to Retail Pricing Rules.

Retail fixed voice services

- BTC will be subject to price cap regulation
- Any new product introduced by BTC must be replicable by another operator

Retail broadband services

- CBL shall continue to offer standalone or unbundled products
- BTC required to offer geographic uniform pricing
- Any new product offered by BTC and CBL in the geographic market where they have SMP must be replicable
- CBL will be subject to modified price cap regulation

Ex-ante Remedies Applied (continued)

Retail fixed voice services

- BTC will be subject to price cap regulation
- Any new product introduced by BTC must be replicable by another operator

Retail broadband services

- CBL shall continue to offer standalone or unbundled products
- BTC required to offer geographic uniform pricing
- Any new product offered by BTC and CBL in the geographic market where they have SMP must be replicable
- CBL will be subject to modified price cap regulation

Pay TV

- All of CBL's Pay TV packages will be subject to price cap regulation.
- Any new product offered by CBL must be replicable.

Ex-ante Remedies Applied (continued)

Accounting separation and cost accounting obligations apply to both BTC and CBL across all markets.

Both BTC and CBL are subject to the standard SMP obligations as set out in:

- the Communications Act
 - Non-discrimination
 - Provide technical specifications or other relevant info regarding interconnection, facilities or wholesale services
 - Shall not prevent interconnection with a competitor
- Each company's Individual Operating Licence (IOL) and
 - Non-discrimination
 - Requirement to publish charges and terms and conditions
 - Consumer protection

Ex-ante Remedies Applied (continued)

Wholesale

- CBL and iPSi are now subject to the same non-discriminatory obligations that apply to BTC and are required to publish the terms and conditions regarding fixed call termination.
- Unlike BTC, CBL and iPSi are not required to publish a RAIO.
- Fixed call termination charges for CBL and iPSi became symmetric to BTC's charges in October 2014.
- Aliv's mobile termination rate is asymmetric to BTC's mobile termination rate
- Aliv is subject to the same non-discriminatory obligations that apply to BTC and is required to publish terms and conditions mobile call termination. Aliv is not required to publish a RAIO.

Ex-ante Remedies Applied (continued)

Wholesale – National Roaming

- Second mobile licence issued in 2016
- BTC the incumbent mandated to provide national roaming services to the new entrant Aliv during the build-out of its network
- National roaming obligation for a time period of 2 years
- URCA to regulate the national roaming rates

Work of SG3

- New international standard – Recommendation ITU-T D.261 “Principles for market definition and identification of operators with significant market power” – proposing principles and guidelines to assist countries in defining and identifying significant market power and assess whether or not, and the degree to which, this power has been abused by international telecommunications companies.
- ITU-T Study Group 3 has also launched new work related to SMP, on topics including:
 - Quantifying cross-border market power in telecommunications
 - Impact of dynamic tariffing on market competitiveness

Thank you



