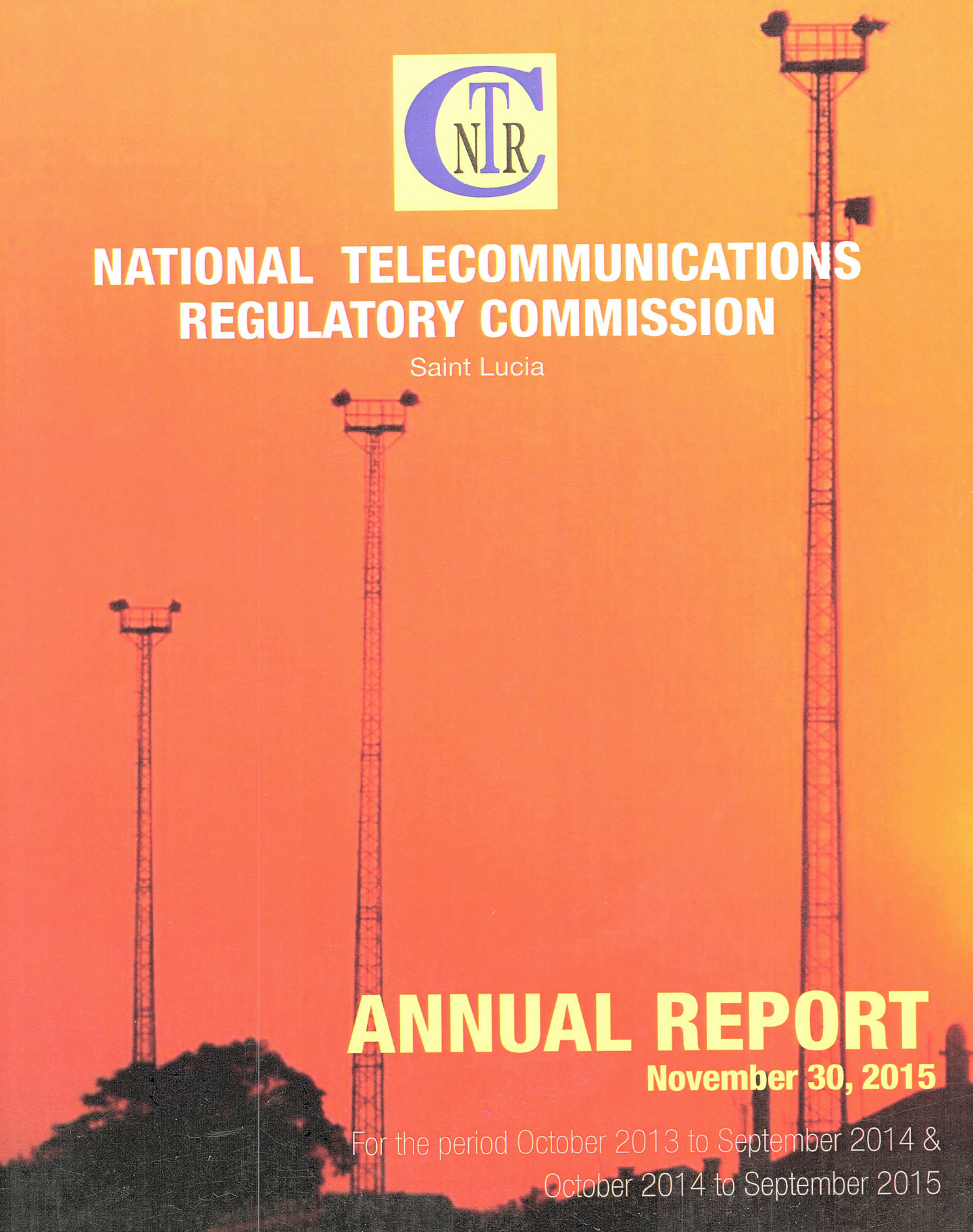


NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

Saint Lucia

ANNUAL REPORT

November 30, 2015

For the period October 2013 to September 2014 &
October 2014 to September 2015

LIST OF CONTENTS

List of Appendices.....3

List of Figures and Tables.....4

Abbreviations and Acronyms.....5

Executive Summary.....7

1. National Telecommunications Regulatory Commission 2013/2014

1.1 Constitution of the Commission.....8

1.2 The Organisational Chart.....9

1.3 Appointments.....9

1.3.1 Position of Universal Service Fund Administrator.....9

1.3.1 Position of Technical Assistant.....10

2. National Telecommunications Regulatory Commission 2014/2015.....10

2.1 Constitution of the Commission.....10

2.2 Diary of Events.....11

3 Financial Review.....14

3.1 Summary of Income Inflows & Usage.....14

3.2 Financial Audit Report.....14

4. Telecommunications Licences and Frequency Authorisations.....15

4.1 Telecommunications Licence Update.....15

5. Telecommunications Fees.....16

5.1 Telecommunications Licence Fees.....16

5.2 Frequency Authorisation (Spectrum) Fees.....16

6. Regulatory, Sector & Operational Matters for 2013/2014 & 2014/2015.....22

6.1 Licensing/ Authorisation and Certification Processes.....22

LIST OF CONTENTS

6.2 Technical Mandate....23

6.3 Complaints Against Providers....24

6.4 Proposed Price Cap Plans....25

6.5 Proposed acquisition/integration of Columbus International Inc. And Cable & Wireless Communications PLC. (CWC)....27

6.6 Service/ Resource Applications....35

6.7 The Electronic Communications Sector in Saint Lucia....36

7. 2013/2014 & 2014 Work Programme....42

8. Technical Operations 2013/2014 and 2014/2015....43

9. Universal Service Fund Annual Report 2013/2014 and 2014/2015....56

9.1 Introduction....56

9.2 Key Activities Of The Universal Service Fund Office (USFO) for 2013/2014....56

9.3 Universal Service Fund Office (USFO) Plans....56

9.4 Universal Service Fund Projects....57

9.5 Universal Service Fund Budget....58

9.6 Key Activities Of The Universal Service Fund Office (USFO) for 2014/2015....61

9.7 Universal Service Fund Office Plans and Documents....61

9.8 Universal Service Fund Office Activities....61

9.9 Universal Service Fund Projects....62

9.10 Universal Service Fund Budget....65

Final Remarks....67

APPENDICES

Appendix A: Financial Audit Reports

Appendix B: Register of Type-Approved Equipment

Appendix C: Licences and Frequency Authorisations

Appendix D: Register of Dealers and Suppliers of Terminal Equipment and Related Services

Appendix E: Universal Service Fund Survey Report

LIST OF FIGURES AND TABLES

Figure 2.1: Organisational structure for the National Telecommunications Regulatory Commission

Figure 3.1: Distribution of expenditure for the fiscal years 2013/2015

Table 4.1: Status of Telecommunications Licence Applications Received and Processed through the Commission

Table 5.1: Telecommunications Licence Fees Collected by the Government of Saint Lucia and ECTEL

ABBREVIATIONS AND ACRONYMS

Act	Telecommunications Act, Saint Lucia, No. 27 of 2000
Commission	Saint Lucia National Telecommunications Regulatory Commission
CTU	Caribbean Telecommunications Union
ECTEL	Eastern Caribbean Telecommunications Authority
ECTEL Member States	Dominica, Saint Lucia, St. Vincent & the Grenadines, Grenada, St. Kitts & Nevis
ECTEL Treaty	Treaty Establishing the Eastern Caribbean Telecommunications Authority
ITU	International Telecommunications Union
Minister	Minister with responsibility for Telecommunications
MMS	Mobile Monitoring Station
NTRCs	National Telecommunications Regulatory Commissions in the ECTEL Member States
OECS	Organisation of Eastern Caribbean States
TICT	Telecommunications and Information Communications Technologies
Treaty	Treaty Establishing the Eastern Caribbean Telecommunications Authority
USF	Universal Service Fund

ABBREVIATIONS AND ACRONYMS

USFO	Universal Service Fund Office
ENUM	E-Numeration
ICT	Information Communications Technologies
NANP	North America Numbering Plan
HIPCAR	Harmonisation of ICT Policies Legislation and Regulation Procedures in the Caribbean
DRR	Disaster Risk Reduction
BAC	Budget Advisory Committee
CARIBNOG	Caribbean Network Operators Group
VOIP	Voice Over Internet Protocol
SLASPA	Saint Lucia Air and Sea Port Authority
GOSL	Government of Saint Lucia
FM	Frequency Modulation
FRS	Family Radio Service
HSPA	HSPA+, or Evolved High-Speed Packet Access
IMT	International Mobile Telecommunications
LMR	Land Mobile Radio
LTE	Long-Term Evolution
SLARC	Saint Lucia Amateur Radio Club.
SMS4DC	Spectrum Management Software 4 Developing Countries.
TU	Technical Unit (NTRC)
UMTS	The Universal Mobile Telecommunications System

EXECUTIVE SUMMARY 2013/14 AND 2014/15

In the reporting years 2013/14 and 2014/15, the Commission continued to focus on Strategic Reform. Consequently, the Commission worked on its long-term plan (2013- 2016 and beyond) of strengthening its operations through reform and in the areas where absolute reform is not necessary, the Commission engaged in capacity building to enable the administration of effective regulation.

In that vein, the Commission conducted consultations on the proposed Electronics Communications Act presented by ECTEL, its Technical Broadcast Standards and Colocation & Infrastructure Sharing Guidelines. Additionally, the Commission engaged ECTEL and the Minister with responsibility for Telecommunications to discuss the possible amendment of the Telecommunications (Universal Service) Regulations to widen the ambit of the definition of "Universal Service" and by extension the use of the Fund. On a technical level, the Commission formulated a proposal for the acquisition of spectrum monitoring equipment, which was presented to ECTEL for the purpose of financial assistance.

Other key accomplishments were the establishment of the Universal Service Fund Office (USFO) by appointing an Administrator and the implementation of projects supported by the Fund. The aforementioned are the key achievements which were undertaken in conjunction with other activities such as preparation for a telecommunications/ICT survey, and preparation of workshops to be conducted by the USFO.

Additionally, the Commission appointed a Technical Assistant on a short-term basis; however, in view of the workload, particularly in relation to monitoring/Inspector duties, database creation and maintenance, website maintenance, research, and the newly assumed the responsibility of the complete review of Type Approval applications, the Commission found it necessary to make this post a full-time position.

The Commission continued to: develop its human resource; engage in public awareness initiatives and intensify its enforcement activity; engage in the collection of monthly and quarterly reports from providers; and engage in licence/frequency authorisation application review and fees collection.

In the main, the Commission has achieved considerable success in the reporting years 2013/14 and 2014/15. The Commission's systematic and pragmatic approach has contributed to its feat in the execution of its mandate, notwithstanding the significant challenge of limited resources.

1. NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

1.1 Constitution of the Commission for 2013/2014

The Commissioners of the National Telecommunications Regulatory Commission as of September 30, 2014, are:

1. Ms. Tracy Polius
2. Mr. Nigel George
3. Mr. Gerry George
4. Mr. Roderick Cherry

1. NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

1.2

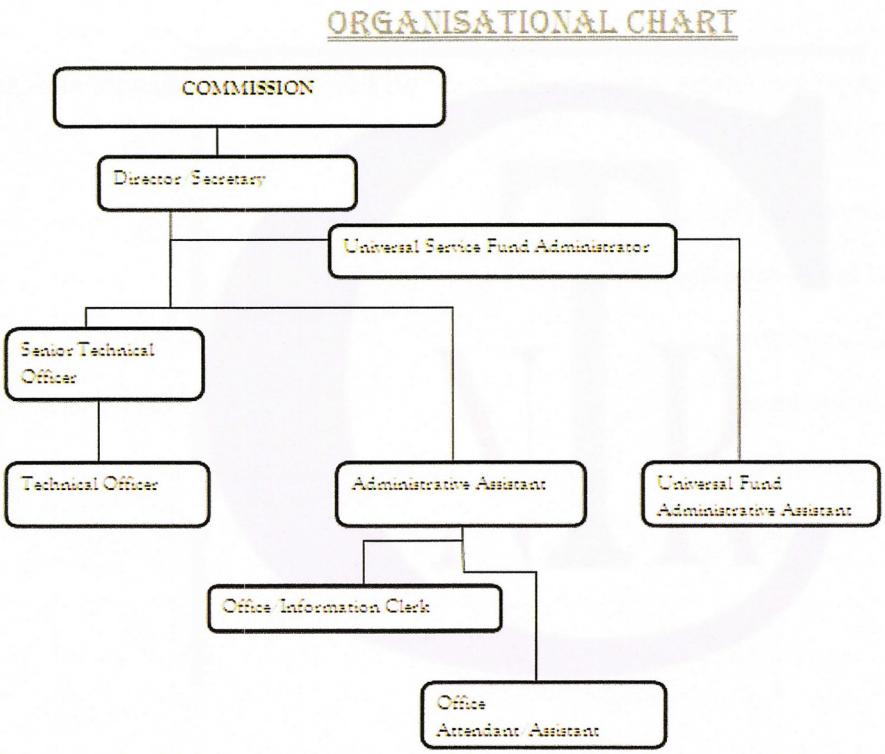


Figure 1.2.1: Organisational Structure for the National Telecommunications Regulatory Commission

1.3 APPOINTMENTS

1.3.1

Position of Universal Service Fund Administrator

Ms. Sandra Jones was appointed as the Commission's Universal Service Fund Administrator and commenced her tenure on January 6, 2014.

Position of Technical Assistant

Mr. Bronté Bess was appointed as the Commission's Technical Assistant and commenced his tenure on June 15, 2014.

2. NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

2.1 Constitution of the Commission for 2014/2015

The Commissioners of the National Telecommunications Regulatory Commission as of September 30, 2015 are:

1. Mr. Jerome Jules
2. Mr. Fred Alvin Malaykhan
3. Mr. Gerry George
4. Mr. Jason Edgar
5. Mr. Effrem Edgar

2. NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

2.2 Diary of Key Events

A Diary of Key Events during the period October 2013 to September 2015 has been presented below, highlighting the more significant events in which the Commission participated.

Training & Professional Development

Operating Year 2013/2014 and 2014/2015

COURSE/ MEETING TITLE	PLACE	DATE	ATTENDEES
Connecting Central and Andean America with the International Telecoms Market	Panama	October 2-3, 2013	Commissioner Gerry George
Establishment of an IXP in Saint Lucia	St. Lucia	October 10, 2013	Commissioner Gerry George
INVITATION: ITU Expert- Level Training on Regulatory Accounting and Cost Modeling in a Broadband Environment for National Regulatory Authorities and Operators	Antigua	October 14-17, 2013	Director/Secretary Shana Willie-Matoorah Commissioner Tracy Polius
CTUs 12th Caribbean Ministerial Strategic ICT Seminar and Harmonized Caribbean Spectrum Planning & Management Project Meeting	Jamaica	Regulatory Consultation Meeting December 3, 2013	Director/Secretary, Commissioners Jerome Jules and Gerry George
		ICT Seminar Opening Ceremony December 3, 2013 (Evening)	Director/Secretary, Shana Willie-Matoorah Commissioners Jerome Jules and Gerry George
		Caribbean Ministerial Strategic ICT Seminar December 4, 2013	Director/Secretary Shana Willie-Matoorah Commissioners Jerome Jules and Gerry George
		Spectrum Project Launch-5th December, 2013 (evening)	Director/Secretary, Shana Willie-Matoorah Commissioners Jerome Jules and Gerry George
		Harmonised Caribbean Spectrum Planning & Management Project Meeting – 6th- December 6, 2013	Director/Secretary, Shana Willie-Matoorah Commissioners Jerome Jules and Gerry George
Effective Writing for Business	St. Lucia	Jan 13, 2014	All Staff

2. NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

COURSE/ MEETING TITLE	PLACE	DATE	ATTENDEES
Events Management	St. Lucia	February 5-6, 2014	Administrative Staff
Regulators Invitation to Emergency Telecommunications and Harmonised Caribbean Spectrum Planning and Management Project Meeting #2	Barbados	February 19-21, 2014	Senior Technical Officer, Alden St. Clair
Regional Training Workshop on ITU ICT Indicators	St. Lucia	February 24 – 27, 2014	Universal Service Fund Administrator, Sandra Jones
OECS ECERA Consultation -Axcela	St. Lucia-NTRC	February 25, 2014	Director/Secretary, Shana Willie-Matoorah
Consultancy to Review the Draft National Utilities Regulatory Commission Bill	St. Lucia	February 26, 2014	Director/Secretary, Shana Willie-Matoorah Senior Technical Officer, Alden St. Clair
The Establishment of an Internet Exchange Point (IXP) in Saint Lucia	St. Lucia- Ministry of Commerce	February 28, 2014	Director/Secretary, Shana Willie-Matoorah
World Consumer Rights Day (WCRD): Fix Our Phone Rights	St. Lucia	March 15, 2014	Director/Secretary, Shana Willie-Matoorah
Fifth ECTEL/NTRC Administrative Professional Workshop	St. Lucia	March 27-28, 2014	Administrative Assistant, Joanita Alexander Universal Service Fund Administrative Assistant, Sharon Minvielle Office/Information Clerk, Natoya Cassius
Telecommunications and Media Forum	Miami, Florida	May 14, 2014	Director/Secretary, Shana Willie-Matoorah
Competition Law and Analysis Training Workshop	St. Lucia	April 7-10, 2014	Senior Technical Officer, Commissioner Jerome Jules

2. NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

COURSE/ MEETING TITLE	PLACE	DATE	ATTENDEES
Laboratory Techniques in support of Equipment Authorisation Programmes	Columbia, MD	October 6-10, 2014	Technical Officer, Shaun Julien
INET	Tobago	October 8-9, 2014	Commissioner Gerry George
USF Forum	St. Lucia	November 10-11, 2014	Commissioner Gerry George, Director/Secretary, Shana Willie-Matoorah, Universal Service Fund Administrative Assistant, Sharon Minvielle
Accessible Americas: Information and Communication to All	Sao Paulo, Brazil	November 12-14, 2014	Commissioner Jerome Jules
Workshop for Caribbean countries to promote the development and implementation of Conformity Assessment Programmes	Trinidad	December 2-4, 2014	Commissioner Gerry George
Broadband Regulatory Safeguards in the Era of the Convergence	St. Vincent	January 19-21, 2015	Commissioner Gerry George & Senior Technical Officer, Alden St. Clair
Proposed Acquisition of Columbus Communications International by Cable & Wireless Communications	Trinidad	January 26, 2015	Commissioner Jerome Jules
ICT's and people with disabilities: a Caribbean Workshop	Antigua	February 9-11, 2015	Universal Service Fund Administrative Assistant, Sharon Minvielle
Anritsu Interference Analysis Training	St. Vincent	February 10-12, 2015	Senior Technical Officer, Alden St. Clair Technical Officer, Shaun Julien
Regional Training Workshop ITU Information and Communications Technology (ICT) Indicators'	Barbados	April 8-9, 2015	Universal Service Fund Administrator, Sandra Jones
LTE Network Design & Optimisation Boot Camp	Washington DC	May 5-8,2015	Technical Officer, Shaun Julien
LTE Network Design & Optimisation Boot Camp	Saint Maarten	May 18 – 25, 2015	Senior Technical Officer, Alden St. Clair
Workshop on Satellite Communications	Trinidad and Tobago	September 14 – 18, 2015	Technical Officer, Shaun Julien

3. FINANCIAL REVIEW

3. Financial Review

In this chapter, the Financial Reports for the National Telecommunications Regulatory Commission, for the period October 1st, 2013 to September 30th, 2015, are presented. The discussion is supported by the Auditor's Financial Report, which is included as Appendix A.

3.1 Summary of Income Inflows and Usage

For the period October 1st, 2013 to September 30th, 2014, ECTEL disbursed EC$ 782, 220.00 to meet the Commission's operating budget.

For the period October 1st, 2014 to September 30th, 2015, ECTEL disbursed EC$ 832,518.00 to meet the Commission's operating budget.

These funds were completely utilised in the execution of the 2013/2014 and 2015/2015 workplans. It is worth noting that due to resource constraints some elements of the workplan were not accomplished.

Financial Audit Report

The Financial Audit Report was prepared by an independent auditor, Mario Lendor.

In the main, the Commission's Audited report revealed that its financial statement and cash flow for the period October 1st, 2013 to September 30th, 2014 and October 1st, 2014 to September 30th, 2015 was presented and was in keeping with the International Financial Reporting Standards. See Appendix A

4. TELECOMMUNICATIONS LICENCE/ FREQUENCY AUTHORISATION

4.1 Telecommunications Licence/Frequency Authorisation Update

Pursuant to s.14 (7) of the Act, the Commission prepared for publication in the Saint Lucia Government Gazette a list of the ***Telecommunications Licences that have been Issued, Modified, Renewed or Revoked in Saint Lucia***, as of September 30th, 2015. The list is included herein. (See Appendix C).

The table below specifies the following:

i. The number of licence applications that the Commission received, for the period under review;

ii. The number of those applications for which positive recommendations were submitted to the Minister; and

iii. The number of licences that the Commission has on record as having been issued by the Minister, within the stated year.

Table 4.1: Status of Telecommunications Licence Applications Received and Processed through the Commission for the period October 2013 to September 2015

	October 2013 to September 2015
No. of Licence Applications Received by the Commission	320
No. of Application Closed with Positive Recommendations	141
No. of Licences Granted by the Minister	54

5. TELECOMMUNICATIONS FEES

5. TELECOMMUNICATIONS FEES

For the period October 2013 to September 2014, the following amounts in telecommunications fees were collected by the Government of Saint Lucia and by ECTEL in Saint Lucia.

Licence Fees (GOSL)		EC$ 6,543,008.62
Spectrum Fees (ECTEL)		EC$ 2,023,300.00
TOTAL		**EC$ 8,566,308.62**

For the period October 2014 to September 2015, the following amounts in telecommunications fees were collected by the Government of Saint Lucia and by ECTEL in Saint Lucia.

Licence Fees (GOSL)		EC$ 6,705,809.33
Spectrum Fees (ECTEL)		EC$ 1,980,300.00
TOTAL		**EC$ 8,686,109.33**

NB. At the time of preparing this report additional information remained outstanding from ECTEL.

5.1 Telecommunications Licence Fees

The telecommunications licence fees collected by the Inland Revenue Department (IRD) on behalf of the Government of Saint Lucia for 2013/2014 as indicated above.

5.2 Frequency Authorisation (Spectrum) Fees

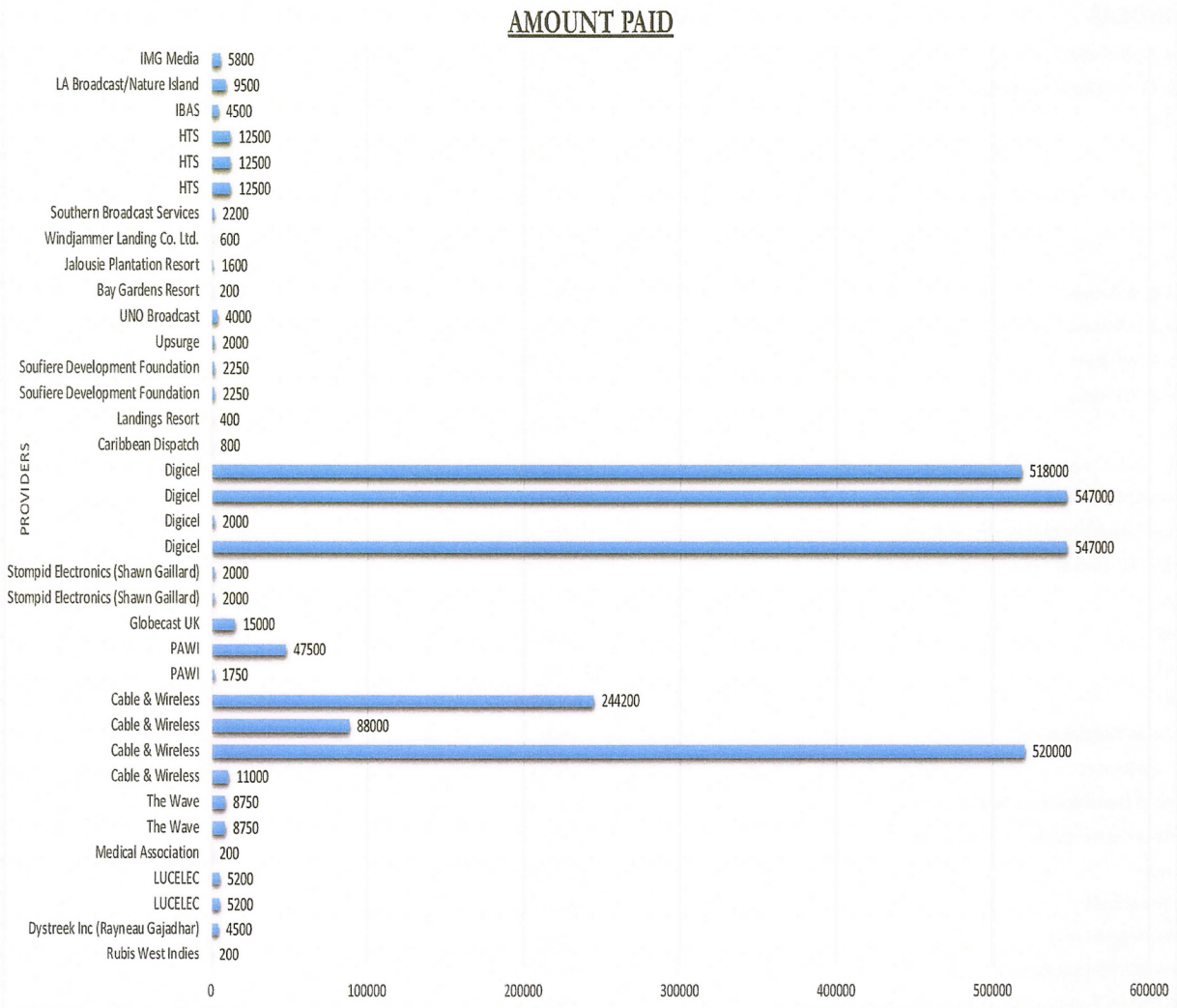
The Commission remains reliant on spectrum fees for its day-to-day operations. In a continued effort to fulfil its enforcement mandate through revenue collection, the Commission partnered with ECTEL to meet with delinquent providers to discuss the implications of their non-payment of fees and to obtain commitments from them to honour their debts. Some payments were received but it was not significant enough to be recorded as a success. The Commission will continue to intensify its collection efforts during the year 2013/2015.

5. TELECOMMUNICATIONS FEES

PROVIDERS SPECTRUM FEES PAYMENT FOR 2014/2015

PROVIDERS	AMOUNTPAID
Rubis West Indies	200.00
Dystreek Inc (Rayneau Gajadhar)	4500.00
LUCELEC	5200.00
LUCELEC	5200.00
Medical Association	200.00
The Wave	8750.00
The Wave	8750.00
Cable & Wireless	11000.00
Cable & Wireless	520000.00
Cable & Wireless	88000.00
Cable & Wireless	244200.00
PAWI	1750.00
PAWI	47500.00
Globecast UK	15000.00
Stompid Electronics (Shawn Gaillard)	2000.00
Stompid Electronics (Shawn Gaillard)	2000.00
Digicel	547000.00
Digicel	2000.00
Digicel	547000.00
Digicel	518000.00
Caribbean Dispatch	800.00
Landings Resort	400.00
Soufriere Development Foundation	2250.00
Soufriere Development Foundation	2250.00
Upsurge	2000.00
UNO Broadcast	4000.00
Bay Gardens Resort	200.00
Jalousie Plantation Resort	1600.00
Windjammer Landing Co. Ltd.	600.00
Southern Broadcast Services	2200.00
HTS	12500.00
HTS	12500.00
HTS	12500.00
IBAS	4500.00
LA Broadcast/Nature Island	9500.00
IMG Media	5800.00
	2,651,850.00

5. TELECOMMUNICATIONS FEES



5. TELECOMMUNICATIONS FEES

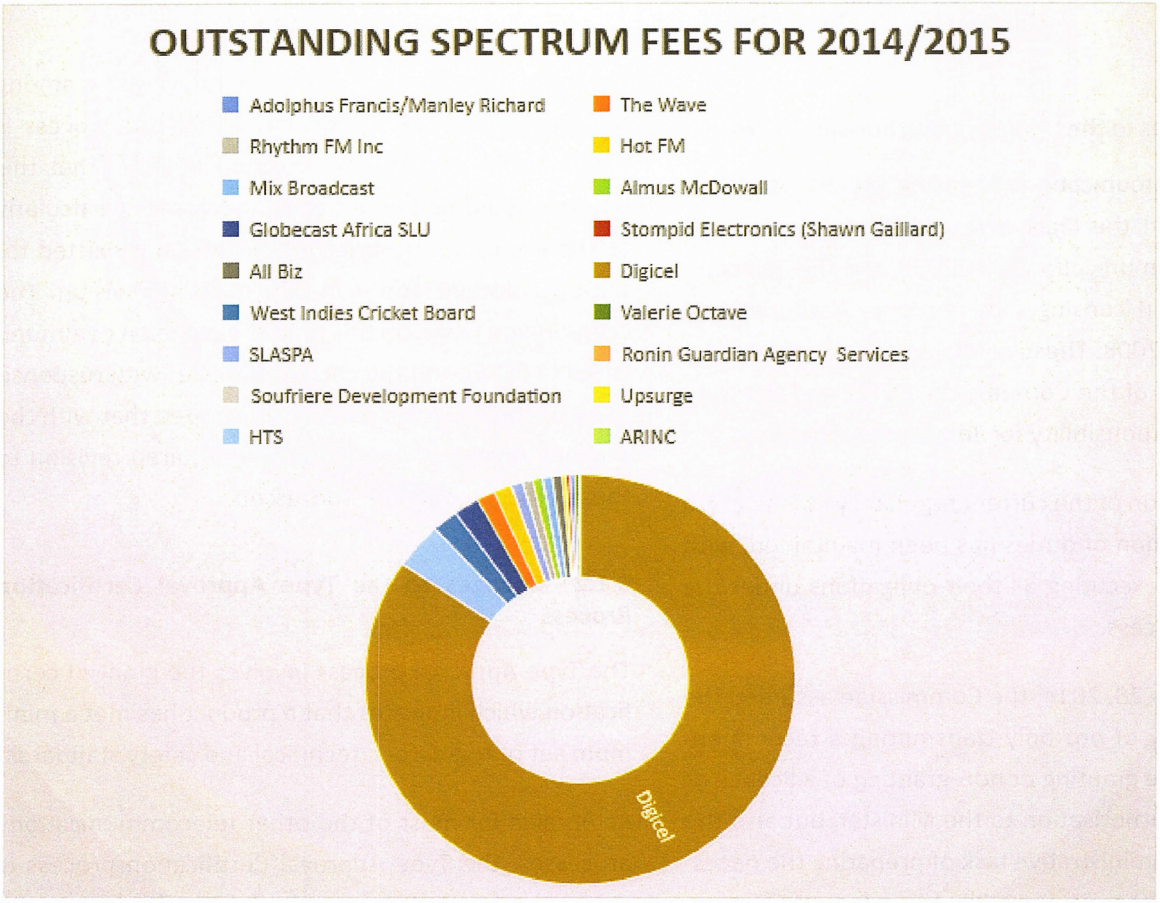
OUTSTANDING SPECTRUM FEES FOR 2014/2015

PROVIDERS	AMOUNT DUE
Adolphus Francis/Manley Richard	2000.00
Adolphus Francis/Manley Richard	2000.00
Adolphus Francis/Manley Richard	2000.00
The Wave	8750.00
Rhythm FM Inc	4750.00
Rhythm FM Inc	5000.00
Rhythm FM Inc	4750.00
Rhythm FM Inc	4750.00
Rhythm FM Inc	4750.00
Hot FM	8250.00
Hot FM	8250.00
Mix Broadcast	4500.00
Mix Broadcast	4500.00
Mix Broadcast	4500.00
Mix Broadcast	4500.00
Mix Broadcast	4500.00
Mix Broadcast	4500.00
Almus McDowall	4500.00
Almus McDowall	4500.00
Almus McDowall	4500.00
Almus McDowall	4500.00
Almus McDowall	4500.00
Globecast Africa SLU	12000.00
Globecast Africa SLU	12000.00
Globecast Africa SLU	12000.00
Stompid Electronics (Shawn Gaillard)	2000.00
Stompid Electronics (Shawn Gaillard)	2000.00
All Biz	4250.00
All Biz	4250.00
All Biz	4250.00
All Biz	4250.00
All Biz	4250.00
Digicel	523000.00

5. TELECOMMUNICATIONS FEES

Digicel	200000.00
Digicel	200000.00
Digicel	200000.00
West Indies Cricket Board	12000.00
West Indies Cricket Board	12000.00
Valerie Octave	1950.00
Valerie Octave	2250.00
Valerie Octave	2250.00
Valerie Octave	2250.00
Valerie Octave	2250.00
SLASPA	5400.00
Ronin Guardian Agency Services	200.00
Soufriere Development Foundation	200.00
Upsurge	2000.00
HTS	22500.00
HTS	52500.00
HTS	60000.00
HTS	72500.00
HTS	19000.00
HTS	19000.00
HTS	19000.00
HTS	19000.00
HTS	19000.00
HTS	72500.00
HTS	19000.00
ARINC	400.00
	1,726,150.00

5. TELECOMMUNICATIONS FEES



The Commission continues to carry out its mandate by sending letters and invoices to all Providers, especially delinquent Providers. The Commission and ECTEL also continue to make recommendations for the revocation of licences to the Minister with responsibility for Telecommunications in the instances where Providers fail to comply with the numerous requests made for them to meet their fee payment obligations. As a result of our enforcement initiative, the Commission has noted that Providers have either made payments towards their outstanding fees or have begun entering into arrangements to make payments by instalments. The Commission anticipates that payments will be continued in the period 2015/2016.

6. REGULATORY, SECTOR & OPERATIONAL MATTERS FOR 2013/2014 & 2014/2015

LICENSING/ AUTHORISATION AND CERTIFICATION PROCESSES

6.1.1 Changes to the Licensing/Authorisation Process

The telecommunications licensing process is clearly articulated in the legislative provisions, specifically, the Telecommunications Act 2000 and the Telecommunications (Licensing and Frequency Authorisation) Regulations 2008. These provisions dictate the licensing mandate of the Commission, ECTEL and the Minister with responsibility for Telecommunications.

From inception of the current regulatory machinery, a clear separation of duties has been maintained, with all agencies executing all their obligations under the licensing process.

As at January 28, 2014, the Commission assumed the responsibility of not only transmitting a recommendation for the granting or non-granting of a licence or frequency authorisation to the Minister, but also the additional administrative task of preparing the necessary document to be issued by the subject Minister.

Generally, the Commission has executed its new obligations efficiently; however, there are still some aspects of the process that are expected to be refined to ensure that it is an optimal one. It is believed that the system can be improved by eliminating its tripartite nature, in which three agencies must be involved in the review and issuance process. Further, an additional agency, the Inland Revenue Department of the Ministry of Finance is involved as it relates to the payment of licence fees.

This bureaucratic process has created concern among applicants, who have articulated that the process is highly inefficient. The Commission believes that this matter should be immediately addressed; particularly as the licensing/authorisation process has existed for the past decade and is in dire need of revision. The Commission views on this matter have been communicated to ECTEL and the current Minister with responsibility or Telecommunications. It is hoped that with the ongoing review of legislation the required revision to these processes will be addressed.

6.1.2 Changes to the Type Approval Certification Process

The Type Approval process involves the grant of certification which indicates that a product has met a minimum set of regulators, technical and safety standards.

As obtains for most of the other telecommunications processes, the Type Approval Certification process is guided by legislation; specifically, the Telecommunications (Terminal Equipment & Public Networks) Regulations 2002 as amended. In accordance with Regulation 5(2), the Commission can consult ECTEL on all applications. The Commission relied on this provision to engage ECTEL, particularly as ECTEL is deemed the technical repository for the NTRCs and possesses the resources to execute this legal obligation.

The Commission received correspondence from ECTEL which indicated the recommendation of the Authority for the Commission to conduct a review of Type

6. REGULATORY, SECTOR & OPERATIONAL MATTERS FOR 2013/2014 & 2014/2015

Approval applications without consultation with ECTEL. ECTEL did indicate the circumstances in which it would provide assistance; this was limited to the provision of advice in relation to complexities that may arise in applications.

In the wake of ECTEL's decision, the Commission has endeavoured to discharge its obligation most efficiently. There are concerns about its lack of resources such as equipment and expertly trained technicians; in that vein, the Commission has participated in the ITU Workshop for Caribbean countries to promote the development and implementation of Conformity Assessment Programme in Trinidad and Tobago, and in the USTTI Laboratory Techniques in support of Equipment Authorisation Programmes

Under the ITU initiative, a regional Type Approval certification laboratory is under consideration. The Commission plans to be an instrumental part of the process to ensure fruition of regional faculty as this would provide the requisite equipment for the testing and review of Type Approval applications.

As this process may be a lengthy one in which establishment of a regional facility will not be imminent, the Commission views participation in relevant training programmes as most essential. It is on this premise that the Commission, through its Technical Officer, participated in the above-mentioned USTTI programme. The Commission's technical team will continue to participate in like initiatives to develop their expertise in this area so that the review of Type Approval applications will continue to be carried out competently.

6.2 TECHNICAL MANDATE

For the operating year 2013/14, emphasis was placed on the Commission's technical mandate. To that end, the Commission commenced work on Broadband Guidelines, the Broadcasting Service, and Provider's networks.

6.2.1 Broadband Guidelines

The dynamics of the Telecommunications sector continued, as the notable technological advancement in broadband facilities and services was observed, the significance of broadband was embraced on a global scale as governments of developed and developing states view it as a driver of economic development.

In that regard, the Government of Saint Lucia, in collaboration with ECTEL, formulated a national Broadband Policy and Plan.

With the formulation of this foundational document, the Commission commenced preparation of Broadband Guidelines. In the main, these Guidelines will provide for the technological aspects of broadband, quality of service and enforcement matters. The research component of the process is complete, measurement software has been identified and used on a trial basis. This project is expected to be completed by September 2015.

6.2.2 Broadcasting Service

Due to a proliferation of Spectrum interference complaints, the Commission paid particular attention to the broadcasting service and the technical operations of this group of providers.

6. REGULATORY, SECTOR & OPERATIONAL MATTERS FOR 2013/2014 & 2014/2015

In that vein, all FM broadcasters were consulted and invited to meet the Technical Unit of the Commission to address the issue of interference, particularly as it relates to interference of transmission of the Airport's frequencies.

Radio Broadcasters were present at the consultation and agreed to act to eradicate the identified issue. These providers agreed to install filters on all transmitters for the FM Broadcasting services, however, due to the cost of purchasing and import duty on fitters, the Broadcasters requested the Commission's assistance in approaching the Minister responsible for Telecommunications for a waiver of associated import duties.

In that regard, the Commission addressed Minister James Fletcher on this matter. However, the Government of Saint Lucia did not accede to the request of the broadcasters due to the minimal duty attached to filters.

Notwithstanding the above, the Commission upheld its decision relating to the installation of filters on all FM transmitters with a deadline of January 31, 2014.

In keeping with its enforcement mandate, the Commission intends to conduct a monitoring exercise to ensure that broadcasters have complied with its decision

6.2.3 Providers' Networks

In correlation to its enforcement activity, the Commission deemed it necessary to obtain accurate knowledge of Telecommunications infrastructure established within Saint Lucia. To achieve this feat, the Commission engaged providers to provide inventory of all Telecommunications infrastructure/ equipment under their ownership or possession. Upon receipt of this information, a verification exercise was conducted to confirm the accuracy of the information.

Further, providers were consulted concerning the identification of their equipment in conducting its verification exercise, the Commission noted that most of the infrastructure was not labelled or did not have a clear mark of identification. Thus, it has become necessary for providers to label or mark their equipment for the avoidance of doubt and incidences of inaccuracy or mistaken identity. This matter will be pursued in the upcoming operating year 2015.

6.3 COMPLAINTS AGAINST PROVIDERS

During the reporting period, the Commission received and adjudicated on one complaint. The complaint stemmed from the provision of an internet service and mainly focused on the quality of the service provided.

The Commission did receive notice of other complaints but in these instances the providers made every effort to resolve these matters.

6.3.1 The Donovan's Complaint

On November 15, 2013, the Commission received a completed Telecommunications Complaint Form from Mr. Aaron and Mrs. Tabula Donovan which documented a complaint about internet service provider by Cable & Wireless (St. Lucia) Ltd (LIME) in the region of Millet.

6. REGULATORY, SECTOR & OPERATIONAL MATTERS FOR 2013/2014 & 2014/2015

At the time in which the Donovans requested the Commission's intervention as prescribed by the DRR 2008, it was indicated that the Donovans were in communication with the provider for over a year in an effort to bring the matter to resolution.

The Donovans further indicate that from about July 2012, they began experiencing difficulty with their internet service provided by LIME. During that time and up until the Commission's intervention was sought, the Donovans made several reports, and visited LIME's offices for assistance when the matter was not resolved by LIME's technical personnel who had visited the residence of the Donovans to address the matter.

In approaching the Commission, the Donovans not only wanted the matter resolved with the restoration of an optimal service, but also made a request for compensation.

By way of action, the Commission initial move was to obtain the providers response in the matter. Based on LIME's submission, the Commission deemed this matter one which could have been easily resolved as the provider had acknowledged that there were difficulties in providing internet service in Millet/ admitted to the provision of an interrupted service in Millet.

In that vein, the Commission directed the parties to meet in an effort to resolve the matter; the parties met in the earlier part of 2014; however, Mr. Aaron Donovan remained dissatisfied with the outcome.

Consequently, the Commission requested further information from the parties and scheduled a hearing from July 1, 2014.

The Commission was represented by Commissioner Malaykhan, its Senior Technical Officer and its Director/Secretary, the Donovans were represented by Mr. Aaron Donovan and LIME by Ms. Ewa Girard and Ms. Joanna Marius.

The parties made submissions and responded to questions posed by the Commission. By way of resolution, the parties agreed that LIME did not billed the Donovans until January 2013 at which time a proper service was provided; and in keeping with the Donovan's claim, LIME agreed to credit the Donovans' account for the further period of July 2012- December 2012.

Recognising that the issue may relate to economic value of rolling out infrastructure in the area of Millet which may be viewed as being sparsely populated and remote, the Commission informed the parties of the Universal Service Fund and the requirements to be satisfied to obtain support from the Fund.

6.4 PROPOSED PRICE CAP PLAN 2015

6.4.1 Consultation Process- Proposed Price Cap Plan 2015

In accordance with Regulation 28 of the Telecommunications (Retail Tariff) Regulations 2005, it is mandatory that the Commission initiates a public consultation on a Price Cap Plan filed by ECTEL or a major supplier. The said Regulation also directs the Commission to approve or deny the Price Cap Plan within 120 days subsequent to the filing of the Plan.

In this instance, ECTEL filed a proposed Price Cap Plan

6. REGULATORY, SECTOR & OPERATIONAL MATTERS FOR 2013/2014 & 2014/2015

on March 3, 2015. The Commission decided that it was necessary to act expeditiously on this matter to provide its determination prior to expiration of the 2010 Price Cap Plan on March 31, 2015. This was the premise on which the Commission decided to conduct an accelerated public consultation for the proposed Price Cap Plan 2015.

In that regard, the Commission was guided by Section 2.5 of its Sector Procedures Manual which provides direction on the acceleration of public consultations and permits the Commission to decide on a time frame and select a format for the accelerated consultation.

The Commission also conducted its own analysis of the ECTEL proposed Plan with the assistance of Ms. Tracy Polius, renowned Economist in the State of Saint Lucia

6.4.2 Commission's Decision

At the conclusion of the consultative process, the Commission declared its decision to disapprove the proposed Plan. The decision was stated as follows

"The National Telecommunications Regulatory Commission Saint Lucia (NTRC) conducted a Public Consultation for the proposed Price Cap Plan 2015 from March 4, 2015 to March 30, 2015. All responses have been reviewed and the Commission has conducted its own assessment on the proposed Price Cap Plan 2015.

Based on the findings, the significant changes in the telecommunications market which have occurred and brought to the attention of the Commission, in recent times; the Commission has decided against the grant of approval for the Price Cap Plan 2015, as presented.

The Commission will address members of the public on the current issues in the near future."

A letter was also transmitted to ECTEL, as the initiator of the process, and it is believed that the appropriate portions (protecting confidentiality between ECTEL and the Commission as the Regulator) of its correspondence would be shared with LIME. This form of consultation between ECTEL and LIME would be in keeping with the process that has been established in gathering data for the formulation of the proposed Price Cap Plan 2015.

6.4.3 Future Course of Action

Upon the filing of a Price Cap Plan by ECTEL or a major supplier, to the Commission, the mandatory public consultative process will be initiated. The Commission expects that all data pertaining to the proposed Plan will be relevant and accurately depicts the operations of the supplier.

The Commission remains cognizant of and responsive to the telecommunications market and the occurrences therein. In a communiqué dated March 10, 2015, Mr. Phil Bentley of CWC informed the Commission of the "local integration of LIME and Flow". In the Commission's estimation, this was indicative of a significant change in the telecommunications market and it would have been remiss of the Commission to disregard such a development and provide its approval of the Price Cap Plan 2015 as proposed.

6. REGULATORY, SECTOR & OPERATIONAL MATTERS FOR 2013/2014 & 2014/2015

6.5 PROPOSED ACQUISITION/INTEGRATION OF COLUMBUS INTERNATIONAL INC. AND CABLE & WIRELESS COMMUNICATIONS PLC. (CWC)

On November 06, 2014, the National Telecommunications Regulatory Commission (The Commission) received notification of the proposed acquisition of Columbus International Inc by Cable & Wireless Communications PLC (CWC). This notification was received through reports in the media domain; a message submitted electronically by Mr. Phil Bentley of CWC, which was confirmed in a telephone conversation with Ms. Geraldine Pitt, CEO Southern Cluster, Cable & Wireless (St. Lucia) Ltd.

On receipt of the notification, the Commission requested that all relevant parties submit further information on the acquisition. To that end, communication was received from Columbus Communications (St. Lucia) Ltd and Cable and Wireless (St. Lucia) Ltd in November 2014. Subsequently, information was also received from CWC December 9, 2014 and December 18, 2014.

Recognising its limited legislative powers due to the lack of legislative provisions to provide adequately for acquisitions/integrations, mergers or competition matters, the Commission also took the following action to ensure that the matter received the appropriate treatment:

1) Convened an Emergency Meeting of the Commission on November 10, 2014;

2) Consulted ECTEL, other regional Regulators, the Minister with responsibility for Telecommunications in Saint Lucia and professionals with expertise in this matter;

3) Participated in the Caribbean Telecommunications Union's (CTU) Regulatory Forum on Developing Regulatory Approaches to current ICT Issues held in Trinidad and Tobago from December 10-11, 2014;

4) Participated in the meeting conducted by the Telecommunications Authority of Trinidad & Tobago (TATT) Impact Analysis on the proposed acquisition in Trinidad and Tobago on January 26, 2015;

5) Convened an Emergency Meeting on February 20, 2015 to discuss the engagement of an expert to provide further guidance on the matter; and

6) Engaged members of the public through the issuance of a Public Statement in which a request was made for all interested parties to submit their views on the matter.

The Commission has engaged an expert to provide guidance on the proposed integration. Upon completion of the process, the Commission communicated its advice to the Minister with responsibility for Telecommunications. The Commission's recommendation, in its entirety, is included below.

6. REGULATORY, SECTOR & OPERATIONAL MATTERS FOR 2013/2014 & 2014/2015

6.5.1 Recommendation on the CWC/Columbus Integration to Minister

BACKGROUND

On November 6, 2014, Phil Bentley, CEO of Cable and Wireless Communication Plc, informed its customers and other business partners through the media, that Cable and Wireless Communications (CWC) and Columbus International Inc. were planning to join forces to create a combined business.

The National Telecommunications Regulatory Commission (NTRC) also received an electronic message from Mr. Bentley, confirming the intent of the companies to merge.

The release articulated what, in Mr. Bentley's view, were the advantages of such a merger. He however did indicate that there would be changes in the structure over time but that in the interim the companies would operate "business as usual".

Ms. Geraldine Pitt, CEO Southern cluster, Cable and Wireless (St. Lucia) Ltd. also telephoned the office of the Commission to confirm the reports that were circulating in the media.

Since none of the providers involved in this proposed merger/acquisition had provided any details, the Commission wrote to both parties on November 10, 2014 requesting further details of the transaction and information on the plans and future operations of the entities.

The commission gave an initial deadline of November 14, 2014 for the providers to respond.

On December 9, 2014 Phil Bentley wrote to the Commission informing that the Shareholders of Cable and Wireless Communications (CWC) had approved the proposed merger on December 5, 2014. Attached to this letter was a document titled;

" Submission to the NTRC St. Lucia regarding the proposed merger of Cable and Wireless Communications Plc (CWC) and Columbus International Inc (Columbus)"

In this document Cable and wireless asserts that:

" at the outset, there will be no change of any sort in the shareholdings of the individual licensed entities in St. Lucia or any of the ECTEL States. As such, while the transaction will result in an indirect change in ownership of the ultimate parent company of the Columbus Group, it will not result in any change in shareholding or control of the any Licensed entity. The transaction will not therefore result in any change (on the ground) in terms of the direct ownership and control of any of the CWC or Columbus licensed entities in ECTEL states."

The Regulator has received a series of letters from Phil Bentley, CEO of Cable and Wireless Communications Plc. In these letters dated March 10, 31 and April 7 2015 Mr. Bentley provides information on Cable and Wireless' plans for investment in infrastructure and improvement in services both to domestic and business customers.
In the letter of March 31, 2015 Cable and Wireless gives a commitment to expanding its fibre network, improving entry level Broadband speeds, supporting net neutrality, allowing free customer migration to the best cost plan between the networks and introducing local number portability in both fixed and mobile networks.

In its letter of April 7, 2015 Cable and Wireless informs the Regulator it anticipates that the complete integration of the operations of the two companies and customer migration should take place within a 24-36-month period. It also confirmed that post integration the company will continue to provide the same range of services as is currently being offered by FLOW and LIME separately.

The NTRC has also participated in a number of meetings with the providers either on a one on one basis or in conjunction with ECTEL. The last such meeting was held on April 29, 2015 to discuss Cable and Wireless' response to an NTRC request for information.

At those meetings, the NTRC has attempted to confirm with the providers what the new business model that the new com-

6. REGULATORY, SECTOR & OPERATIONAL MATTERS FOR 2013/2014 & 2014/2015

pany will adopt as well as how services to customers will be affected, if the merger is approved.

The service providers have in turn sought to determine what is required in order to obtain Regulatory approval for the merger.

The regulator has advised LIME and FLOW to seek guidance from both the Telecommunications Act and their licenses in order to determine what their obligation would be when a company changes its shareholding, structure or the conditions under which the licenses were granted.

The NTRC was informed by Mr. Phil Bentley that it had applied to the Minister for a transfer of the Licenses held by FLOW to Cable and Wireless. However, it is the Regulator's view that it is the holder of the licenses and frequency authorizations that should legally apply for the transfer.

IMPLICATION OF A MERGER OF THE TWO ENTITIES.

The merger of CWC and Columbus International will primarily affect the global operations of the two companies, a small part of which exists in the ECTEL member states.

The acquisition of Columbus and its subsidiary companies that operate in the OECS, will give Cable and wireless significant control of the market for three major services;

Fixed telephone/landlines
Internet services
Cable television

In effect, the merger will give rise to a market where only one fixed line provider exist and a near market dominance in the supply of cable television and internet services.

If the acquisition results in the amalgamation of the service offerings of both companies operating in St. Lucia (Cable and wireless (LIME) and Columbus trading as FLOW, it is possible that customers may benefit from synergies and strengths of the combined resources that may arise.
This improved or expanded service, if any, is expected to come at a cost to customers and with the reduction in options/ choice, customers may have to pay more for these service offerings.

The Regulators have not been provided with any details on the business model that will be adopted by this new entity and it would be difficult to assess at this time, whether there will be any particular benefits to their customers that would arise from the Acquisition.

However, it is envisaged that the strength of the merged companies will most probably result in the lessening of competition and create some barriers to entry into the telecommunications industry for prospective service providers.

POSSIBLE REGULATORY INTERVENTION.

Not having received any formal application from either of the two providers that are engaged in the deal, the Regulators may not be in a position to pursue any action aimed at approving or withholding its approval of the deal.
However, it is our understanding that the Providers are expecting some form of approval from the Regulators and or the Minister with responsibility for Telecommunications.

On the basis of the limited and informal consultation that has taken place between the NTRC and ECTEL and the public comments on the proposed acquisition, one can conclude that there is some apprehension about whether this deal will adversely affect the consumers of telecommunication services in the OECS.

The consolidation of market power by Cable and Wireless may result in anticompetitive behavior and a determination on whether a merger of the operations of the companies should be allowed to take place would normally fall within the purview of an Competition Authority.

St. Lucia does not have a Competition Authority or appropriate Competition Legislation and the OECS body is yet to be established.

6. REGULATORY, SECTOR & OPERATIONAL MATTERS FOR 2013/2014 & 2014/2015

In this situation, any determination that the NTRC or the Minister may make, with regard to this merger, should be pursuant to their mandate to act in the public interest and to protect the consumers of telecommunications services from unfair practices, poor quality of service and price exploitation.

Whilst the NTRC has not conducted any socioeconomic impact study or any other such study of the impact of this proposed merger on the market in St. Lucia, largely because of the prohibitive cost of undertaking such a study, it has been able to draw from a study conducted by TATT as well as from studies of other markets where such mergers have occurred.

The St. Lucia context is a little unique for the following reasons;

1. *The merger of the two companies has occurred and registered out of the local jurisdiction*
2. *There has been no merger of the two licensed operators within the Local Jurisdiction and to date, there has been no material changes to the share structure, ownership or control of either of the licensees as reflected in the records of the Companies registry.*
3. *There has been no application placed before the Regulator or the Minister for a transfer of shares or transfer of a license in whole or in part from Flow to Cable and Wireless.*
4. *There has been no specific information provided to the Regulator on the proposed business model that will be adopted, if and when, the operations of the two licensees are merged.*

Any decision by the regulator should be predicated upon the following;

1. *An application has been made to the regulator for its approval*
2. *That the Regulator has the legislative authority to approve or disallow the merger*
3. *That the Regulator can make an evidence based decision on the merits or demerits of the proposed merger or the impact of such a merger on the telecommunications markets in general and on consumers in particular.*

Application to the Regulator.

There has been no formal application placed before the Regulator for approval of the merger and therefore one can assume that the licensee is of the view that no such application is necessary.
In jurisdictions where either a Competition Authority or a Fair-Trading Commission exists, such an application would normally be made to either body.

Legislative Authority of the Regulator or the Minister to act

The legislative authority that is provided to the Regulator in St. Lucia and which allow it to deal with such situations are as follows.

- *Telecommunication Act No. 27 of 2000 part 11. (1) m assigns the National Telecommunications Regulatory Authority the responsibility to:*

"monitor anti-competitive practices in the telecommunications sector and advise the national body responsible for the regulation of anti-competitive practices accordingly"

It is reasonable to assume that this clause in the act was inserted to prevent anti-competitive behavior or to allow the appropriate body to take any action that may be necessary to mitigate any act on the part of providers that could lead to exploitation of the customers.

The responsibility for determining whether any action by a provider is anti-competitive and to take necessary action is that of a national body, other than the NTRC.

However, we have already established that no such "national body" exists

6. REGULATORY, SECTOR & OPERATIONAL MATTERS FOR 2013/2014 & 2014/2015

The other source of Legislative Authority is that granted to the Minister by the Telecommunications (Licensing and Authorisation) Regulations No. 121 of 2008, which grants the Minister the power

1. *to grant and renew a license,*
2. *to approve or disapprove the transfer of a license.*
3. *to amend the conditions of a license*
4. *to grant or withhold his consent to the change in shareholding or transfer of shares in a licensee*

To date, the Regulator is not aware that a request was made to the Minister for either a transfer of a license or a transfer of shares from one licensee to the other (FLOW to Cable and Wireless).

Impact of the Merger on the Telecommunications Market and Consumers.

The first task with which the Regulators are charged is to determine whether the acquisition of Columbus's operations (FLOW) by Cable and Wireless (St. Lucia) Ltd) constitutes anti-competitive behavior or will result in anti-competitive behavior in the future.
It must also determine whether the merger will result in significant market control which could lead to the exploitation of Customers, higher cost of services and an absence of consumer choice.

The NTRC does not have the resources to conduct a full impact assessment of the proposed merger
but have identified some possible impacts of such a merger as being;

- *Loss of infrastructure security as the merger will probably eventually result in liquidation/dissolution of one of the two licensees.*
- *Consolidation of the operations of the two licensees resulting in loss of jobs*
- *Decrease in investment in new infrastructure as the surviving company acquires the infrastructure of the other company.*
- *Possible decreased demand for services and consequently slower economic growth if prices of services increase after the merger.*
- *Limited connectivity options for new and existing players in the telecommunication industry which may stifle the growth of ICT based businesses.*
- *An indirect result of the merger may be the restriction to entry of new competitors in the telecommunications market.*

Regulatory Response

In the absence of a anti competition body, the regulator(s) and the Government may look to

1. *the provision of the current licenses and*
2. *the possibility of new legislation*

if it is found to be necessary to prevent this merger from taking place.

Provisions included in the Licenses.

i. *The Licenses issued to Kelcom renamed Columbus (FLOW) for the operations of both its internet network and the fixed public telecommunications network at Part I clause 6 requires the licensee to obtain the consent of the Minister before it can assign or transfer the license or any of its rights.*
ii. *The Licenses issued to Kelcom transferred to FLOW for the operations of both its internet network and the fixed public telecommunications network at Part II clause 9 requires the Licensee to obtain the Minister's prior consent to any acquisition of shares or change in shareholding of the Licensee.*

6. REGULATORY, SECTOR & OPERATIONAL MATTERS FOR 2013/2014 & 2014/2015

Flow has not applied for a transfer of shares to Cable and Wireless nor has Cable and Wireless proposed an acquisition of shares of the local Licensee. As far as the Regulator is aware, a change in Directorship and control of Flow has not yet been proposed. It appears that in the short term at least, both companies will continue to exist as separate entities.

Similarly, both Cable and Wireless and Flow have licenses that allow them to offer the three services that will be affected by the merger and consequently Cable and Wireless does not require a new License and does not need to apply to acquire the License held by Flow in order to continue to provide internet, fixed line and Television services.

Should a new license be required after the acquisition, the second schedule of the Telecommunications Act empowers the Minister to make or attach other conditions to the License.

Given these provisions, it does appear that there is not a sufficient basis for the Regulator to intervene and prevent the merger from occurring at this time.

Regulatory options.

i. *Forced Divestment*
ii. *Prohibit Merger*
iii. *Approve Merger with Conditions*
iv. *Approve the merger and implement ex poste measures to mitigate the effects of the merger.*

Forced Legal Separation or Divestment

One of the remedies often used by regulators to mitigate against any market control that may result from a merger of two main players, is to direct that the surviving entity sell any subsidiaries, or give up particular assets, infrastructure or to desist from operating in certain market segments which would make it too dominant. However, neither the NTRC nor the Minister have the power to take this course of action.

Prohibit the merger from occurring

Given that the merger has taken place at the global/ parent company level and given the relatively insignificant size and value of the OECS and the St. Lucian markets, it is not envisaged that Cable and Wireless Plc and its shareholders can be deterred from integrating the operations of the two providers, if it fails to get regulatory approval in any of the OECS states.

It is believed that the companies can exercise options which make regulatory approval unnecessary. Consequently, it is not envisaged that the Regulator can prevent the eventual integration of the operations of the two entities. It may be possible however, through legislative action, to prevent the merging of the operations of the two licensees in St. Lucia.

The questions that need to be answered are as follows;

Is legislative action an option at this time and is there time within which to take such action before the Regulator is required to act?

Is it in the best public interest for the Minister to take to parliament any amendment to the Telecommunications Act or Regulations that may be required to prevent such a merger from taking place?

If the Minister does not grant his approval and Cable and Wireless does not acquire FLOW business and its assets, is the Telecommunication sector better served?

If the merger of the two operators is not approved and both providers are forced to operate but under the same ownership structure, would the competition not be cosmetic?

Whilst there is speculation that the proposed merger would not be in the best interest of consumers there is no evidence at this time that the surviving provider, after the merger, will engage in any behavior that is predatory, unethical or exploitative.
Given the foregoing, there may be no justifiable reason not to approve any applications and or grant other approvals nec-

6. REGULATORY, SECTOR & OPERATIONAL MATTERS FOR 2013/2014 & 2014/2015

essary to facilitate the merger.

To grant approval to the Merger with certain Conditions

If the rationale for disallowing the merger is to preserve a competitive environment within which consumer choice will be preserved, service quality will not be compromised, customers will be charged fair prices for services and there will be ease of access to a range of telecommunications services, then the Regulator may be able to meet those objectives by approving the merger with certain conditions.
Some of the conditions that could be imposed on the surviving entity (which we assume would be Cable and Wireless) include;

i. *require the provider to accept certain wholesale access obligations that would facilitate the creation of downstream businesses.*
ii. *require the provider to allow bundled services to be replicated, such that it allows any new entrants to offer the same services over the provider's networks*
iii. *The providers agree to continue to offer all the telecommunications services currently being offered.*
iv. *The provider agrees to meet minimum Quality of Service obligations*
v. *The provider agrees to accept conditions for the control of prices or regulatory approval for price increases. This may include the reclassification of some services from unregulated to regulated*
vi. *to guarantee the same level of access to backhaul infrastructure such that there will be minimal negative impact on wholesale prices.*
vii. *To agree to provide to the Regulator, quarterly financial statements of both entities up until the complete integration and thereafter consolidated financial statements of the new emerged entity.*

These conditions would be in addition to the commitments made by Cable and Wireless Communications Plc in the various correspondence to the NTRC and more particularly, those contained in the letters of March 31, 2015 and April 7, 2015

Some of these conditions may be negotiated directly with the provider and included in an amended License but others may require amendments to the Telecommunication Regulations.

In this regard, some expert assistance may be required to assist the Regulator to develop those conditions that should be included in the amended Licenses.

To approve the merger without conditions but to implement ex poste measures that would force the provider to undo the adverse effects of the merger.

To date, the two licensees involved in the merger have not provided sufficient information that would allow the Regulator to predict with any degree of certainty, what the immediate or medium-term impact on the telecommunications landscape in St. Lucia, of the merging of the two operations.

Such information would include inter alia

i. *The business model that the new company would adopt*
ii. *The new Cost model and Pricing structure*
iii. *Which of the two companies Quality of Service obligations that will be adopted*

The Regulator appreciates that some of the information is commercially sensitive and given that the Company is publicly traded, it may be prohibited from putting out in the public domain, the information requested in (i) and (ii) above.

The Regulator is also aware that after the merger, new market conditions will be created and that to impose new conditions at this time may be premature.

The NTRC recently disapproved Cable and Wireless' new Price Cap Plan because it is apparent that, if it is approved in its current form, it may need to be amended when the companies merge.

The NTRC is aware that Cable and Wireless' Licenses to operate both its fixed telephone and internet Networks in St. Lucia will expire in October 2016.

6. REGULATORY, SECTOR & OPERATIONAL MATTERS FOR 2013/2014 & 2014/2015

This presents an opportunity for the necessary conditions to be stipulated within any new licenses that may be granted, to ensure that in the new markets conditions that would be created by the merger, all the benefits of a liberalized telecommunication sector can be enjoyed.

Recommendations

The Regulator is aware of circumstances that prohibits the transfer of FLOW's shares to Cable and Wireless (West Indies) Limited prior to the year 2017. Consequently, the Regulator does not expect that an application for the transfer of shares to be placed before the Minister before then.

The NTRC expects that an application to transfer control of FLOW'S Licenses to Cable and Wireless (West Indies) Limited will be placed before the Minister.

NTRC is of the view that the Minister for Telecommunications should inform the providers that he is prepared to grant his no objection to the merger/integration and any application for transfer of licenses and frequency authorizations, if the Providers would agree to the conditions articulated in paragraph 3.5.3.

Further, the Minister may wish to inform Cable and Wireless that its current Licenses for the provision of Telecommunications Services will expire in October 2016 and that he intends to include in any new Licenses, such conditions that is considered necessary to ensure that the telecommunications market remains competitive and to ensure that within the new market environment that has been created by the merger, the public interest is protected.

Since there may not have been any formal application submitted for approval, the Minister may have to couch his approval in a response to any of the letters that he may have received from Cable and Wireless informing him of the proposed merger.

In addition, he may also choose to issue a press release in which he informs the general public of the options available to him and his decision on this matter.

–End of Recommendation–

6. 6 SERVICE/RESOURCE APPLICATIONS

6.6 Service/Resource Applications from Providers

PROVIDERS	SERVICES
Cable & Wireless (LIME)	New LIME Local Talk 100 Prepaid Plan, Rate Changes for Prepaid Mobile Customers, Launch of Deezer Premium Music Apps, New LIME Postpaid Mobile Service – MyCloud, LIME's Broadband Promotion, Interim Pricing Notification- LIME One Rate, New LIME Service Plan - Browse & Talk Bundle, LIME Landline and Broadband- Christmas Promotion 2013, Invitation to 4G Launch on July 01 2013, LIME and NTRC Increase Public Telecommunications Access, LIME Conferencing Service, Land Line Offer-Hurricane Sandy,
Digicel (St. Lucia)	Smartphone Plans

6.7 THE ELECTRONIC COMMUNICATIONS SECTOR
SAINT LUCIA

As Produced by

EASTERN CARIBBEAN TELECOMMUNICATIONS AUTHORITY

OVERVIEW

The Eastern Caribbean Central Bank estimated that Saint Lucia's economy declined by a further 2.3 per cent in
2013 following a contraction of 1.3 per cent in 2012. This was due to negative results in many major economic sectors including the construction, wholesale and retail trade, transport, storage and communication sectors. Gross value added by the communications sub component fell to 5.68 per cent in 2013, from 6.18 per cent in 2012.

The telecommunications sector was not immune to the overall negative performance. Total sector revenue fell three (3) per cent, led by contractions in the revenues earned from fixed line services, mobile voice services, and fixed internet services. Employment of full-time employees fell by fifteen (15) per cent as most of one major operator's field service works were outsourced. However, sector investment increased significantly by fifty-five (55) per cent as network operators upgraded their networks to facilitate 4G deployments. Downward pressure on broadband and fixed telephony services resulted in the overall ICT price basket index falling 0.1 point.

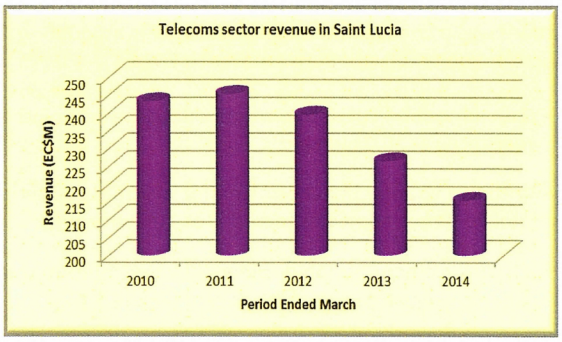
6.7 THE ELECTRONIC COMMUNICATIONS SECTOR
SAINT LUCIA

Operator Reported Revenue

Total revenue from the telecommunications sector in Saint Lucia declined 3 per cent to $215 million at the end of March 2014. This decline was attributed to the contraction in revenues from all market segments. Fixed voice services, mobile voice services and fixed internet service fell 1 per cent, 3 per cent and 20 per cent respectively. The significant fall in revenue from fixed internet is likely due to increased promotions offered by operators.

Fixed broadband share of total revenue was down 3 percentage points to 12 per cent. The share of revenue from mobile services increased by 2 percentage points to 59 per cent and represents by far the largest share of total revenue.

Figure 5.1: Telecoms sector revenue in Saint Lucia



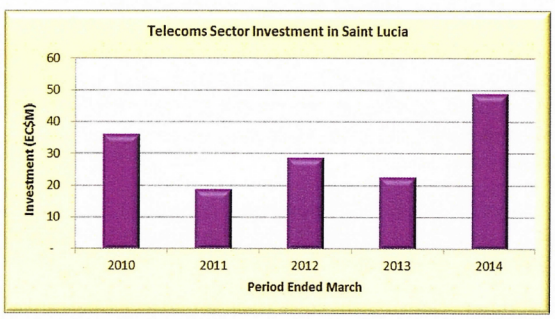
Source: ECTEL/operators

Investment

After a significant drop in the previous period, the end of March 2014 saw investment increasing an estimated $49 million. This represented a 116 per cent jump in the capital expenditure of the telecommunications service providers in Saint Lucia.

Investments included upgrades of mobile networks to facilitate and launch the provision of 4G mobile broadband services, which was first available in Saint Lucia from LIME in July 2013. Digicel launched its 4G mobile broadband service in May 2014. During the review period, the investment rate was 16 per cent, up from 10 per cent previously.

Figure 5.2: Telecoms sector investment in Saint Lucia



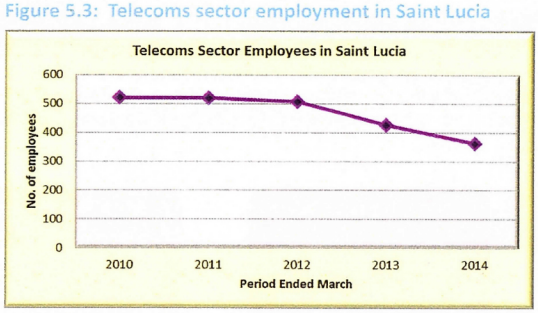
Source: ECTEL/operators

Direct Employment

The trend of decline in the number of persons directly employed by service providers in Saint Lucia was again evident in the period under review. Total employees fell 15 per cent to just over 360 persons.

A major operator's outsourcing of its fieldwork to a third party and cost cutting measures were the main contributors to the significant decline in the number of direct sector employees.

Figure 5.3: Telecoms sector employment in Saint Lucia



Source: ECTEL/operators

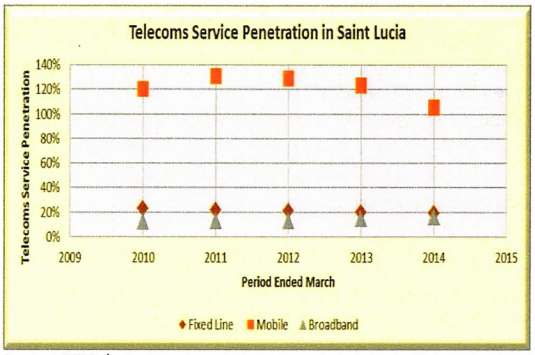
6.7 THE ELECTRONIC COMMUNICATIONS SECTOR
SAINT LUCIA

Telecoms Service Penetration

During the period under review there was significant decline in the mobile penetration rate as one operator indicated that there was a change in the methodology for accounting for active mobile subscriptions. At March 2014:

- Fixed broadband penetration gained 170 basis points and was registered at 16.0 per cent
- With the change in accounting for prepaid sub scriptions, mobile penetration was recorded at 106 per cent.
- Fixed voice penetration declined 50 basis points in this period and was registered at 19.0 per cent (Figure 5.4).

Figure 5.4: Telecoms service penetration in Saint Lucia



Source: ECTEL/operators

ICT Development Index (IDI) and ICT Price Basket

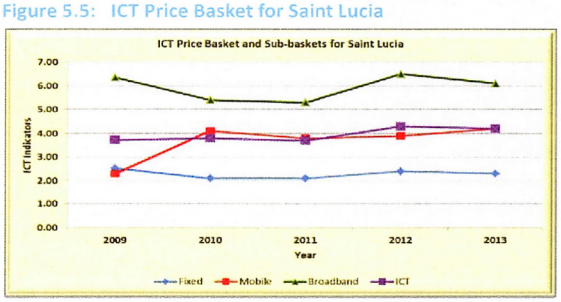
The ITU's ICT Price Basket for Saint Lucia indicated that during 2013 the fixed broadband sub-basket fell 6 per cent to 6.1 per cent of monthly GNI per capita, still above the ITU's affordability target of 5 per cent of average monthly income.

Over the same period, the mobile cellular sub-basket increased by 8 per cent, while the fixed telephony sub- basket declined by 4 per cent. As a result, the overall ICT Price Basket for Saint Lucia declined by 2 per cent, indicating some improvement in affordability of ICT services.

The 2013 ITU ICT Development Index (IDI) for Saint Lucia was 4.81, which ranked Saint Lucia 15th in the Americas, 79th globally and 4th among the ECTEL

Member States. Saint Lucia maintained its global ranking but fell 2 places within the Americas. While there were improvements in the ICT use sub-index, Saint Lucia lost ground in the area of ICT access.

Figure 5.5: ICT Price Basket for Saint Lucia

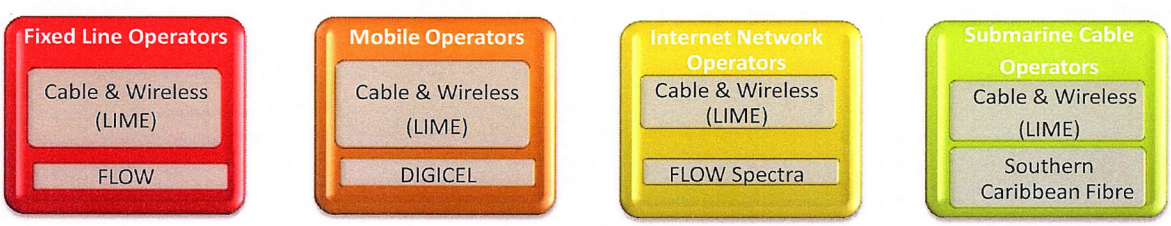


Source: ITU

Active Services Providers

During the period under review, there were two changes to active telecoms operators in Saint Lucia. Columbus Communications acquired Kelcom International Ltd (Karib Cable) and Digicel acquired Southern Caribbean Fiber. These changes did not however affect the number of active operators in Saint Lucia during the review period.

Figure 5.6: Telecoms operators in Saint Lucia



Source: ECTEL/operators

6.7 THE ELECTRONIC COMMUNICATIONS SECTOR
SAINT LUCIA

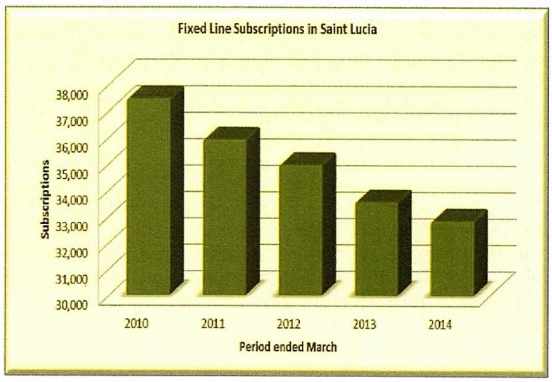
Fixed Voice Services

Subscriptions

At the end of March 2014 there were 2 per cent fewer fixed line subscriptions in Saint Lucia (Figure 5.7). The number of residential and business fixed lines totalled 33,000. There has been a slow but steady decline in the number of fixed lines, likely due to consumers taking advantage of alternative calling services.

During the review period the overall decrease in subscriptions resulted from contractions in both residential and business subscriptions, which fell 2 per cent and 3 per cent respectively. Residential subscriptions accounted for 68 per cent of all fixed line subscriptions.

Figure 5.7: Fixed line subscriptions in Saint Lucia



Source: ECTEL/operators

Fixed Traffic Volumes

Total local traffic generated from fixed line subscriptions contracted 4 per cent during the review period. An estimated 137 million minutes originated from fixed networks (Table 5.1). As with subscriptions, there has also been a steady decline in overall local fixed calling minutes.

Fixed to fixed minutes dominated local calling, as 9.2 of every 10 minutes remained on fixed networks, however this was down 4 per cent over the previous period. Fixed to mobile calling, which was in limited use, contracted by 4 per cent to 12 million minutes.

There was a dramatic decline (55 per cent) in the number of outgoing international calling minutes that originated from fixed networks. This may indicate that the pace at which consumers are substituting other forms of communications is increasing.

Table 5.1: Fixed traffic volume in Saint Lucia

(million minutes)

	Fixed to	Fixed to	Fixed to
2010	156	17	13
2011	141	16	16
2012	133	14	8
2013	131	12	7
2014	125	12	3

Source: ECTEL/operators

6.7 THE ELECTRONIC COMMUNICATIONS SECTOR
SAINT LUCIA

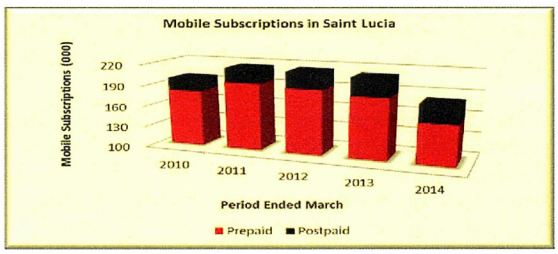
Mobile Voice Services

Subscriptions

During the review period, one mobile operator indicated that there was a methodological change in the accounting for active prepaid subscriptions. Largely due to this change, the total number of active mobile subscriptions was recorded at approximately 188,000, 11 per cent fewer than in the previous period.

In contrast, the growth in post-paid mobile subscriptions continued on an upward trajectory and grew 2 per cent. This was slower than the 8 per cent growth recorded in the previous period. It is likely that the increased availability of mobile data service and smart phone uptake have a positive impact on the number of post-paid subscriptions (Figure 5.8).

Figure 5.8: Mobile subscriptions in Saint Lucia



Source: ECTEL/operators

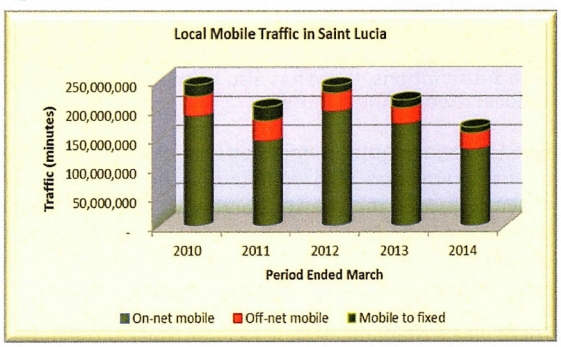
Annual Electronic Communications Sector Review 2013 – 2014 Saint Lucia

Mobile Traffic Volumes

Local mobile call volumes in Saint Lucia declined a significant 22 per cent to roughly 170 million minutes. This was a higher rate of decline than the 10 per cent recorded in the prior period. On-net mobile calling, which accounted for 78 per cent of local mobile traffic, fell 25 per cent, while mobile to fixed calling saw a drop of 26 per cent. Mobile off-net calling saw a modest 1 per cent increase. Average monthly usage was 77 minutes per subscription.

Mobile networks accounted for 84 per cent of the 18 million outgoing international minutes from Saint Lucia. Even so, there was a 15 per cent reduction in mobile originated international call volumes.

Figure 5.9: Local mobile traffic in Saint Lucia



Source: ECTEL/operators

6.7 THE ELECTRONIC COMMUNICATIONS SECTOR
SAINT LUCIA

INTERNET AND BROADBAND SERVICES

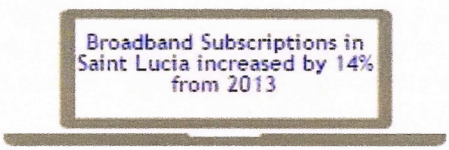
Fixed and Mobile Internet Service

Fixed Internet Services

The number of residential and business broadband connections in Saint Lucia was estimated to have increased 14 per cent for the period ended March 2014. This increase resulted in a 200 basis point increase in broadband penetration, to 16 per cent.

The most basic broadband package offers speeds of 2Mbps and customers can select packages up to 100Mbps. It is estimated that a majority of broadband subscriptions are for speeds between 2Mbps/4Mbps.

Figure 5.10: Fixed internet service in Saint Lucia



Source: ECTEL/operators

Mobile Internet Services

During the review period the first island wide 4G network was launched in Saint Lucia. This meant that some mobile customers were now able to access data at broadband speeds. It was estimated that 29 per cent of mobile voice subscriptions had an associated mobile data package. The number of dedicated mobile data connections was not available at the time of writing this report.

Figure 5.11: Mobile internet service in Saint Lucia

Source: ECTEL/operators

Subscriber Television

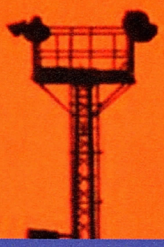
There were three subscriber TV operators in Saint Lucia during the review period. Spectra offered a wireless cable TV, while LIME and FLOW offered wired cable TV.

It is estimated that during the review period, there was an 18 per cent increase in cable TV subscriptions.

Table 5.2: Basic cable TV packages in Saint Lucia

Operator	Monthly Rate	Total Channels	Local Channels
LIME	$69.50	110	11
Karib Cable	$80.49	101	9

Source: ECTEL/operators



7. 2013/2014 & 2014/2015 WORK PROGRAMME

During its first ten (10) years of operation, the Commission, as a fledgling organisation, concentrated its efforts on foundational matters such as the formulation of its Staff Rules, Sector Procedures Manual, Technical Standards and Frameworks, Internal Procedures and revision to the Guidance Notes formulated by ECTEL.

In the previous periods of 2011-12 and 2012/13, the Commission built on its documental foundation by: 1. Strengthening its capacity through human resource development; 2. Revision of some of the established documents, such as the Staff Rules and Family Radio Service Framework; and 3. The formulation of new Standards, new Guidelines and Framework, namely, the Technical Broadcast Standards, the Frequency Conservation and the Co-location/Infrastructure Sharing Guidelines and the Framework for Inspectors. The Commission has also achieved success in its public education activities by engaging in an island-wide road-show, hosting a Telecommunications Open Day and the broadcasting of its infomercial on local television stations. Preparatory work in the form of hosting a telecommunications pricing and quality of service workshop to address consumer protection matters was also commenced. Additionally, further development was realised with the finalisation of Internal Procedures and bidding documents for the Universal Service Fund Office.

In the current reporting periods 2013/14 and 2014/15, consideration was given to the more long-term goal of strategic reform and capacity strengthening, which span over the three (3) year period 2013-2016 with the possibility of this extending beyond the identified time-line. This determination was made in recognition of the significant changes in the sector, such as industry consolidation, mergers and the rapid advancement in technology, the need for accurate data on the industry, prevalence of consumer protection matters, to highlight a few. Accordingly, the Commission concentrated its efforts on reform and the strengthening of its capacity to administer effective regulation in the areas where outright reform is not necessary. The proposed reform and capacity building will be undertaken at two (2) levels:

i. Administrative/Operational; and
ii. Legal and Regulatory.

The Administrative/Operational reform entailed review of the Commission's operations as it pertains to its human resource capacity and the correlated salary scales. In regards to the legal and regulatory reform, the Commission commenced consultative activity with a view to advising and working with the relevant agencies and stakeholders to effect the changes required in the current regulatory environment. In order to effectively execute this latter task, the Commission, has hosted and participated in telecommunications-relevant human resource development initiatives for the past two (2) years.

The Commission conducted consultations on the proposed Electronics Communications Act presented by ECTEL, its Technical Broadcast Standards and Colocation & Infrastructure Sharing Guidelines and worked assiduously on its Universal Service Fund mandate.

The Commission's technical operations and work with regards to its Universal Service Mandate is addressed in more detail in the sections below.

8. TECHNICAL OPERATIONS 2013/2014

8.1 INTRODUCTION

The Technical Unit (TU) of the National Telecommunications Regulatory Commission (NTRC) is charged with assisting the Commission in executing its duties set out in the Telecommunications Act No.27 of 2000. Fulfilling these tasks requires an approach that effectively accomplishes all goals mandated by the Commission to the TU. The staff of the TU had the privilege of attending training sessions, working groups, seminars and workshops. Attendance at these sessions has equipped the unit to effectively accomplish its goals. This document is designed to help the reader understand the role of the TU and how the unit has or intends to accomplish its mandate. A glossary of technical terms has been included to help the reader better understand certain terminologies in the document.

Training and Professional Development

Below are sessions the TU attended during 2014.

8.1.1 Regulators Invitation to Emergency Telecommunications and Harmonised Caribbean Spectrum Planning and Management Project

The Senior Technical Officer- Mr. Alden St Clair attended the forum stated above from the 19th- 21st February, 2014 in Barbados.
The objective of this project is to deepen the harmonisation spectrum planning and management policies and practices across the Caribbean Region, including areas such as white spaces and frequency reutilisation.

8.1.2 Consultancy to Review the Draft National Utilities Regulatory Commission Bill

Mr. Alden St. Clair attended this event on the 26th February 2015 in St Lucia.

The Government of Saint Lucia through the Ministry of Sustainable Development, Energy, Science and Technology, in keeping with the policy decision to establish a multi-sector independent regulator, has undertaken a consultancy to draft legislation to implement the multi-sector independent regulator for the energy and water sectors.

The objective of this legislative reform is to establish an Independent Regulator which would act on its own to regulate and monitor the water and electricity sectors. Currently, the National Water and Sewerage Commission (NWSC) acts as a regulator for the water sector, pursuant to the Water and Sewerage Act, Chapter 9.03 Revised Laws of Saint Lucia 2008. However, no such regulator exists for the electricity sector as the Electricity Supply Act (ESA) Chapter 9.02 Revised Laws of Saint Lucia 2008, makes no provision for a regulatory agency to regulate the electric utility and provide an avenue of complaints' redress to customers.

8.1.3 Competition Law and Analysis Training Workshop for Regulatory Staff

Mr. Alden St Clair along with Commissioner Jules and sister NTRCs attended this workshop on 7th and 10th of April 2014.

The training workshop was intended to provide the regulatory staff of ECTEL and the NTRCs with an understanding of competition law and analysis. As such the sessions examined:
I. The purpose of competition law and the interaction between competition law and sector specific regulation.
2. The process of market definition and how determinations of dominance in a relevant market are made.
3. The meaning of abuse of a dominant position and the kind of conduct that amounts to an abuse of a dominant position.

8. TECHNICAL OPERATIONS 2013/2014

4. Agreements, decisions and concerted practices that have the objective or effect of restricting competition in the market.

5. The defence of objective justification; and

6. The meaning of "merger", the reason for the regulation of mergers and the process by which mergers are analysed.

8.1.4 Laboratory Techniques in Support of Equipment Authorization (14-321)

Mr. Shaun Julien attended this five-day (5) training course. It was hosted by the USTTI (United States Telecommunication Training Institute) and sponsored by the FCC and Tektronix. Orientation was held on the October 3rd, 2014 in Washington DC but the actual training took place between October 6th and ended October 10th, 2014.

The main objective of the training was to give participants a working knowledge and understanding of the type of measurements used to determine compliance with technical standards for radio frequency (RF) emissions; it also focused on the development of new measurement techniques for new radio services. This training is aligned with the duties of the Commission to grant certificates of Type Approval to the manufacturers of telecommunications equipment and to signify compliance of their equipment with national and/or regional telecommunications standards.

8.2 Milestones Achieved/Ongoing

8.2.1. Maritime Licensing

With reference to the 2013 annual report, Saint Lucia Air and Sea Ports Authority (SLASPA) has opted for the first option of the letter in Annex 1. In a subsequent meeting the Commission requested from SLASPA a list of registered local vessels so as to update the Commission's database. SLASPA has agreed to share this information upon approval by the Minister responsible for port services. To date the Commission awaits the register.

8.2.2 Monitoring Exercises

8.2.2.1 Overview

The TU has developed a strategy of weekly monitoring of the radio frequency spectrum. This involves the monitoring of all applicants in class and individual licences who use radio frequency to provide a service and/or for communication within the company/entity. This exercise has proven to be successful in updating the TU database and identifying illegal users of the spectrum.

8.2.2.2 Summary of Weekly Monitoring

The TU focussed heavily on the FM frequency band which was set out in the Enforcement Drive implemented by the Commission at the commencement of the 2013 into 2014 reporting period. The TU conducted island wide monitoring[1], visiting districts and the two main areas/towers (The Morne and Moule-a-Chique (Annex 2) consisting of sixty percent (60%) of the island's FM broadcasters (Annex 3). This exercise was conducted to verify that assigned frequencies were being utilised in keeping with the Technical Broadcast Standards and to detect any illegal broadcasters. While implementing this drive, the TU noticed erection of towers by broadcasters without any notification to the Commission[2].

1 Utilizing the Anritsu handheld analyzer to track/measure the behavior of assigned frequencies, used by FM broadcasters. This exercise would also detect illegal users of the spectrum.

2 Section 3.8 gives more detail.

8. TECHNICAL OPERATIONS 2013/2014

8.2.2.3 Interference Issues

With reference to the 2013 Annual Report, the document which was forwarded to the ITU via ECTEL concerning interference issues between St. Lucia and Martinique has not been resolved. The Commission is awaiting a response from the said entity.

The Commission received fewer complaints as compared to 2013 from the airports concerning interference from local FM broadcasters. This is due to positive efforts exercised by the parties involved (SLASPA, NTRC and FM broadcasters) to minimise interference issues. The Commission is continually working with all stakeholders to keep interference at a minimum.

The Commission requested a meeting (Annex 4) with all FM broadcasters to discuss solutions to alleviate the problems of interference caused or experienced by FM broadcasters. The meeting concluded with an unanimous decision to install RF filters with the FM broadcasters collectively requesting assistance by way of duty concessions on equipment when importing. The Commission assisted in this regard by beseeching the assistance of the Minister with responsibility for telecommunications (Annex 5). Since then the Commission has received a response from the Minister responsible for port services, rejecting the concession. However, with the dire need of installation of filters by FM broadcasters the Commission has written to the broadcasters instructing installation by a certain date (Annex 6).

8.2.3 Enforcement

The Secretariat is continuing its enforcement drive to which the TU has contributed by delivering letters to companies/individuals who use licensed telecommunications services without a valid licence. The TU approach is a two (2) step process; the first letter is an enforcement letter (Annex 7), informing the company/individual of the need to comply, if there is no redress from the said company/individual, a second letter (Annex 8) is sent informing the latter of their breeching of the law and the actions that are to be taken against them. To date the TU has electronically delivered letters to all operators and users who require a licence. To date, several persons have complied and submitted the respected licences for the services which they provide/utilise. It should be noted that several operators/users have been exempted from being licensed by an order promulgated on June 10th, 2014.

With the addition of the Technical Assistant (TA), the Commission enforced a rigorous sifting of all amateur radio operators, land mobile radio operators and family radio operators in Saint Lucia. Letters (Annex 9, 10 and 11) were forwarded to all operators/users. Pertaining to amateur operators, the effort was assisted by local licensed amateur operators who encouraged delinquent operators to become licensed. The endeavour was productive since several operators/users applied for renewal. This is ongoing.

8.2.4 Colocation and Infrastructure Sharing Guidelines

With reference to the 2013 Annual Report, the said consultation ran its comments period from February 3rd, 2014 –March 17th, 2014. The comments on the comments period ran from March 19th, 2014 –April 8th, 2014. The decision on this consultation is currently being prepared by the TU.

8.2.5 GSM Tower Verification

The TU embarked on an island wide verification exercise. The unit requested and received from both GSM providers geographical locations of all GSM sites. This exercise proved successful with the unit erecting an in office physical map displaying all sites in Saint Lucia. The unit observed that towers in close proximity which are owned by both providers were difficult to

identify. Since then the TU has requested suggestions from the providers to alleviate this problem. One provider suggested a numbering code to be placed on the fence securing the site. This identification will be of great benefit when COWs[3] are in use by the providers.

8.2.6 Update of FM Broadcasters

With the increasing number of FM broadcasters, the limited amount of available frequency used for this application is depleting considerably. Broadcasters are also inundated with interference from their counterparts and at times abandon assigned frequencies or have relocated towers for better reception to reach their listeners/customers, without informing the NTRC.

The TU, through its weekly monitoring, recognised this and has embarked on the task of updating its database. Letters were mailed (via email and hard copy) to broadcasters requesting all technical parameters (Annex 12) of their equipment used for broadcasting. This is still ongoing since some broadcasters have not sent in a response.

8.3 Recognised Trends

The TU has recognised a growth in the applications being submitted to the NTRC and the trend emanating is that providers are technologically up to date. This growth is very much welcomed, but to providers using the spectrum, assignment as mentioned in various areas in this section needs to be managed effectively and efficiently. The different classes which experienced growth are as follows:

8.3.1 Individual Licence

One application was submitted to provide broadcast television and internet networks. It should be noted that the services to be licensed in this category require extensive planning and financial support in order to be implemented. Therefore, applications will be very few.

8.3.2 Class Licence Type A

Submission of this type of licence is almost nil and this value is contrary to the vast providers/users of these types of services. As mentioned earlier the TU has embarked on an enforcement drive. This enforcement is geared towards not only having persons to comply with the Telecommunications Act but also to create an awareness amongst the providers/users. As mentioned earlier certain providers/users are now exempt from acquiring a licence, however they are required to be registered with the NTRC.

8.3.3 Class Licence Type B

8.3.3.1 LMR/FRS: There was a continued increase in applications for the Land Mobile Radio (LMR) Licence versus the Family Radio Licence (FRS) which was previously the preferred method of communication between companies in close proximity.
As previously mentioned this ideology was realigned and persons were informed of the proper service to use according the use of the equipment to be utilised for communication. Also, with the updating of the Commission's database, delinquent licensees were requested to update their status with the Commission.

8.3.3.2 Maritime Radio: With the assistance of SLASPA, submission of this type of licence is steadily growing compared to last year. As mentioned earlier the TU has embarked on an enforcement drive. This enforcement is geared towards not only having persons comply with the Telecommunications Act but also to create an awareness amongst maritime users.

3 Cell On Wheels

8. TECHNICAL OPERATIONS 2013/2014

8.3.3.3 Amateur Radio: This licence is mainly utilised as a hobby. Submission of this licence came from two groups: locals and visitors. Locals are realising the benefits of having an amateur radio-licence particularly during disasters. Visitors who come on holiday utilise this communication as a hobby and praise the great reception/communication they can achieve when communicating with other amateur radio operators worldwide. Also with the assistance of licensed operators, the Commission beckoned delinquent operators to renewal.

8.3.4 Frequency Authorisation:

Many providers - with the advent of fourth generation technology - are increasing their bandwidth, backbone links, and increasing their bank of frequencies so as to satisfy their increasing customers and the demand for data from their customers. Applications for 3G, 4G and LTE have been submitted. The implementation of new technology is always welcomed however management of the spectrum needs to be enforced.

8.3.5 Broadcast Licence:

Applications for this type of licence have lessened. The decrease may be as a result of many factors, however, the FM spectrum is depleting and needs to be managed efficiently and effectively. Also, the issues we currently experience with cross-border interference also increase when this resource depletes. Therefore, the TU is currently paying particular attention to this area and exercising a continuous monitoring effort so as to avert problems of interference.

8. TECHNICAL OPERATIONS 2014/2015

8.4 Training and Professional Development

8.4.1 Harmonised Caribbean Spectrum Planning and Management Project

The Senior Technical Officer- Mr. Alden St Clair attended the forum stated above from the February 19th – 21st, 2014 in Barbados.
The objective of this project is to deepen the harmonisation of spectrum planning, management policies and practices across the Caribbean Region, including areas such as white spaces and frequency reutilisation.

8.4.2 Consultancy to Review the Draft National Utilities Regulatory Commission Bill

Mr. Alden St. Clair attended this event on the February 26th, 2015 in St Lucia.
The Government of Saint Lucia through the Ministry of Sustainable Development, Energy, Science and Technology, in keeping with the policy decision to establish a multi-sector independent regulator, has undertaken a consultancy to draft legislation to implement the multi-sector independent regulator for the energy and water sectors.

The objective of this legislative reform is to establish an Independent Regulator which would act on its own to regulate and monitor the water and electricity sectors. Currently, the National Water and Sewerage Commission (NWSC) acts as a regulator for the water sector, pursuant to the Water and Sewerage Act, Chapter 9.03 Revised Laws of Saint Lucia 2008. However, no such regulator exists for the electricity sector as the Electricity Supply Act (ESA) Chapter 9.02 Revised Laws of Saint Lucia 2008, makes no provision for a regulatory agency to regulate the electric utility and provide an avenue of complaints' redress to customers.

8.4.3 Competition Law and Analysis Training Workshop for Regulatory Staff

Mr. Alden St Clair along with Commissioner Jules and sister NTRCs attended this workshop on the April 7th and 10th , 2014.

The training workshop was intended to provide the regulatory staff of ECTEL and the NTRCs with an understanding of competition law and analysis. As such the sessions examined:

i. The purpose of competition law and the interaction between competition law and sector specific regulation;
ii. The process of market definition and how determinations of dominance in a relevant market are made;
iii. The meaning of abuse of a dominant position and the kind of conduct that amounts to an abuse of a dominant position;
iv. Agreements, decisions and concerted practices that have the object or effect of restricting competition in the market;
v. The defence of objective justification; and
vi. The meaning of "merger", the reason for the regulation of mergers and the process by which mergers are analysed.

8.4.4 Laboratory Techniques in Support of Equipment Authorisation Programmes

Mr. Shaun Julien attended this five-day (5) training course. It was hosted by the USTTI (United States Telecommunication Training Institute) and sponsored by the FCC and Tektronix. Orientation was held on the October 3rd, 2014 in Washington DC but the actual training took place on the October 6th - 10th, 2014.
The main objective of the training was to give participants a working knowledge and understanding of the types of measurements used to determine compliance with technical standards for Radio Frequency (RF) emissions; it also focussed on the development of new measurement techniques for new radio ser-

8. TECHNICAL OPERATIONS 2014/2015

vices. This training is aligned with the duties of the Commission to grant certificates of Type Approval to the manufacturers of telecommunications equipment and to signify compliance of their equipment with national and/or regional telecommunications standards.

8.4.5 Broadband Regulatory Safeguards in the Era of the Convergence

Mr. Alden St Clair attended this three-day (3) workshop in Saint Vincent and the Grenadines. The workshop was organized by ECTEL and the CTU and held on the January 19th – 21st, 2015. The workshop's objective was to provide information to, and build awareness of, stakeholders to minimize the knowledge gaps required to fashion modern regulatory safeguards in the context of the converged environment and to support the objectives of CARCIP.

8.4.6 Anritsu Interference Analysis Training

Mr. Alden St Clair and Mr. Shaun Julien attended this three-day (3) training session held in Saint Vincent and the Grenadines from the February 10th – 12th, 2016. This training session was organised by ECTEL to provide certification in the following areas:

i. Fundamentals of Radio Frequency;
ii. Handheld Spectrum Analyser Operation;
iii. Making Measurements;
iv. Fundamentals of Interference in Wireless Networks;
v. Interference Assessment;
vi. Identifying and Locating the Source of Interference; and
vii. Practical Tips on Measuring Interference.

8.4.7 USTTI Training Courses

On the May 5th – 8th, 2015, Mr. Shaun Julien attended three (3) USTTI courses in Washington DC. The courses 15-130 "Advanced Spectrum Management for Mobile Telecommunications" and 15-131 "Radio Signals and Health" were sponsored by GSMA; whilst the course 15-132 "Fostering the deployment of Broadband Networks and Converged Services" was sponsored by Verizon.

8.4.8 LTE Network Design & Optimization Boot Camp

Mr. Alden St Clair attended this workshop in Saint Maarten from the May 18th – 25th, 2015. This five-day (5) course provided an immersion into all the topics required by managers and engineers to deploy and optimise realistic LTE networks. Therefore, the participants gained:

i. A solid foundation and understanding of the basic principles governing LTE;

ii. Knowledge of new concepts and terminology specific to LTE-based broadband wireless systems;

iii. Essential information on the inner workings and ecosystems of LTE;

iv. Practical knowledge necessary to successfully design & implement real-world, functional and profitable LTE networks;

v. Improved ability to assess facts and make informed decisions;

vi. The ability to identify money-making opportunities; and

vii. Competitive advantage.

8.4.9 Satellite Communications

The workshop on Satellite Communications held from the September 14th – 18th, 2015 was held in Trinidad and Tobago, and was attended by the Technical Officer. It was sponsored by ITSO in collaboration with ITU, CTU and INTELSAT and provided ample theory and power point presentations. Attendees from all countries were encouraged to register their satellite

8. TECHNICAL OPERATIONS 2014/2015

frequencies on the ITU register through their national regulators. It was determined this would establish priority in the event of any Satellite downlink interference over a sovereign nation's airspace.

8.5 MILESTONES ACHIEVED/ONGOING

8.5.1 Maritime Licensing

2014

With reference to the 2013 annual report, Saint Lucia Air and Sea Ports Authority (SLASPA) has opted for the first option of the letter in Annex 1. In a subsequent meeting the Commission requested from SLASPA a list of registered local vessels so as to update the Commission's database. SLASPA has agreed to share this information upon approval by the Minister responsible for port services. To date the Commission awaits the register.

2015

The Commission was successful in obtaining approval from the Minister for the boat register.

8.5.2 Monitoring Exercises

8.5.2.1 Overview

The TU has developed a strategy of weekly monitoring of the radio frequency spectrum. This involves the monitoring of all applicants in class and individual licences who use radio frequency to provide a service and/or for communication within the company/entity. This exercise has proven to be successful in updating the TU database and identifying illegal users of the spectrum.

8.5.2.2 Summary of Weekly Monitoring

The TU focussed heavily on the FM frequency band which was set out in the Enforcement Drive implemented by the Commission at the commencement of the 2014 into 2015 reporting period. The TU conducted island wide monitoring[4], visiting districts and the two main areas/towers (The Morne and Moule-a-Chique (Annex 2) consisting of sixty per cent (60%) of the island's FM broadcasters (Annex 3). This exercise was conducted to verify that assigned frequencies were being utilised in keeping with the Technical Broadcast Standards and to detect any illegal broadcasters. While implementing this drive, the TU noticed the erection of towers by broadcasters without any notification to the Commission[5].

8.5.2.3 Interference Issues

2014

With reference to the 2013 Annual Report the document which was forwarded to the ITU via ECTEL concerning interference issues between St. Lucia and Martinique has not been resolved. The Commission is awaiting a response from the said entity.

The Commission received fewer complaints as compared to 2013 from the airports concerning interference from local FM broadcasters. This is due to positive efforts exercised by the parties involved (SLASPA, NTRC and FM broadcasters) to minimise interference issues. The Commission is continually working with all stakeholders to keep interference at a minimum.

The Commission requested a meeting (Annex 4) with all FM broadcasters to discuss solutions to alleviate

4 Utilising the Anritsu handheld analyser to track/measure the behavior of assigned frequencies, used by FM broadcasters. This exercise would also detect illegal users of the spectrum.

5 Utilising the Anritsu handheld analyzer to track/measure the behavior of assigned frequencies, used by FM broadcasters. This exercise would also detect illegal users of the spectrum.

8. TECHNICAL OPERATIONS 2014/2015

the problems of interference caused or experienced by FM broadcasters. The meeting concluded with a unanimous decision to install RF filters with the FM broadcasters collectively requesting assistance by way of duty concessions on equipment when importing. The Commission assisted in this regard by beseeching the assistance of the Minister with responsibility for telecommunications (Annex 5). Since then the Commission has received a response from the Minister responsible for port services, rejecting the concession. However, with the dire need of installation of filters by FM broadcasters the Commission has written to the broadcasters instructing installation by a certain date (Annex 6).

2015

The Commission received complaints from LIAT (a regional passenger carrier) concerning interference (complete block of transmission) to their office to the plane transmission link. This interference began after ECCAA installed an automated weather reporting system (ATIS). Although the two frequencies where not close, interference was present on LIAT's transmission frequency. The TU investigated the matter concluding that intermodulation between the two frequencies (ATIS and LIAT) was causing the interference and not solely the newly installed ATIS system. The Commission requested from ECCAA a temporary frequency assigned to LIAT while the intermodulation problem is addressed. To date LIAT's communication is interference free.

8.5.6 Enforcement

2014

The Secretariat is continuing its enforcement drive to which the TU has contributed by delivering letters to companies/individuals who use licensed telecommunications services without a valid licence. The TU approach is a two (2) step process; the first letter is an enforcement letter (Annex 7), informing the company/individual of the need to comply, if there is no redress from the said company/individual, a second letter (Annex 8) is sent informing the latter of their breaching of the law and the actions that are to be taken against them. To date the TU has electronically delivered letters to all operators and users who require a licence. To date, several persons have complied and submitted the respective licences for the services which they provide/utilise. It should be noted that several operators/users have been exempted from being licensed by an order promulgated on June 10th, 2014.

2015

Although several delinquent licensees renewed their licences, a few have not shown any interest to do so. Therefore, the TU took the initiative and hand delivered letters informing the licensees of the urgency in renewing. This is still on going.

With the addition of the Technical Assistant (TA), the Commission enforced a rigorous sifting of all amateur radio operators, land mobile radio operators and family radio operators in Saint Lucia. Letters (Annex 9, 10 and 11) were forwarded to all operators/users. Pertaining to amateur operators, the effort was assisted by local licensed amateur operators who encouraged delinquent operators to become licensed. The endeavour was productive since several operators/users applied for renewal. This is ongoing.

8.5.7 Colocation and Infrastructure Sharing Guidelines

2014

With reference to the 2013 Annual Report, the said consultation ran its comments period from February 3rd – March 17th, 2014. The comments on the comments period ran from March 19th – April 8th, 2014. The decision on this consultation is currently being prepared by the TU.

2015

8. TECHNICAL OPERATIONS 2014/2015

To date the consultation has since been promulgated and posted on the Commission's website.

8.5.8 GSM Tower Verification

The TU embarked on an island wide verification exercise. The unit requested and received from both GSM providers geographical locations of all GSM sites. This exercise proved successful with the unit erecting an in office physical map displaying all sites on island. The unit observed that close proximity towers owned by both providers were difficult to identify. Since then the TU has requested suggestions from the providers to alleviate this problem. One provider suggested a numbering code to be placed on the fence securing the site. This identification will be of great benefit when COWs[6] are in use by the providers.

8.5.9 Update of FM Broadcasters

With the increasing number of FM broadcasters, the limited amount of available **frequencies** used for this application is depleting considerably. Broadcasters are also inundated with interference from their counterparts and at times abandon assigned frequencies or have relocated towers for better reception to reach their listeners/customers, without informing the NTRC.

The TU, through its weekly monitoring, recognised this and has embarked on the task of updating its database. Letters were mailed (via email and hard copy) to broadcasters requesting all technical parameters (Annex 12) of their equipment used for broadcasting. This is still ongoing since some broadcasters have not sent in a response.

8.6 RECOGNISED TRENDS

The TU has recognised a growth in the applications being submitted to the NTRC and the trend emanating is that providers are technologically up to date. This growth is very much welcomed, but to providers using the spectrum, assignment as mentioned in various areas in this section, needs to be managed effectively and efficiently. The different classes which experienced growth are as follows: -

8.6.1 Individual Licence:

One application was submitted to provide broadcast television and internet networks. It should be noted that the services to be licensed in this category require extensive planning and financial support in order to be implemented. Therefore, applications will be very few.

8.6.2 Class Licence Type A:

Submission of this type of licence is almost nil and this value is contrary to the vast providers/users of these type of services. As mentioned earlier the TU has embarked on an enforcement drive. This enforcement is geared towards not only having persons to comply with the Telecommunications Act but also to create an awareness amongst the providers/users. As mentioned earlier certain providers/users are now exempt from acquiring a licence, however they are required to be registered with the NTRC.

8.6.3 Class Licence Type B:

8.6.3.1 LMR/FRS: There was a continued increase in applications for the Land Mobile Radio (LMR) License versus Family Radio License (FRS) which was previously the preferred method of communication between companies in close proximity. As previously mentioned, this ideology was realigned and persons were informed of the proper service to use according the use of the equipment to be utilised for communication. Additionally, with the updating of the Commission's database, delinquent licensees were requested to update their status with the Commission.

8.6.3.2 Maritime Radio: With the assistance of SLASPA, submission of this type of licence is steadily growing compared with last year. As mentioned earlier the TU has embarked on an enforcement drive. This enforcement is geared towards not only having persons

6 Cell On Wheels

8. TECHNICAL OPERATIONS 2014/2015

comply with the Telecommunications Act but also to create an awareness amongst maritime users.

8.6.3.3 Amateur Radio: This licence is mainly utilised as a hobby. Submission of this licence came from two groups; locals and visitors. Locals are realising the benefits of having an amateur radio licence, particularly during disasters. Visitors who come on holiday utilise this communication as a hobby and praise the great reception/communication they can achieve when communicating with other amateur radio operators worldwide. Additionally, with the assistance of licensed operators, the Commission beckoned delinquent operators to renewal.

8.6.4 Frequency Authorisation:

Many providers - with the advent of fourth generation technology - are increasing their bandwidth, backbone links, and their bank of frequencies so as to satisfy their increasing customers and the demand of data from their customers. Applications for 3G, 4G and LTE have been submitted. The implementation of new technology is always welcomed but management of the spectrum needs to be enforced.

8.6.5 Broadcast Licence:

Applications for this type of licence have lessened. The decrease may be a result of many factors, but the FM spectrum is depleting and needs to be managed efficiently and effectively. Also, the issues we currently experience with cross-border interference also increase when this resource depletes. Therefore, the TU is currently paying attention to this area and exercising a continuous monitoring effort so as to avert problems of interference.

GLOSSARY- TECHNICAL TERMS

3G: 3G, short for Third Generation, is the third generation of mobile telecommunications technology. This is based on a set of standards used for mobile devices and mobile telecommunication use services and networks that comply with the International Mobile Telecommunications-2000 (IMT-2000) specifications by the International Telecommunication Union. 3G finds application in wireless voice telephony, mobile Internet access, fixed wireless internet access, video calls and mobile TV.

4G: 4G, short for Fourth Generation, is the fourth generation of mobile telecommunications technology succeeding 3G. A 4G system, in addition to the usual voice and other services of the 3G system, provides mobile ultra-broadband Internet access, for example to laptops with USB wireless modems, to smartphones, and to other mobile devices. Even though 4G is a successor technology of 3G, there can be significication issues on the 3G network to upgrade to 4G as many of them were not built on forward compatibility. Conceivable applications include amended mobile web access, IP telephony, gaming services, high-definition mobile TV, video conferencing, 3D television, and cloud computing.

Amateur Radio: Amateur radio (also called ham radio) is the use of a designated radio frequency spectra for purposes of private recreation, non-commercial exchange of messages, wireless experimentation, self-training, and emergency communication. The term «amateur» is used to specify persons interested in radio technique solely with a personal aim and without direct monetary or other similar reward, and to differentiate it from commercial broadcasting, public safety (such as police and fire), or professional two-way radio services (such as maritime, aviation, taxis, etc.).

Cell On Wheels: A cell on wheels, usually referred to as a COW, is a mobile cell site that consists of a cellular antenna tower and electronic radio transceiver equipment on a truck or trailer, designed to be part of a cellular network.

Colocation: Colocation is the act of placing multiple entities within a single location. Colocation is often used in the data sourcing industry to mean off-site data storage, usually in a data centre.

Commission: Same as NTRC

CTU: Caribbean Telecommunications Union

ECTEL: Eastern Caribbean Telecommunications Regulatory Authority.

FM: Frequency Modulation

FRS: Family Radio Service

HSPA: HSPA+, or Evolved High-Speed Packet Access, is a technical standard for wireless, broadband telecommunication. HSPA+ enhances the widely used WCDMA based 3G networks with higher speeds for the end user that are comparable to the newer LTE networks.

IMT: International Mobile Telecommunications-Advanced (IMT-Advanced) are requirements issued by the ITU-R of the International Telecommunication Union (ITU) in 2008 for what is marketed as 4G mobile phone and Internet access service.

Infrastructure Sharing: Due to economy of scale property of telecommunication industry, the sharing of telecom infrastructure among telecom service providers is becoming the requirement and process of business in the telecom industry where competitors are becoming partners in order to lower their increasing investments. The degree and method of infrastructure sharing can vary in each country depending on the regulatory and competitive climate.

GLOSSARY- TECHNICAL TERMS

Interference: Interference is anything which alters, modifies, or disrupts a signal as it travels along a channel between a source and a receiver. The term typically refers to the addition of unwanted signals to a useful signal.

ITU: International Telecommunications Union.

LMR: Land Mobile Radio

LTE: LTE, an acronym for Long-Term Evolution, commonly marketed as 4G LTE, is a standard for wireless communication of high-speed data for mobile phones and data terminals. It is based on the GSM/EDGE and UMTS/HSPA network technologies, increasing the capacity and speed using a different radio interface together with core network improvements.

Maritime Mobile radio: The Maritime Mobile Service is an internationally-allocated radio service providing for safety of life and property at sea and on inland waterways. It includes the Maritime Mobile Service, the Maritime Mobile-Satellite Service, the Port Operations Service, the Ship Movement Service, the Maritime Fixed Service, and the Maritime Radio Determination Service.

NTRC: National Telecommunication Regulatory Commission.

Radio Frequency: Radio frequency (RF) is a rate of oscillation in the range of around 3 kHz to 300 GHz, which corresponds to the frequency of radio waves, and the alternating currents which carry radio signals.

RF filters: Radio frequency (RF) and microwave filters represent a class of electronic filter, designed to operate on signals in the megahertz to gigahertz frequency ranges (medium frequency to extremely high frequency). This frequency range is the range used by most broadcast radio, television, wireless communication (cellphones, Wi-Fi, etc.), and thus most RF and microwave devices will include some kind of filtering on the signals transmitted or received. Such filters are commonly used as building blocks for duplexers and diplexers to combine or separate multiple frequency bands.

SLASPA: Saint Lucia Air and Seaport Authority

SLARC: Saint Lucia Amateur Radio Club.

Spectrum Management: Spectrum management is the process of regulating the use of radio frequencies to promote efficient use and gain a net social benefit.

TU: Technical Unit (NTRC).

UMTS: The Universal Mobile Telecommunications System (UMTS) is a third generation mobile cellular system for networks based on the GSM standard. Developed and maintained by the 3GPP (3rd Generation Partnership Project), UMTS is a component of the International Telecommunications Union IMT-2000 standard set and compares with the CDMA2000 standard set for networks based on the competing CDMA One technology. UMTS uses wideband code division multiple access (W-CDMA) radio access technology to offer greater spectral efficiency and bandwidth to mobile network operators.

Wireless broadband: Wireless broadband is technology that provides high-speed wireless internet access or computer networking access over a wide area.

9. UNIVERSAL SERVICE FUND ANNUAL REPORT 2013/2014

9.1 INTRODUCTION

The Universal Service Fund (USF) was established under Section 44 of the Telecommunications Act (27 of 2000) of Saint Lucia. Under the provision of the Act, the Fund is managed by the National Telecommunications Regulatory Commission (NTRC) through the office of the Universal Service Fund which collects, disburses and makes relevant decisions with regards to the prudent management of the Fund.

9.2 KEY ACTIVITIES OF THE UNIVERSAL SERVICE FUND OFFICE (USFO)

ADMINISTRATIVE TASKS

9.2.1 Appointments

Subsequent to Mr. Cherry's consultancy as Universal Service Fund Administrator, the Commission held interviews on October 21st, 2013 for the same post. Ms. Sandra Jones was selected and commenced her tenure on January 6th, 2014.

9.2.2 TRAININGS/WORKSHOPS

- **Business writing course enrolment**

  The USFA and USFAA were both enrolled in the **'Business Online Writing' course offered by GAMA Learning Institute.** The course commenced **on January 13th,2014** with a duration of three (3) months, at the end of which a certificate of completion was awarded.

- **Events and Planning Workshop**

  The USFO staff also participated in a GAMA Learning Institute workshop on Events Planning, February 4th -5th,2014. A certificate was issued to all participants.

- **Internal Workshop: Technical Knowledge for all Departments-**

  Conducted by Commissioner, Mr. Gerry George, February 20th, 2014.

- **Internal Workshop**

  Communication and reporting conducted by Commissioner/Chairman, Mr. Jerome Jules on July 2nd ,2014. All staff participated in this workshop.

- **Capacity Building Workshop**

  The USFA attended the 'Capacity Building Workshop' on information and communication technology (ICT) indicators. February 24th -27th, 2014, hosted by ECTEL and ITU in St. Lucia.

9.3 USFO PLANS

- **January-March 2014**: USFO Work plans and budgeting for the second quarter were prepared whilst update reports were prepared as required.

- **March 2014:** The USFO produced an Awareness Strategy Plan geared towards promoting public awareness of the Universal Service Fund.

9. UNIVERSAL SERVICE FUND ANNUAL REPORT 2013/2014

- **April 2014:**
  - USFO Contribution to the Annual Report 2012/2013.
  - Meetings and planning were begun with the USFA and the Director of Statistics on the NTRC Telecommunications and ICT Survey.
- **April-June 2014:** USFO Work plans and budgeting for the third quarter were prepared whilst update reports were prepared as required.
- **July-September 2014:** USFO Work plans and budgeting for the fourth quarter were prepared whilst update reports were prepared as required.
- **September 2014:** The tentative completion date of the NTRC Telecommunications and ICT Survey.

9.4 USF PROJECTS

Subsequent to the numerous proposals received by the USFO by the third quarter April-May, 2013 the following proposals were approved by the Commission and commenced in the reporting year.

1. LIME/Soufriere Community- The proposal was submitted by the National ICT Office (NICTO). A contract with LIME existed prior to 2014, however further amendments were made in August 2014, all other major project activities were carried out in the same year and the implementation phase ended in November 2014. The project comprised of: 1. Eighteen (18) wireless access points at the centre and throughout its vicinity; 2. Twenty-four (24) laptops; and 3. A storage cart.
2. DIGICEL/Payphones Project- This proposal was submitted by DIGICEL St. Lucia Ltd with the bidding stage completed before the reporting period. The project comprised of fifteen (15) payphones as a continuation of the DIGICEL existing quota of approximately thirty-five (35). The contract was prepared and signed on May 5th, 2014 with all major activities commencing in that year. The project experienced some delays and by the end of the reporting period DIGICEL requested an extension.
3. **LIME/ Babonneau Library Project-** The Babonneau Management Council submitted the proposal and subsequent to the reengagement of the proposer, bidding and evaluation took place at the end of the reporting period. The project comprised of: 1. Twenty-four (24) laptops; 2. Eighteen (18) wireless access points; 3. A printer; and 4. A storage cart.
4. **LIME/Ciceron Secondary School Project –** The proposal was submitted by the Ciceron Secondary School to increase broadband connectivity and equipment for the school, along with the Lady Gordon School, the Ciceron Orphanage, the Ciceron Community Centre and the Ciceron Health Centre. During the reporting period meetings were held with the proposer to finalise the proposal and seek approval from the Ministry of Education for the project. The evaluation and bidding stage continued to the end of the reporting period. The project consisted of the following: 1. Thirty-two (32) notebook computers; 2. Sixty-five (65) thin client machines; 3. Three (3) thin client servers; 4. Ten (10) desktop computers; 5. Twenty-four (24) tablet computers; and 6. Sixteen (16) wireless access points.
5. **NICTO Library and Community Access Centre Proposal-** A comprehensive proposal was submitted for the provision of ICT, Broadband Services and Wi-Fi Hotspots in libraries, human resource development centres, nation-

9. UNIVERSAL SERVICE FUND ANNUAL REPORT 2013/2014

al ICT centres and other locations. The USFO proposed that the proposal be broken down in order to be evaluated and implemented; this was completed and by the end of the reporting period the libraries were visited and assessed by NTRC/USFO. The project aimed at providing all libraries and centres with improved internet connectivity and computer equipment as required.

6. **Sir Arthur Lewis Community College Proposal** – The proposal was submitted in 2014; the proposer and the Commission were engaged in meetings and by the end of the reporting period the NTRC /USFO awaited the resubmission of the proposal.

7. **ICT project for the disabled –** The Initiative commenced in 2014, between the USFA and the IT Manager at the Ministry of Education. After numerous consultations a first draft of the ICT project proposal was prepared with the Ministry of Education by the end of the reporting period.

9.5 UNIVERSAL SERVICE FUND BUDGET

9.5.1 Universal Service Fund Contribution

According to the **Telecommunications (Universal Service Fund Contribution) Order 2009,**

~~A~~ Telecommunications provider shall contribute to the Universal Service Fund as follows:

i. In respect of the first year, 0.25 % of Gross Annual Revenue of licence;

ii. In respect of the second year, 0.5% of Gross Annual Revenue of licence; and

iii. In respect of the third year, 1.0% of Gross Annual Revenue of licence and throughout the duration of the licence.

The due date for payment shall be within 45 days of the reporting year and shall be accompanied by a gross annual revenue report and supporting attachments that provide details of the calculation.

3. A telecommunications provider shall contribute to the Universal Service Fund as follows:

(a) *In respect of the first year, 0.25% of Gross Annual Revenue of licence;*

(b) *In respect of the second year of licence, 0.5% of Gross Annual Revenue of licence;*

(c) *In respect of the third year, 1.0% of Gross Annual Revenue of licence and throughout the duration of the licence.*

4. The due date for payment shall be within 45 days of the reporting year and shall be accompanied by a gross annual revenue report and supporting attachments that provide details of the calculation."

9.5.2 Providers' contribution 2013/2014

As set forth in the Telecommunications (Universal Service Fund Contribution) Order 2009 of Saint Lucia, all telecommunications providers shall contribute to the Universal Service Fund. Additionally, as set forth in the Telecommunications (Universal Service Fund) Regulations 2008, Parliament may also appropriate funds for purposes of the Fund, whilst official grants, donations, bequests or other contributions or transfers granted by an individual or other legal entity may also be made to the Fund.

9. UNIVERSAL SERVICE FUND ANNUAL REPORT 2013/2014

The following service providers have not honoured their obligations to the USF for the last annual reporting period, and for the current reporting period:

i. **Helen Television Systems;**

ii. **Antilles Crossing;**

iii. **Southern Caribbean; and**

iv. **Tele St. Lucia.**

Contributions were received from the following in the current reporting period:

i. **Cable and Wireless (LIME);**

ii. **Kelcom International Ltd; and**

iii. **DIGICEL St Lucia Ltd.**

9.5.3 Operating Expenses of the Universal Service Fund

As provided by the Telecommunications (Universal Service Fund) Regulations, SI 120 of 2008, the Guidelines and Procedures for the Universal Service Fund, the operating budget shall be used for operating expenses of the Fund and shall not exceed 10% of the annual budget of the Fund.

According to the Legislation, the Fund shall be financed primarily by contributions collected from licensed telecommunications providers as mandated in the Telecommunications (Universal Service Fund) Order. In addition, there are provisions for funds to be made available to the USF via Parliamentary appropriations, or in the form of grants, donations, bequests or other contributions made by individuals or legal entities. It is important to note that the Commission may refuse any bequest, donation, grant or other contribution if the Commission considers it inconsistent with the best interest of the Fund.

The funds used to cover the administrative expenses of the USF are disbursed on a quarterly basis after approval by the Commission. The administrative expenses of the USF are limited to payments for the following expenditure items:

i. Salaries, emoluments, remunerative packages and allowances for the Fund Administrator, Assistant and other persons employed to work on staff matters; and

ii. Office equipment specifically and directly related to requirements of Fund administration, such as:

- i. Administrative and operational costs specifically and directly related to requirements of Fund administration;
- ii. Costs of carrying out technical, socio-economic or demand studies pertinent to the development of the Operating Plan;
- iii. Consultancy or advisory contracts directly related to Fund activities; and
- iv. Financial audit costs of the Fund.

9.5.4 Fund Disbursement

Fund disbursements from the designated Fund Bank Accounts are restricted to payments for eligible expenditure as approved by the Commission under the categories specified below:

i. Approved budgeted operational/administration expense; and

ii. Approved payments for Fund Projects.

9. UNIVERSAL SERVICE FUND ANNUAL REPORT 2013/2014

Universal Service Fund 2013/2014

Total funds accrued for the period	**EC$9,646,794.41**
Approved annual allocation for administration operating expenses	**EC$ 380,512.00**
Total funds disbursed during the period	**EC$281,463.41**
Project fund disbursement	**EC$43,381.94**

9. UNIVERSAL SERVICE FUND ANNUAL REPORT 2014/2015

9.6 KEY ACTIVITIES OF THE UNIVERSAL SERVICE FUND OFFICE (USFO)

9.6.1 TRAININGS/WORKSHOPS

- **Accessible Americas: Information and Communication for ALL, Sao Paulo, Brazil 12th -14th November, 2014** - The NTRC Chairman and the Universal Service Fund Administrator (USFA) attended this meeting in Sao Paulo Brazil. The meeting's highlight was the disabled, their right of inclusion in the use of modern communication technologies and the best practices and use of equipment and software to ensure inclusion for all.

- **ECTEL USF Forum- 11th -12th November, 2014** - A PowerPoint presentation was prepared by the USFA for presentation at the forum.

- **ICT and people with disabilities, Antigua and Barbuda 9th -11th February, 2015** - The workshop was attended by the USFA, it was a follow up to the previously held workshop in Brazil. The focus was on the Caribbean context, the technologies and opportunities available for the disabled.

- **Barbados 8th- 9th April, 2015-** 'Regional Training Workshop on ITU Information and Communications Technology (ICT) Indicators' attended by the USFA.

9.7 USFO PLANS AND DOCUMENTS

i. Monitoring and Evaluation structure for USF Projects- A document was prepared as a guide to monitor the present projects;

ii. USF Project Public Awareness and Community Consultation Plan 2015;

iii. ICT Survey Report - 2014 – The Final draft was presented to the Commission for comments and approval; and

iv. Annual Report Contribution – 2013/2014.

9.8 USFO ACTIVITIES

- **January –February, 2015- Stakeholder Consultations**

  i. Ministry of Education- Differently abled project;

  ii. Babonneau Management Council –Project proposal to improve connectivity at the Babonneau Library and vicinity; and

  iii. Sir Ira Simmons- Prospective project proposal.

- **May 2015- Stakeholder Consultations**

  i. Ministry Health-Prospective project proposal; and

  ii. Fisheries Cooperatives- Prospective project proposal.

- **April 2015- International Girls in ICT Day- Essay Competition**

  i. The ITU in a correspondence to the NTRC indicated that in an effort to recognize the specially marked day in April (Girls in ICT Day) the USFO had planned an essay competition. The USFO received thirty-two (32) essay submissions. The results of the essay competition were finalised, winners were announced in each of the three (3) categories, and a prize giving ceremony was held - in September 2015.

9. UNIVERSAL SERVICE FUND ANNUAL REPORT 2014/2015

- **Public Awareness- May 2015-** Meeting with Ms. Stacy McVane, Clair Solutions Marketing

  A public awareness campaign was carried out throughout Babonneau, Ciceron and Soufriere. The campaign featured town criers and clips, which were played in local supermarkets. The campaign was carried out by Clair Solutions Marketing during the period 14th July-4th August, 2015.

- **Ciceron Town Hall Meeting-** Conducted by the USFA to inform community about the USF and works recently carried out in their community.

- **Radio programme with Radio Caribbean International (RCI) Real Talk Show-** To inform the public on the USF, its present projects and activities.

- **Labelling of all USF projects-** This initiative was carried out during the reporting period. Plaques containing information on services provided and the respective funders were erected on all projects implemented throughout the island.

9.9 USF PROJECTS

The following proposals/projects were implemented, approved by the Commission and commenced in the reporting year.

8. **LIME/Soufriere Community-** In the reporting period, the project faced a few amendments including reordering of laptops. The implementation period came to an end with the signing off, approval of the deliverables and payments to the contracted party, LIME.

   A ceremony to mark this milestone was planned but subsequently postponed after further dialogue between NTRC and NICTO (the proposer). The plaque acknowledging NTRC as the funder of this project was since erected on the SCAC building and in addition a press release was issued by the Universal Service Fund Office.

   The first project status report was received on February 25th 2015. This was followed by LIME's first maintenance activity in May 2015 and a USFO monitoring exercise in April 2015.

9. **DIGICEL/Payphones project-** This Proposal was submitted by DIGICEL St. Lucia Ltd, to extend its existing payphone quota by fifteen (15) in areas marked as underserved throughout St. Lucia. The project experienced major delays with a request for extension in November 2014 until February 2015. After requesting justification from DIGICEL the extension was granted by the Commission. At the end of the period a status report was received from DIGICEL, followed by an additional request for extension for a period of Seven (7) days. Installation of the payphones was not completed as indicated. A meeting between DIGICEL and NTRC was held in March 2015. It became necessary to impose a deadline for completion by April 2015. In May 2015, the USFO together with DIGICEL was able to confirm all payphones were erected and in good working condition. The payphones were also labeled with NTRC/USF plaques and completed by August 2015.

10. **LIME/ Babonneau Library Project-** In the previous reporting year the Babonneau Management Council submitted a proposal to improve connectivity and outfit the Babonneau library with the following: 1. Twenty-four (24) laptops; 2. A printer; 3. A storage cart; and 4. Eighteen (18) wireless access points in its vicinity.

9. UNIVERSAL SERVICE FUND ANNUAL REPORT 2014/2015

The bidding and contracting for this project commenced at the beginning of the reporting period. On December 1st 2014, the contract was signed between LIME and NTRC, with a target according to LIME to complete implementation by the end of February 2015. With a delay in equipment landing, verification took place on February 18th 2015. Other elements of the contract such as final confirmation of installations and training took place in March 2015. A plaque recognising the project's purpose and funder was affixed to the Babonneau Library.

The Babonneau Council which by then had assumed full responsibility for the project was requested to provide its first status report in July 2015. However, by end of the reporting period, the report was still outstanding.

11. **LIME/Ciceron Secondary School Project –** The proposal was submitted by the Ciceron Secondary School to increase broadband connectivity and equipment for the school, along with the Lady Gordon Opportunity Centre, the Ciceron Orphanage, the Ciceron Community Centre and the Ciceron Health Centre. The equipment to be provided were as follows: 1. Thirty-two (32) notebook computers; 2. Sixty-five (65) thin client machines; 3. Three (3) thin client servers; 4. Ten (10) desktop computers; 5. Twenty-four (24) tablet computers; and 6. Sixteen (16) wireless access points.

The bidding process of this project commenced at the end of the previous reporting year. LIME, the sole bidder on this project, was given an extension to submit its bid until September 5th,2015 following its reported difficulties in sourcing some of the items which lay outside of their usual service offerings. After a site visit with the proposer, LIME and NTRC finalized the placement of access points and project beneficiaries, the bid document was revised in December 2014. LIME was contracted on March 19th, 2015 and informed that the project implementation would be completed by the end of the same month.

The NTRC and proposer found out later that the monitors for the Thin Clients requested were not accounted for and as such the NTRC sought to source them from a local supplier. During the period June–July, 2015 all aspects of the project were completed: 1. Installations by LIME; 2. Receipt of monitors by the local supplier; 3. Training component conducted by LIME; and 4. Installation of a plaque by the NTRC at the school informing of the project and its purpose.

12. **NICTO Library and Community Access Centre Proposal-** A comprehensive proposal was submitted for the provision of ICT, Broadband Services and Wi-Fi Hotspots in libraries, human resource development centers, national ICT Centers and other locations. The USFO recommended that the proposal be broken down in order to be implemented. By the end of the reporting period the libraries were visited and assessed by NTRC/USFO together with NICTO. The project aimed at providing all libraries and centers with improved internet connectivity and computer equipment as required. A report following the site visits was submitted to the proposer for consideration.

The NTRC/USFO and proposer meet in October 2014. Many issues were raised including: 1. The security component of the project which was not approved after further discussions; 2. The physical infrastructure of many of the libraries and 3. Types, specifications and numbers of computers to be provided based on location. This lead to many revisions and addendums, a final version was prepared in February 2015. In April and May 2015 further site visits were conducted by the USFO to

9. UNIVERSAL SERVICE FUND ANNUAL REPORT 2014/2015

verify that the libraries were in a state of readiness for the project. The bidding process began in July 2015 and by August and September 2015, the NTRC/USFO completed the evaluation of the bids which were requested in two (2) parts: broadband and equipment.

a. **Sir Arthur Lewis Community College Proposal** – The proposal was submitted in October 2014 followed by a site visit by the USFO in November 2014. The proposal was quite extensive and requested broadband connectivity and equipment for the various labs at three (3) campus locations. After the proposal's submission to the Commission, a decision to revise it and reconsider funding the southern campus only was communicated to SALCC in February 2015. This was followed by a meeting with the campus officials in April 2015 where it was agreed that a draft would be resubmitted for further consideration. In July 2015, a draft was submitted and approved, however by the end of the reporting period a final draft was still outstanding by the SALCC.

ICT project for the differently abled – The initiative commenced in 2014 between the USFA and the IT Manager at the Ministry of Education. A few consultations were held and a first draft of the proposal was prepared with the Ministry of Education by the end of the reporting period. After site visits to the various institutions in October 2014, a final meeting was held with stakeholders in March 2015 to discuss the requirements. In May 2015, the Ministry of Education submitted project proposals for the following institutions:

i. The Lady Gordon Opportunity Centre;

ii. The Special Education Unit and Centers – Castries, Soufriere and Vieux Fort;

iii. The St Lucia Blind Welfare Association-Castries;

iv. The Dennery Development Centre; and

v. The Dunnottar School and Vocational Centre.

The proposals were further deliberated on by the Commission. In October 2015, the Ministry of Education was presented with the decisions and the necessary changes to be made, which included revisions to the proposals for specific items that did not form part of the USF mandate for funding.

NICTO- Edu -Connect Project- A project named 'EDUCCONECT' was submitted by the Ministry of the Public Service and Education in September 2015. In preparation for developing a checklist, a series of site visits were conducted at all Secondary schools throughout the island from 12th - 16th October, 2015 between the USFA and NICTO officials. The secondary schools' improved connectivity is only one of three aspects of this project which aims to develop Wi-Fi zones island-wide and improve internet cafés. The project would be carried out in a phased approach.

The Holy Family Children Home- Improving the internet connectivity for the home was originally part of the Ciceron Secondary School and community project, since the institution was at the time undergoing renovation. In September 2015, the NTRC/USFO revisited the institution to confirm their readiness for the project. A report was subsequently submitted to the Commission with a list of their requirements for approval.

FISHERIES COOPERATIVES

On August 31st 2015 a proposal was submitted by the Fisheries Cooperatives to improve connectivity and communication between the various fishing cooperatives island-wide.

9. UNIVERSAL SERVICE FUND ANNUAL REPORT 2014/2015

9.10 UNIVERSAL SERVICE FUND BUDGET

9.10.1 Universal Service Fund Contribution

According to the Telecommunications (Universal Service Fund Contribution) Order 2009:

> "3. A telecommunications provider shall contribute to the Universal Service Fund as follows:
>
> (a) In respect of the first year, 0.25% of Gross Annual Revenue of licence;
>
> (b) In respect of the second year of licence, 0.5% of Gross Annual Revenue of licence;
>
> (c) In respect of the third year, 1.0% of Gross Annual Revenue of licence and throughout the duration of the licence.
>
> 4. The due date for payment shall be within 45 days of the reporting year and shall be accompanied by a gross annual revenue report and supporting attachments that provide details of the calculation."

9.10.2 Providers' Contribution 2014/2015

As set forth in the Telecommunications (Universal Service Contribution) Order 2009 of Saint Lucia, all telecommunications providers shall contribute to the Universal Service Fund. Additionally, as set forth in the Telecommunications (Universal Service Fund) Regulations 2008, Parliament may also appropriate funds for purposes of the Fund, whilst official grants, donations, bequests, or other contributions or transfers by an individual or other legal entity may also be made to the Fund.

The following service providers have not honoured their obligations to the USF for the last annual reporting period, and for the current reporting period:

i. Helen Television Systems;

ii. Antilles Crossing;

iii. Southern Caribbean;

iv. Tele St. Lucia; and

v. Kelcom International Ltd.

Contributions were received from the following in the reporting period:

i. Cable and Wireless (LIME); and

ii. DIGICEL St Lucia Ltd.

9.10.3 Operating Expenses of the Universal Service Fund

As provided by the Telecommunications (Universal Service Fund) Regulation, SI 120 of 2008, and the Guidelines and Procedures for the Universal Service Fund, the operating budget shall be used for operating expenses of the Fund and shall not exceed 10% of the annual budget of the Fund.

According to the Legislation, the Fund shall be financed primarily by contributions collected from licensed telecommunications providers as mandated in the Telecommunications (Universal Service Fund) Order. In addition, there are provisions for funds to be made available to the USF via parliamentary appropriations, or in the form of grants, donations, bequests

9. UNIVERSAL SERVICE FUND ANNUAL REPORT 2014/2015

or other contributions made by individuals or legal entities. It is important to note that the Commission may refuse any bequest, donation grant or other contribution if the Commission considers it inconsistent with the best interest of the Fund.

The funds used to cover the administrative expenses of the USF are disbursed on a quarterly basis after approval by the Commission. The administrative expenses of the USF are limited to payments for the following expenditure items:

i. Salaries, emoluments, remunerative packages and allowances for the Fund

Administrator, Assistant and other persons employed to work on staff matters;

ii. Office equipment specifically and directly related to requirements of Fund

administration;

iii. Administrative and operational costs specifically and directly related to

requirements of Fund administration;

iv. Costs of carrying out technical, socio-economic or demand studies pertinent to the development of the operating plan;

v. Consultancy or advisory contracts directly related to Fund activities; and

vi. Financial audit costs of the Fund.

9.10.4 Fund Disbursement

Fund disbursements from the designated Fund Bank Accounts are restricted to payments for eligible expenditure as approved by the Commission under the categories specified below:

i. Approved budgeted operational/administration expense; and

ii. Approved payments for Fund Projects.

Universal Service Fund 2014/2015

Total funds accrued for the period	**EC $2,244,862.57**
Approved annual allocation for administration operating expenses	**EC $ 523,174.00**
Total funds disbursed during the period	**EC$323,823.29**
Project fund disbursement	**EC$ 1,472,444.19**

10. FINAL REMARKS

FINAL REMARKS

The Commission's continued focus and commitment to execute its mandate efficiently is reflected in its work which was undertaken in the operating years, 2013/2014 and 2014/2015. The Commission remains cognisant of the change in the sector, particularly as it relates to mergers/acquisitions, and maintains its assertion that the governing statutory framework must be revised or updated to meet the dynamism and evolution that is currently being experienced.

Notwithstanding the apparent shortcomings, legislative or otherwise, and limits on resources, the Commission will conduct its affairs at an optimal level. As iterated previously, the Commission has a long-term goal of strategic reform to improve its operations and regulate the telecommunications sector effectively; consequently, it is our determination to continue our efforts and achieve greater feat in the imminent operating year 2015/2016.

This page was intentionally left Blank

APPENDIX A

NATIONAL TELECOMMUICATIONS REGULATORY COMMISSION

FINAICIAL STATEMENTS
30TH SEPTEMBER, 2014

MARIO LENDOR
Tel 758-453 2356 Fax 758-453-2270

MARIO LENDOR

P.O. Box 1131, Providence Villa, Cedars Road, Castries, St. Lucia Tel: 758-453-2356 Fax: 758-453-2270 E mail: mo_lendor@hotmail.com

Auditor's Report to the Directors of:

NATIONAL TELECOMMUNICATION REGULATORY COMMISSION

Report on the Financial Statements

I have audited the financial statements of the National Telecommunication Regulatory Commission which comprise of the Statement of Financial Position as at 30th September, 2014 as well as the Statement of Changes in Shareholders' Equity, the Statement of Support and Expenditure and the Statement of Cash Flows for the year then ended. Also included is a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The financial statements are the responsibility of the commission's management, which includes the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those Standards require that I conform to ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the accompanying financial statements referred to above, presents fairly, in all material respects, the financial position of the commission as at 30th September, 2014 and the results of its operations and cash flows for the year then ended is in accordance with International Financial Reporting Standards.

28th January, 2016

Maria Lendor
CHARTERED ACCOUNTANT

National Telecommunication Regulatory Commission

Index to Financial Statements

30th September, 2014

Contents	Pages
Statement of Financial Position	1
Statement of Changes in Shareholders' Equity	2
Statement of Support and Expenditure	3
Statement of Cash Flows	4
Notes to Financial Statements	5-10

National Telecommunication Regulatory Commission

Statement of Financial Position

As at 30th September, 2014
With comparative figures as at 30th September, 2013
(Expressed in Eastern Caribbean Dollars)

	Notes		2014	2013
Current Assets				
Cash and cash equivalents	5	$	**551,133**	420,602
Accounts receivable and prepayments	6		**2,682**	22,619
Due from related party			**2,600**	2,600
Total current assets			**556,415**	445,821
Non-Current Asset				
Property, plant and equipment	7		**88,623**	99,606
Total non-current asset			**88,623**	99,606
Total assets			**645,038**	545,427
Current Liabilities				
Accounts payable and accruals	8		**126,186**	117,121
Total current liabilities			**126,186**	117,121
Total liabilities			**126,186**	117,121
Shareholders' Equity				
Accumulated surplus			**518,852**	428,306
Total shareholders' equity			**518,852**	428,306
Total liabilities and shareholders' equity		$	**645,038**	545,427

Approved by:

---------- Chairman.

---------- Commissioner.

The accompanying notes form an integral part of these financial statements.

National Telecommunication Regulatory Commission

Statement of Changes in Shareholders' Equity

For the year ended 30th September, 2014
With comparative figures for the year ended 30th September, 2013
(Expressed in Eastern Caribbean Dollars)

		2014	2013
Balance - beginning of year	$	**428,306**	699,206
Excess support over expenditure		**30,543**	(270,900)
Prior period adjustment		**60,003**	-
Balance - end of year	$	**518,852**	428,306

The accompanying notes form an integral part of these financial statements.

National Telecommunication Regulatory Commission

Statement of Support and Expenditure

For the year ended 30th September, 2014
With comparative figures for the year ended 30th September, 2013
(Expressed in Eastern Caribbean Dollars)

		2014	2013
Support			
Contributions from ECTEL	$	**842,784**	782,220
Application fees		**73,231**	15,404
Numbering fees		**59,040**	
Other income		**6,782**	16,181
Reimbursement from USF		**-**	15,981
Total support		**981,837**	829,786
Expenditure			
Advertising and promotion		**13,349**	6,248
Professional fees		**10,025**	23,150
Bank charges and interest		**1,834**	1,506
Depreciation		**49,162**	31,795
Gratuity		**121,713**	68,185
Insurance		**9,658**	3,220
Membership and subscriptions		**8,068**	1,370
Office		**51,243**	50,587
Rent		**73,000**	78,000
Repairs and maintenance		**24,990**	13,815
Salaries and wages		**432,481**	443,539
Staff training and welfare		**3,812**	92,626
Staff uniforms		**6,518**	7,808
Supplies		**6,483**	-
Travel and entertainment		**61,305**	127,775
Utilities		**39,660**	64,777
Sundry		**12,610**	19,037
Public education		**10,983**	55,248
Service contract fees		**14,400**	12,000
Total expenditure		**951,294**	1,100,686
Excess support over expenditure	$	**30,543**	(270,900)

The accompanying notes form an integral part of these financial statements.

National Telecommunication Regulatory Commission

Statement of Cash Flows

For the year ended 30th September, 2014
With comparative figures for the year ended 30th September, 2013
(Expressed in Eastern Caribbean Dollars)

		2014	2013
Cash Flows from Operating Activities			
Excess of support over expenditure for the year	$	**30,543**	(270,900)
Adjustments for:			
Depreciation		**49,162**	31,795
Prior period adjustment		**60,003**	-
Cash flows before changes in operating assets and liabilities;		**139,708**	(239,105)
Accounts receivable and prepayments		**19,937**	(3,368)
Accounts payable		**9,065**	1,151
Cash generated from/(used in) operations		**168,710**	(241,322)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		**(38,179)**	(21,684)
Net cash used in Investing Activities		**(38,179)**	(21,684)
Increase in cash and cash equivalents		**130,531**	(263,006)
Cash and cash equivalents - beginning of year		**420,602**	683,608
Cash and cash equivalents - end of year	$	**551,133**	420,602

The accompanying notes form an integral part of these financial statements.

National Telecommunication Regulatory Commission

Notes to Financial Statements

30th September, 2014
(Expressed in Eastern Caribbean Dollars)

1. Background and Principal Activity

The National Telecommunications Regulatory Commission ("the Commission") was established by the Telecommunications Act Cap 8.11 of the Revised Edition Law of Saint Lucia on 22nd November, 2000. The Commission commenced operations on 18th March, 2002.

The principal activity of Commission is to oversee the development of the telecommunications sector in Saint Lucia.

The Commission's principal place of business is situated at Bois D'Orange, Gros Islet.

The financial statements were approved by the Commissioners and authorized for issuance on April 24th, 2017.

2. Summary of Significant Financial Reporting Policies

a. *Overall Policy*

The principal financial reporting policies adopted are stated in order to assist in the general understanding of the financial statements.

Statement of Compliance

The financial statements of National Telecommunications Regulatory Commission have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Commission's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

b. *Adoption of New and Revised IFRS*

During the current year the Commission adopted all the new and revised International Financial Reporting Standards (IFRS) which are relevant to its operations and are effective for accounting period. The adoption of these standards did not have a material effect on the financial statements. At the date of authorization of these financial statements, some standards were issued but not yet effective. The Commission expect that the adoption of these standards in future periods will not have a material effect on the financial statements.

National Telecommunication Regulatory Commission

Notes to Financial Statements... *(Cont'd)*

30th September, 2014
(Expressed in Eastern Caribbean Dollars)

Universal Service Fund

2. Summary of Significant Financial Reporting Policies... *(Cont'd)*

c. Foreign Currency Translation

Functional and Presentation Currency

Items in the financial statement are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Eastern Caribbean dollars, which is the Commission's functional and presentation currency.

Financial Statements
30th September, 2014

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of support and expenditure.

d. Cash and Cash Equivalents

Cash and cash equivalents are carried on the statement of financial position at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise balances with a maturity of three months or less from the date of acquisition including: cash on hand, deposits held on call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

e. Trade Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Commission will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial delinquency in payments are considered good indicators that the trade receivable is impaired. The amount of the provision is the difference between the carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of support and expenditure.

When a trade receivable is uncollectible, it is written-off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of support and expenditure.

MARIO LENDOR
Tel 758-453 2356 Fax 758-453-2270

National Telecommunication Regulatory Commission

Notes to Financial Statements... *(Cont'd)*

30th September, 2014
(Expressed in Eastern Caribbean Dollars)

2. Summary of Significant Financial Reporting Policies... *(Cont'd)*

f. Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Commission and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of support and expenditure during the financial period in which they are incurred.

Depreciation is calculated on the straight line method to allocate their cost of each asset to their residual values over their estimated useful lives as follows:-

Furniture and Equipment	15%-25%	Leasehold Improvements	2.5% - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amounts, if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the statement of comprehensive income. When revalued assets are sold, the amounts included in other reserves are transferred to accumulated surplus.

g. Accounts payable

Accounts payable is measured at amortized cost.

h. Provisions

Provisions are recognized when the Commission has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

i. Revenue recognition

Revenue is recognized when the agreed contributions become due and on the completion of other service transactions when the related fees can be reliably estimated.

j. Income tax

The Commission is exempt from Income tax under the provision of the Telecommunications Act.

k. Comparative

Where necessary, comparatives have been adjusted to conform to changes in the presentation in the current year.

National Telecommunication Regulatory Commission

Notes to Financial Statements... *(Cont'd)*

30th September, 2014
(Expressed in Eastern Caribbean Dollars)

3. Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The Commission makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Commission does not consider that there are estimates and assumptions that will have a significant risk, causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Financial Instruments

In accordance with the provisions of International Financial Reporting Standard No. 7, disclosure is required regarding credit risks, liquidity risk, interest rates and fair values of financial assets and liabilities.

a. Credit Risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Commission. The amount of the Commission's maximum exposure to credit risk is indicated by the carrying amount of its financial assets.

The Commission operates within the telecommunication regulatory environment, and financial assets which may potentially expose the Commission to concentrations of credit risk, consist primarily of contributions and receivables. Commission does not believe that significant credit risk exists at 30th September, 2014.

b. Liquidity Risk

Liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through adequate amounts of committed credit facilities. The Commission does not believe that significant liquidity risk exists at 30th September, 2014.

c. Interest Rate Risk

Differences in contractual repricing or maturity dates and changes in interest rates may expose the Commission to interest rate risk. The Commission was not exposed to interest rate risk at 30th September, 2014.

d. Fair Value of Financial Instruments

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists. None of the Commission's financial assets and liabilities are traded in a formal market. Estimated fair values are assumed to approximate their carrying values

National Telecommunication Regulatory Commission

Notes to Financial Statements... *(Cont'd)*

30th September, 2014
(Expressed in Eastern Caribbean Dollars)

		2014	2013
5. Cash and Cash Equivalents			
Cash on hand	$	**700**	500
Bank of St. Lucia Limited		**441,593**	311,261
RBTT Bank Caribbean Limited		**108,840**	108,841
		551,133	420,602
6. Accounts Receivable and Prepayments			
Prepaid expenses		**2,682**	5,902
Other receivables		**-**	16,717
	$	**2,682**	22,619

The accompanying notes form an integral part of these financial statements.

National Telecommunication Regulatory Commission

Notes to Financial Statements ... *(Cont'd)*

30th September, 2014
(Expressed in Eastern Caribbean Dollars)

7. Property, Plant and Equipment

	Furniture & Equipment	Leasehold Improvements	Total
As at 30th September, 2012			
Cost	$ 265,308	110,842	376,150
Accumulated depreciation	(202,533)	(63,900)	(266,433)
Net book value	62,775	46,942	109,717
For the year ended 30th September, 2013			
Opening net book value	62,775	46,942	109,717
Additions in the year	21,684	-	21,684
Depreciation charge for the year	(15,169)	(16,626)	(31,795)
Closing net book value	69,290	30,316	99,606
As at 30th September, 2013			
Cost	286,992	110,842	397,834
Accumulated depreciation	(217,702)	(80,526)	(298,228)
Net book value	69,290	30,316	99,606
For the year ended 30th September, 2014			
Opening net book value	69,290	30,316	99,606
Additions in the year	28,554	9,625	38,179
Depreciation for the year	(31,092)	(18,070)	(49,162)
Closing net book value	66,752	21,871	88,623
As at 30th September, 2014			
Cost	315,546	120,467	436,013
Accumulated depreciation	(248,794)	(98,596)	(347,390)
Net book value	$ 66,752	21,871	88,623

8. Accounts Payable and Accruals

		2014	2013
Other payable	$	**8,313**	47,727
Gratuity payable		**117,873**	69,394
	$	**126,186**	117,121

APPENDIX A

NATIONAL TELECOMMUICATIONS REGULATORY COMMISSION

FINAICIAL STATEMENTS
30TH SEPTEMBER, 2015

MARIO LENDOR
Tel: 758-453 2356 Fax: 758-453-2270

MARIO LENDOR

P.O. Box 1131, Providence Villa, Cedars Road, Castries, St. Lucia Tel: 758-453-2356 Fax: 758-453-2270 E mail: mo_lendor@hotmail.com

Auditor's Report to the Commissioners of:

NATIONAL TELECOMMUNICATION REGULATORY COMMISSION

Report on the Financial Statements

I have audited the financial statements of the National Telecommunication Regulatory Commission which comprise of the Statement of Financial Position as at 30th September, 2015 as well as the Statement of Changes in Shareholders' Equity, the Statement of Support and Expenditure and the Statement of Cash Flows for the year then ended. Also included is a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The financial statements are the responsibility of the commission's management, which includes the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those Standards require that I conform to ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the accompanying financial statements referred to above, presents fairly, in all material respects, the financial position of the commission as at 30th September, 2015 and the results of its operations and cash flows for the year then ended is accordance with International Financial Reporting Standards.

28th January, 2017

Mario Lendor

CHARTERED ACCOUNTANT

National Telecommunication Regulatory Commission

Index to Financial Statements

30th September, 2015

Contents	Pages
Statement of Financial Position	1
Statement of Changes in Shareholders' Equity	2
Statement of Support and Expenditure	3
Statement of Cash Flows	4
Notes to Financial Statements	5-10

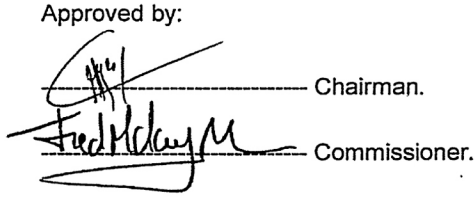
National Telecommunication Regulatory Commission

Statement of Financial Position

As at 30th September, 2015
With comparative figures as at 30th September, 2014
(Expressed in Eastern Caribbean Dollars)

	Notes		2015	2014
Current Assets				
Cash and cash equivalents	5	$	**652,034**	551,133
Accounts receivable and prepayments	6		**39,043**	2,682
Due from related party			**2,600**	2,600
Total current assets			**693,677**	556,415
Non-Current Asset				
Property, plant and equipment	8		**52,341**	88,623
Total non-current asset			**52,341**	88,623
Total assets			**746,018**	645,038
Current Liabilities				
Accounts payable and accruals	7		**102,724**	126,186
Total current liabilities			**102,724**	126,186
Total liabilities			**102,724**	126,186
Shareholders' Equity				
Accumulated surplus			**643,294**	518,852
Total shareholders' equity			**643,294**	518,852
Total liabilities and shareholders' equity		$	**746,018**	645,038

Approved by:



---------- Chairman.

---------- Commissioner.

The accompanying notes form an integral part of these financial statements.

National Telecommunication Regulatory Commission

Statement of Changes in Shareholders' Equity

For the year ended 30th September, 2015
With comparative figures for the year ended 30th September, 2014
(Expressed in Eastern Caribbean Dollars)

		2015	2014
Balance - beginning of year	$	**518,852**	428,306
Excess support over expenditure		**124,442**	30,543
Prior period adjustment		-	60,003
Balance - end of year	$	**643,294**	518,852

The accompanying notes form an integral part of these financial statements.

National Telecommunication Regulatory Commission

Statement of Support and Expenditure

For the year ended 30th September, 2015
With comparative figures for the year ended 30th September, 2014
(Expressed in Eastern Caribbean Dollars)

		2015	2014
Support			
Contributions from ECTEL	$	**862,518**	842,784
Application fees		**156,461**	73,231
Numbering fees		**52,838**	59,040
Other income		**5,386**	6,782
Total support		**1,077,203**	981,837
Expenditure			
Advertising and promotion		**7,294**	13,349
Professional fees		**10,525**	10,025
Bank charges and interest		**2,522**	1,834
Depreciation		**48,472**	49,162
Gratuity		**68,235**	121,713
Insurance		**6,752**	9,658
Membership and subscriptions		**17,812**	8,068
Office		**35,334**	51,243
Rent		**90,000**	73,000
Repairs and maintenance		**15,232**	24,990
Salaries and wages		**471,348**	432,481
Staff training and welfare		**17,543**	3,812
Staff uniforms		**6,676**	6,518
Supplies		**7,716**	6,483
Meeting, travel and entertainment		**67,471**	61,305
Utilities		**54,078**	39,660
Sundry		**5,028**	12,610
Public education		**-**	10,983
Service contract fees		**20,723**	14,400
Total expenditure		**952,761**	951,294
Excess support over expenditure	$	**124,442**	30,543

The accompanying notes form an integral part of these financial statements.

National Telecommunication Regulatory Commission

Statement of Cash Flows

For the year ended 30th September, 2015
With comparative figures for the year ended 30th September, 2014
(Expressed in Eastern Caribbean Dollars)

		2015	2014
Cash Flows from Operating Activities			
Excess of support over expenditure for the year	$	**124,442**	30,543
Adjustments for:			
Depreciation		**48,472**	49,162
Prior period adjustment		**-**	60,003
Cash flows before changes in operating assets and liabilities;		**172,914**	139,708
Accounts receivable and prepayments		**(36,361)**	19,937
Accounts payable and accruals		**(23,462)**	9,065
Cash generated from operations		**113,091**	168,710
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		**(12,190)**	(38,179)
Net cash used in Investing Activities		**(12,190)**	(38,179)
Increase in cash and cash equivalents		**100,901**	130,531
Cash and cash equivalents - beginning of year		**551,133**	420,602
Cash and cash equivalents - end of year	$	**652,034**	551,133

The accompanying notes form an integral part of these financial statements.

National Telecommunication Regulatory Commission

Notes to Financial Statements

30th September, 2015
(Expressed in Eastern Caribbean Dollars)

1. Background and Principal Activity

The National Telecommunications Regulatory Commission ("the Commission") was established by the Telecommunications Act Cap 8.11 of the Revised Edition Law of Saint Lucia on 22nd November, 2000. The Commission commenced operations on 18th March, 2002.

The principal activity of the Commission is to oversee the development of the telecommunications sector in Saint Lucia.

The Commission's principal place of business is situated at Bois D'Orange, Gros Islet.

The financial statements were approved by the Comissoners and authorized for issuance on April 24th, 2017.

2. Summary of Significant Financial Reporting Policies

a. *Overall Policy*

The principal financial reporting policies adopted are stated in order to assist in the general understanding of the financial statements.

Statement of Compliance

The financial statements of National Telecommunications Regulatory Commission have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Commission's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

b. *Adoption of New and Revised IFRS*

During the current year the Commission adopted all the new and revised International Financial Reporting Standards (IFRS) which are relevant to its operations and are effective for the accounting periods. The adoption of these standards did not have a material effect on the financial statements. At the date of authorization of these financial statements, some standards were issued but not yet effective. The Commission expects that the adoption of these standards in future periods will not have a material effect on the financial statements.

National Telecommunication Regulatory Commission

Notes to Financial Statements... *(Cont'd)*

30th September, 2015
(Expressed in Eastern Caribbean Dollars)

2. Summary of Significant Financial Reporting Policies... *(Cont'd)*

c. *Foreign Currency Translation*

Functional and Presentation Currency
Items in the financial statement are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Eastern Caribbean Dollars, which is the Commission's functional and presentation currency.

Transactions and Balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of support and expenditure.

d. *Cash and Cash Equivalents*

Cash and cash equivalents are carried on the statement of financial position at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise balances with a maturity of three months or less from the date of acquisition including: cash on hand, deposits held on call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

e. *Trade Receivables*

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Commission will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial delinquency in payments are considered good indicators that the trade receivable is impaired. The amount of the provision is the difference between the carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of support and expenditure.

When a trade receivable is uncollectible, it is written-off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of support and expenditure.

National Telecommunication Regulatory Commission

Notes to Financial Statements... *(Cont'd)*

30th September, 2015
(Expressed in Eastern Caribbean Dollars)

2. Summary of Significant Financial Reporting Policies... *(Cont'd)*

f. Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Commission and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of support and expenditure during the financial period in which they are incurred.

Depreciation is calculated on the straight line method to allocate the cost of each asset over their estimated useful lives as follows:-

Furniture and Equipment	15%-25%	Leasehold Improvements	2.5% - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amounts, if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the statement of support and expenditure. When revalued assets are sold, the amounts included in other reserves are transferred to accumulated surplus.

g. Accounts payable

Accounts payable is measured at amortized cost.

h. Provisions

Provisions are recognized when the Commission has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

i. Revenue recognition

Revenue is recognized when the agreed contributions become due and on the completion of other service transactions when the related fees can be reliably estimated.

j. Income tax

The Commission is exempt from Income tax under the provision of the Telecommunications Act.

k. Comparative

Where necessary, comparatives have been adjusted to conform to changes in the presentation in the current year.

National Telecommunication Regulatory Commission

Notes to Financial Statements... *(Cont'd)*

30th September, 2015
(Expressed in Eastern Caribbean Dollars)

3. Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The Commission makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Commission does not consider that there are estimates and assumptions that will have a significant risk, causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Financial Instruments

In accordance with the provisions of International Financial Reporting Standard No. 7, disclosure is required regarding credit risks, liquidity risk, interest rates and fair values of financial assets and liabilities.

a. Credit Risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Commission. The amount of the Commission's maximum exposure to credit risk is indicated by the carrying amount of its financial assets.

The Commission operates within the telecommunication regulatory environment, and financial assets which may potentially expose the Commission to concentrations of credit risk, consist primarily of contributions and receivables. The Commission does not believe that significant credit risk exists at 30th September, 2015.

b. Liquidity Risk

Liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through adequate amounts of committed credit facilities. The Commission does not believe that significant liquidity risk exists at 30th September, 2015.

c. Interest Rate Risk

Differences in contractual repricing or maturity dates and changes in interest rates may expose the Commission to interest rate risk. The Commission was not exposed to interest rate risk at 30th September, 2015.

d. Fair Value of Financial Instruments

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists. None of the Commission's financial assets and liabilities are traded in a formal market. Estimated fair values are assumed to approximate their carrying values

National Telecommunication Regulatory Commission

Notes to Financial Statements... *(Cont'd)*

30th September, 2015
(Expressed in Eastern Caribbean Dollars)

			2015	2014
5.	**Cash and Cash Equivalents**			
	Cash on hand	$	**500**	700
	Bank of St. Lucia Limited		**493,865**	441,593
	RBTT Bank Caribbean Limited		**157,669**	108,840
			652,034	551,133
6.	**Accounts Receivable and Prepayments**			
	Prepaid expenses		**2,230**	2,682
	Other receivables		**36,813**	-
			39,043	2,682
7.	**Accounts Payable and Accruals**			
	Other payable		**20,840**	8,313
	Gratuity payable		**81,884**	117,873
		$	**102,724**	126,186

The accompanying notes form an integral part of these financial statements.

National Telecommunication Regulatory Commission

Notes to Financial Statements... *(Cont'd)*

30th September, 2015
(Expressed in Eastern Caribbean Dollars)

8. **Property, Plant and Equipment**

		Furniture & Equipment	Leasehold Improvements	Total
As at 30th September, 2013				
Cost	$	286,992	110,842	397,834
Accumulated depreciation		(217,702)	(80,526)	(298,228)
Net book value		69,290	30,316	99,606
For the year ended 30th September, 2014				
Opening net book value		69,290	30,316	99,606
Additions in the year		28,554	9,625	38,179
Depreciation charge for the year		(31,092)	(18,070)	(49,162)
Closing net book value		66,752	21,871	88,623
As at 30th September, 2014				
Cost		315,546	120,467	436,013
Accumulated depreciation		(248,794)	(98,596)	(347,390)
Net book value		66,752	21,871	88,623
For the year ended 30th September, 2015				
Opening net book value		66,752	21,871	88,623
Additions in the year		12,190	-	12,190
Depreciation for the year		(33,687)	(14,785)	(48,472)
Closing net book value		45,255	7,086	52,341
As at 30th September, 2015				
Cost		327,736	120,467	448,203
Accumulated depreciation		(282,481)	(113,381)	(395,862)
Net book value	$	45,255	7,086	52,341

The accompanying notes form an integral part of these financial statements.

APPENDIX A

UNIVERSAL SERVICE FUND

FINAICIAL STATEMENTS
30TH SEPTEMBER, 2014

MARIO LENDOR
Tel 758-453 2356 Fax 758-453-2270

MARIO LENDOR

P.O. Box 1131, Providence Villa, Cedars Road, Castries, St. Lucia Tel: 758-453-2356 Fax: 758-453-2270 e mail: mo_lendor@hotmail.com

Auditor's Report to the Directors of:

UNIVERSAL SERVICE FUND

Report on the Financial Statements

I have audited the financial statements of Universal Service Fund which comprise of the Statement of Financial Position as at 30th September, 2014 as well as the Statement of Changes in Shareholders' Equity, the Statement of Support and Expenditure and the Statement of Cash Flows for the year then ended. Also included is a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The financial statements are the responsibility of the Fund's management, which includes the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those Standards require that I conform to ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the accompanying financial statements referred to above, presents fairly, in all material respects, the financial position of the Fund as at 30th September, 2014 and the results of its operations and cash flow for the year then ended is in accordance with International Financial Reporting Standards.

28th January, 2017

Mario Lendor
CHARTERED ACCOUNTANT

Universal Service Fund

Index to Financial Statements

30th September, 2014

Contents	Pages
Statement of Financial Position	1
Statement of Changes in Shareholders' Equity	2
Statement of Support and Expenditure	3
Statement of Cash Flows	4
Notes to Financial Statements	5-10

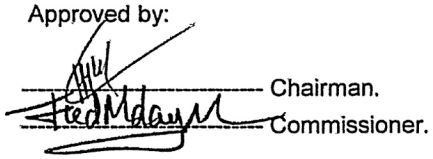
UNIVERSAL SERVICE FUND

Statement of Financial Position

As at 30th September, 2014
With comparative figures as at 30th September, 2013
(Expressed in Eastern Caribbean Dollars)

	Notes		2014	2013
Current Assets				
Cash and cash equivalents	5	$	**9,586,491**	7,390,410
Total current assets			**9,586,491**	7,390,410
Non-Current Assets				
Property, plant and equipment	7		**17,425**	18,797
Total non-current assets			**17,426**	18,797
Total assets			**9,603,916**	7,409,207
Current Liabilities				
Accounts payable	6		**6,271**	29,155
Total current liabilities			**6,271**	29,155
Total liabilities			**6,271**	29,155
Shareholders' Equity				
Accumulated surplus			**9,597,645**	7,380,052
Total shareholders' equity			**9,597,645**	7,380,052
Total liabilities and shareholders' equity		$	**9,603,916**	7,409,207

Approved by:



Chairman.

Commissioner.

The accompanying notes form an integral part of these financial statements.

Universal Service Fund

Statement of Changes in Shareholders' Equity

For the year ended 30th September, 2014
With comparative figures for the year ended 30th September, 2013
(Expressed in Eastern Caribbean Dollars)

		2014	2013
Balance - beginning of year	$	**7,380,052**	5,112,663
Excess support over expenditure		**2,217,593**	2,267,389
Balance - end of year	$	**9,597,645**	7,380,052

The accompanying notes form an integral part of these financial statements.

Universal Service Fund

Statement of Support and Expenditure

For the year ended 30th September, 2014
With comparative for the year ended 30th September, 2013
(Expressed in Eastern Caribbean Dollars)

	Note		2014	2013
Support				
Contributions from telecommunications providers		$	**2,226,693**	2,305,865
Interest income			**313,072**	211,587
Other income			**250**	200
Total support			**2,540,015**	2,517,652
Expenditure				
Employee Benefits Expenses	8		**161,377**	110,862
Rent			**36,000**	36,000
Utilities			**19,848**	18,660
Advertising and promotion			**6,128**	16,622
Projects			**87,089**	63,213
Bank charges and interest			**303**	432
Depreciation expense			**6,985**	4,474
Sundry			**4,045**	-
Meeting			**647**	-
Total expenditure			**322,422**	250,263
Excess support over expenditure		$	**2,217,593**	2,267,389

The accompanying notes form an integral part of these financial statements.

UNIVERSAL SERVICE FUND

Statement of Cash Flows

For the year ended 30th September, 2014
With comparative figures for the year ended 30th September, 2013
(Expressed in Eastern Caribbean Dollars)

		2014	2013
Cash Flows from Operating Activities			
Excess of support over expenditure for the year	$	**2,217,593**	2,267,389
Adjustments for:			
Depreciation		**6,985**	4,474
Cash flows before changes in operating assets and liabilities		**2,224,578**	2,271,863
Decrease in accounts payable		**(22,884)**	3,008
Net cash generated from operations		**2,201,694**	2,274,871
Cash Flows from Investing Activities			
Purchase of property and equipment		**(5,613)**	(835)
Net cash flows used in investing activities		**(5,613)**	(835)
Increase in cash and cash equivalents		**2,196,081**	2,274,036
Cash and cash equivalents - beginning of year		**7,390,410**	5,116,374
Cash and cash equivalents - end of year	$	**9,586,491**	7,390,410

The accompanying notes form an integral part of these financial statements.

UNIVERSAL SERVICE FUND

Notes to Financial Statements

30th September, 2014
(Expressed in Eastern Caribbean Dollars)

1. Background and Principal Activity

The Universal Service Fund was established pursuant to the Telecommunications Act of Saint Lucia. The act indicates that the National Telecommunications Regulatory Commission shall establish a Fund to be known as the Universal Service Fund, which shall be managed by the Commission in accordance with the Telecommunications (Universal Service Fund) Regulations.

The main goal of the Universal Service Fund (USF) is to support the provision of Universal Service in telecommunications throughout the island.

(a) public voice telephony;
(b) internet access;
(c) telecommunications services to schools, hospitals and similar institutions and the disabled and physically challenged; or
(d) other service by which people access efficient, affordable and modern telecommunications.

The financial statements were approved by the Commissioners and authorized for issuance on 24th April, 2017.

2. Summary of significant financial reporting policies

Overall policy
The principal financial reporting policies adopted are stated in order to assist in the general understanding of the financial statements.

a. Basis of preparation
The financial statements of Universal Service Fund have been prepared in accordance with the International Financial Reporting Standards (IFRS) and under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

b. Adoption of new and revised IFRS
During the current year the Fund adopted all the new and revised International Financial Reporting Standards (IFRS) which are relevant to its operations and are effective for accounting period. The adoption of these Standards did not have a material effect on the financial statements. At the date of authorization of these financial statements, some Standards were issued but not yet effective. The Commission expects that the adoption of these Standards in future periods will not have a material effect on the financial statements of the Fund.

UNIVERSAL SERVICE FUND

Notes to Financial Statements... *(Cont'd)*

30th September, 2014
(Expressed in Eastern Caribbean Dollars)

2. Summary of significant financial reporting policies... *(Cont'd)*

c. Functional and presentation currency

Items in the financial statement are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Eastern Caribbean Dollars, which is the Fund's functional and presentation currency.

d. Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of support and expenditure.

e. Cash and cash equivalents

Cash and cash equivalents are carried on the statement of financial position at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise balances with a maturity of three months or less from the date of acquisition including: cash on hand, deposits held on call with banks and bank overdrafts.

f. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of support and expenditure during the financial period in which they are incurred.

Depreciation is calculated on the straight line method to allocate the cost of each asset to their residual values over their estimated useful lives as follows:-

Furniture and Fittings 15%-25%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amounts, if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the statement of support and expenditure. When revalued assets are sold, the amounts included in other reserves are transferred to accumulated surplus.

UNIVERSAL SERVICE FUND

Notes to Financial Statements... *(Cont'd)*

30th September, 2014
(Expressed in Eastern Caribbean Dollars)

2. Summary of significant financial reporting policies... *(Cont'd)*

g. Provisions

Provisions are recognized when the Fund has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

h. Revenue recognition

Revenue is recognized when the agreed contributions become due and on the completion of other service transactions when the related fees can be reliably estimated.

i. Income tax

The Fund is exempt from income tax under the provision of the Telecommunications Act.

j. Income and expenses

Income is recognized on the accrual basis as has been used for recording of income and expenses. Interest income and expenses are recognized in the statement of support and expenditure for all instruments measured at amortized cost using the accrual method.

3. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.
The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Commission does not consider that there are estimates and assumptions that will have a significant risk, causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

UNIVERSAL SERVICE FUND

Notes to Financial Statements... *(Cont'd)*

30th September, 2014
(Expressed in Eastern Caribbean Dollars)

4. Financial Instruments

In accordance with the provisions of International Financial Reporting Standard No. 7, disclosure is required regarding credit risks, liquidity risk, interest rates and fair values of financial assets and liabilities.

a. Credit Risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Fund. The amount of the Fund's maximum exposure to credit risk is indicated by the carrying amount of its financial assets.

The Fund operates within the telecommunication regulatory environment, and financial assets which may potentially expose the Fund to concentrations of credit risk consist primarily of contributions and receivables. The Commission does not believe that significant credit risk exists at 30th September, 2014.

b. Liquidity Risk

Liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through adequate amounts of committed credit facilities. The Commission does not believe that significant liquidity risk exists at 30th September, 2014.

c. Interest Rate Risk

Differences in contractual repricing or maturity dates and changes in interest rates may expose the Fund to interest rate risk. The Fund was not exposed to interest rate risk at 30th September, 2014.

d. Fair Value of Financial Instruments

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists. None of the Fund's financial assets and liabilities are traded in a formal market. Estimated fair values are assumed to approximate their carrying values.

UNIVERSAL SERVICE FUND

Notes to Financial Statements... *(Cont'd)*

30th September, 2014
(Expressed in Eastern Caribbean Dollars)

5. Cash and Cash Equivalents

		2014	2013
Bank of St. Lucia Limited – operating ac.	$	82,255	68,895
Bank of St. Lucia Limited - super saver ac.		9,503,736	7,320,060
Cash on Hand		500	1,455
		9,586,491	7,390,410

6. Accounts Payable

Trade payable		1,211	19,130
Others payable		5,060	10,025
	$	6,271	29,155

7. Property, plant and Equipment

		Furniture & Fittings
For the year ended 30th September, 2013		
Opening net book value	$	22,436
Additions in the year		835
Depreciation charge for the year		(4,474)
Closing net book value		18,797
As at 30th September, 2013		
Cost		28,835
Accumulated depreciation		(10,038)
Net book value		18,797
For the year ended 30th September, 2014		
Opening net book value		18,797
Additions in the year		5,613
Depreciation charge for the year		(6,985)
Closing net book value		17,425
As at 30th September, 2014		
Cost		34,448
Accumulated depreciation		(17,023)
Net book value	$	17,425

The accompanying notes form an integral part of these financial statements.

Universal Service Fund

Notes to Financial Statements... *(Cont'd)*

30th September, 2014
(Expressed in Eastern Caribbean Dollars)

8. Employee Benefit Expenses		2014	2013
Salaries and wages	$	**129,461**	77,497
Other staff expenses		**5,208**	1,523
Honorarium		**-**	15,000
Gratuity		**25,515**	15,450
Staff insurance travel and medical		**1,193**	1,392
		161,377	110,862
Key Management Compensation			
Salaries and other short-term benefits	$	**161,377**	110,862

The average number of employees during the year was 2.

The accompanying notes form an integral part of these financial statements.

APPENDIX A

UNIVERSAL SERVICE FUND

FINAICIAL STATEMENTS
30TH SEPTEMBER, 2015

MARIO LENDOR
Tel: 758-453 2356 Fax: 758-453-2270

MARIO LENDOR

P.O. Box 1131, Providence Villa, Cedars Road, Castries, St. Lucia Tel: 758-453-2356 Fax: 758-453-2270 e mail: mo_lendor@hotmail.com

Auditor's Report to the Commissioners of:

UNIVERSAL SERVICE FUND

Report on the Financial Statements

I have audited the financial statements of Universal Service Fund which comprise of the Statement of Financial Position as at 30th September, 2015 as well as the Statement of Changes in Shareholders' Equity, the Statement of Support and Expenditure and the Statement of Cash Flows for the year then ended. Also included is a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The financial statements are the responsibility of the Fund's management, which includes the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those Standards require that I conform to ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the accompanying financial statements referred to above, presents fairly, in all material respects, the financial position of the Fund as at 30th September, 2015 and the results of its operations and cash flows for the year then ended is in accordance with International Financial Reporting Standards.

28th January, 2017

Mario Lendor
CHARTERED ACCOUNTANT

Universal Service Fund

Index to Financial Statements

30th September, 2015

Contents	Pages
Statement of Financial Position	1
Statement of Changes in Shareholders' Equity	2
Statement of Support and Expenditure	3
Statement of Cash Flows	4
Notes to Financial Statements	5-10

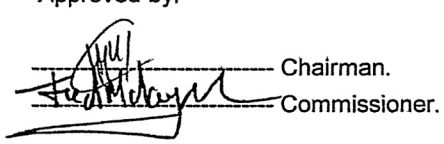
UNIVERSAL SERVICE FUND

Statement of Financial Position

As at 30th September, 2015
With comparative figures as at 30th September, 2014
(Expressed in Eastern Caribbean Dollars)

	Notes		2015	2014
Current Assets				
Cash and cash equivalents	5	$	**10,031,714**	9,586,491
Total current assets			**10,031,714**	9,586,491
Non-Current Assets				
Property and equipment	7		**16,581**	17,425
Total non-current assets			**16,581**	17,425
Total assets			**10,048,295**	9,603,916
Current Liabilities				
Accounts payable	6		**46,933**	6,271
Total current liabilities			**46,933**	6,271
Total liabilities			**46,933**	6,271
Shareholders' Equity				
Accumulated surplus			**10,001,362**	9,597,645
Total shareholders' equity			**10,001,362**	9,597,645
Total liabilities and shareholders' equity		$	**10,048,295**	9,603,916

Approved by:



Chairman.

Commissioner.

The accompanying notes form an integral part of these financial statements.

UNIVERSAL SERVICE FUND

Statement of Changes in Shareholders' Equity

For the year ended 30th September, 2015
With comparative figures for the year ended 30th September, 2014
(Expressed in Eastern Caribbean Dollars)

		2015	2014
Balance - beginning of year	$	**9,597,645**	7,380,052
Excess support over expenditure		**403,717**	2,217,593
Balance - end of year	$	**10,001,362**	9,597,645

The accompanying notes form an integral part of these financial statements.

Universal Service Fund

Statement of Support and Expenditure

For the year ended 30th September, 2015
With comparative for the year ended 30th September, 2014
(Expressed in Eastern Caribbean Dollars)

	Note		2015	2014
Support				
Contributions from telecommunications providers		$	**2,034,360**	2,226,693
Interest income			**210,053**	313,072
Other income			**450**	250
Total support			**2,244,863**	2,540,015
Expenditure				
Training and Professional development			**34,450**	-
Employee Benefits Expenses	8		**188,910**	161,377
Rent			**36,000**	36,000
Utilities			**19,449**	19,848
Advertising and promotion			**14,557**	6,128
Projects			**1,528,225**	87,089
Bank charges and interest			**721**	303
Depreciation expense			**8,163**	6,985
Sundry			**1,855**	4,045
Meeting			**450**	647
Repairs and Maintenance			**400**	-
Public education			**7,966**	-
Total expenditure			**1,841,146**	322,422
Excess support over expenditure		$	**403,717**	2,217,593

The accompanying notes form an integral part of these financial statements.

Universal Service Fund

Statement of Cash Flows

For the year ended 30th September, 2015
With comparative figures for the year ended 30th September, 2014
(Expressed in Eastern Caribbean Dollars)

		2015	2014
Cash Flows from Operating Activities			
Excess of support over expenditure for the year	$	**403,717**	2,217,593
Adjustments for:			
Depreciation		**8,163**	6,985
Cash flows before changes in operating assets and liabilities		**411,880**	2,224,578
Increase in accounts payable		**40,662**	(22,884)
Net cash generated from operations		**452,542**	2,201,694
Cash Flows from Investing Activities			
Purchase of equipment		**(7,319)**	(5,613)
Net cash flows used in investing activating activities		**(7,319)**	(5,613)
Increase in cash and cash equivalents		**445,223**	2,196,081
Cash and cash equivalents - beginning of year		**9,586,491**	7,390,410
Cash and cash equivalents - end of year	$	**10,031,714**	9,586,491

The accompanying notes form an integral part of these financial statements.

UNIVERSAL SERVICE FUND

Notes to Financial Statements

30th September, 2015
(Expressed in Eastern Caribbean Dollars)

1. Background and Principal Activity

The Universal Service Fund was established pursuant to the Telecommunications Act of Saint Lucia. The act indicates that the National Telecommunications Regulatory Commission shall establish a Fund to be known as the Universal Service Fund, which shall be managed by the Commission in accordance with the Telecommunications (Universal Service Fund) Regulations.

The main goal of the Universal Service Fund (USF) is to support the provision of Universal Service in telecommunications throughout the island.

(a) public voice telephony;
(b) internet access;
(c) telecommunications services to schools, hospitals and similar institutions and the disabled and physically challenged; or
(d) other service by which people access efficient, affordable and modern telecommunications.

The financial statements were approved by the Commissioners and authorized for issuance on 24th April, 2017.

2. Summary of significant financial reporting policies

Overall policy
The principal financial reporting policies adopted are stated in order to assist in the general understanding of the financial statements.

a. Basis of preparation
The financial statements of Universal Service Fund have been prepared in accordance with the International Financial Reporting Standards (IFRS) and under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

b. Adoption of new and revised IFRS
During the current year the Fund adopted all the new and revised International Financial Reporting Standards (IFRS) which are relevant to its operations and are effective for the accounting period. The adoption of these Standards did not have a material effect on the financial statements. At the date of authorization of these financial statements, some Standards were issued but not yet effective. The Commission expects that the adoption of these Standards in future periods will not have a material effect on the financial statements of the Fund.

NTRC Annual Report, 2013/2014 & 2014/2015

Rajana Group of Companies Bldg.
Bois D'Orange
Gros Islet
P. O. Box GM 690
Castries, Saint Lucia, West Indies

Tel: (758) 458 2035
Fax: (758) 453 2558
Email: ntrc_slu@candw.lc
Website: www.ntrc.lc