TELECOMMUNICATIONS REGULATORY COMMISSION VIRGIN ISLANDS

WORK PROGRAMME FOR 2010-2011

(INCLUDING ESTIMATES OF EXPECTED EXPENDITURE AND INCOME)

CONSULTATION DOCUMENT

5th October 2010

Reference Number: C/05/2010

The address for responses to this document or enquires regarding this document is:

Consultation on the Work Programme for 2010-2011
Telecommunications Regulatory Commission
P.O. Box 4401 or 27 Fish Lock Road, 3rd Floor
Road Town, Tortola, British Virgin Islands VG 1110
Fax: (284) 494 6786; E-mail: consultations@trc.vg

The deadline for responses is **2nd November 2010**

CONSULTATION ON THE WORK PROGRAMME FOR 2010-2011

Instructions for submitting a response

The Telecommunications Regulatory Commission of the Virgin Islands (the "TRC") invites comments on this consultation document from all interested parties.

Comments should be submitted by **2nd November 2010**.

The address for responding to this document is:

> Consultation on the Work Programme for 2010-2011
> Telecommunications Regulatory Commission
> P.O. Box 4401 or 27 Fish Lock Road, 3rd Floor
> Road Town, Tortola, British Virgin Islands VG 1110

Alternatively, responses may be sent to the TRC by fax to (284) 494 6786 or email to consultations@trc.vg (indicating the subject: "Consultation on the Work Programme for 2010-2011").

Responses should include:

- In the case of responses from corporate bodies:

  - the name of the company/institution/association/other organisation;
  - the name of the principal contact person; and
  - full contact details (physical address, postal address, telephone number, fax number and email address).

- In the case of responses from individual consumers, name and contact details (including email address).

In the interest of transparency, the TRC will make all submissions received available to public, subject to confidentiality of the information received. The TRC will evaluate requests for confidentiality in line with relevant legal provisions.

Respondents are required to clearly mark any information included in their submission, which is considered confidential, and provide justification, why that information should be treated as such. Where such confidential information is included, respondents are required to provide both a confidential and a non-confidential version of their submission. The TRC may publish or refrain from publishing any document or submission at its sole discretion.

Once the TRC has received and considered responses to this consultative document, it will issue the final version of the Work Programme, together with a report on the consultation.

CONSULTATION ON THE WORK PROGRAMME FOR 2010-2011

1. Introduction

This document is a draft Work Programme (the "Programme") of the Telecommunications Regulatory Commission of the Virgin Islands (the "TRC") for the financial year of 2010-2011 (from 1 October 2010 to 30 September 2011). Estimated implementation dates for some tasks included in the Programme extend beyond the end of the financial year of 2010-2011. This is a natural reflection of the time needed to implement specific projects as well as of a fact that a smooth and coherent implementation of a significant number of projects undertaken (or planned to be undertaken) by the TRC requires a multi-year planning.

This document also includes estimated expenditure of the TRC, needed to support the implementation of the Programme, as well as estimated income.

This draft has been prepared after taking into account the experience of the TRC, various issues brought to its attention by various stakeholders in the telecommunications sector as well as discussions with such stakeholders. Responses to the present consultation will constitute an additional input into the planning process.

When setting out the Programme, the TRC has taken into account the stage of development of the market and the regulatory environment as well as of the TRC as an organization. Furthermore the TRC has considered the progress with implementation of the Work Programme for 2009-2010[1] as well as the need to ensure continuity of the TRC's efforts. Accordingly the TRC considers that **it is appropriate for this Programme to retain the same specific objective as the Work Programme for 2009-2010, which is to set a roadmap for establishing a foundation for an appropriate regulatory environment and an effective regulatory authority able to steer such an environment.**

The Programme sets out the projects that the TRC believes it should concentrate on. There may however be alterations to the Programme due to developments in the market requiring immediate attention of the TRC, such as an excessive number of cases requiring regulatory action. The TRC will internally develop detailed schedules for implementation of the projects included in the Programme.

In order to better account for the overall workload, the TRC has also included in this Programme major processes (routine activities) the TRC is responsible for. The list of the processes, however, shall not be considered exhaustive as it aims to include the most usual tasks only, but does not cover various other tasks that the TRC may need to undertake in accordance with its remit provided in the Telecommunications Act, 2006.

---

[1] Review of such progress will be presented in a separate annual report prepared in accordance to section 66 of the Telecommunications Act, 2006.

CONSULTATION ON THE WORK PROGRAMME FOR 2010-2011

2. Continuity

As noted above, implementation of a coherent regulatory policy requires multi-year planning. Time needed for a number of important projects often spans over a number of programming periods (financial years). Furthermore, although a number of projects, included in the Work Programme for 2010-2011, have been successfully completed, experience in implementing that Work Programme has demonstrated that more time is needed to bring other projects to closure. In this regard, it is important to ensure continuity of TRC's activities and ensure that the progress made in the financial year 2009-2010 is continued. Therefore, when designing the Programme, emphasis was made on completion of projects, which have already commenced, rather than adding new initiatives (although a number of new projects has been introduced - identified as "New" in the name of the project). Furthermore, the TRC considered it appropriate to essentially retain the main strategic elements of the Work Programme for 2009-2010 (such as the Vision, Mission, Regulatory Approach and Objectives).

In designing the Programme, the TRC has, however, taken an opportunity to learn from the experience in implementing the Work Programme for 2010-2011. This led to adjustments to a number of projects in order to better reflect the manner in which specific objectives could be achieved more effectively and efficiently.

3. Vision and Mission of the TRC

The Programme should be based on a clear Vision and Mission of the TRC which should also guide the activities under the Programme. The TRC considers appropriate to retain the same Vision and Mission as set out in the Work Programme for 2009-2010. This also serves the interest of ensuring stability and certainty in the sector. In this context, it is also appropriate to no longer consider the Vision and Mission of the TRC as interim.

For the purposes of this Programme TRC considers that its **Vision** should continue to be: **Best telecommunications infrastructure and services in the region in terms of innovation, quality, choice and competitive pricing**.

TRC's specific role in achieving the Vision is described in the Mission of TRC. TRC considers that for the Purposes of this Programme its **Mission** should continue to be: **Enable and facilitate the availability and affordability of adequate telecommunications infrastructure and services with the view to ensure the long term benefit to the residents and businesses in the Virgin Islands**.

TRC would appreciate views of the stakeholders on the continued appropriateness of the Vision and Mission above for TRC as the telecommunications regulatory body in the Virgin Islands.

4. Regulatory Approach

CONSULTATION ON THE WORK PROGRAMME FOR 2010-2011

As explained above, the TRC considers that the regulatory approach outlined in the Work Programme for 2010-2011 has proven to be appropriate. Therefore the TRC will continue to apply essentially the same approach. For the ease of reference, the TRC, however, considers it appropriate to set out the regulatory approach in full below.

In setting its work programme as well as selecting the right tools and instruments for its implementation, the TRC has to take into account a need to achieve its Vision and fulfil its Mission. In this regard the TRC continues to recognise a need to apply international best practices adjusting them to the local circumstances and requirements, where necessary. Among the factors to take into account are: the level of development of the market and regulatory framework, the size of the market as well as inherent limitations of the regulatory authority and market players in terms of resources available (both in terms of personnel and funds).

In the context above the TRC believes that its primary aim is to create an environment that enables competition and unleashes market forces to the full extent. In such an environment it is however important for the TRC to ensure that necessary safeguards are in place to guarantee that consumers obtain maximum benefit from the competitive marketplace. It is also important for the TRC to be responsive to the needs and concerns of the local community and concentrate on areas where the maximum impact can be achieved. The TRC will also seek to achieve such maximum impact and benefit to consumers with the minimum necessary regulation and the most efficient use of its resources.

The TRC would appreciate views of stakeholders with regard to the Regulatory Approach outlined above and whether there is a need to develop it further.

5. Work Programme - Overview

The TRC believes that in the light of its Vision and Mission as well as the stage of the development of the market and the regulatory organization it is appropriate for it to continue pursuing essentially the same objectives as outlined in the Work Programme for 2009-2010:

1) Regulatory environment that enables market entry and open competition therein providing maximum long-term benefits to residents and business of the Virgin Islands (**Enabling Environment**);

2) Proportionate pro-competitive regulatory intervention where competitive forces are unable to overcome market failures (**Fostering Competition**);

3) Consumers able to make informed choices about services being offered to them and thereby acting as a disciplining force in the competitive market (**Consumer Awareness**);

4) Proportionate measures to achieve a basic level of consumer protection that market forces alone would not provide (**Consumer Protection**);

5) Telecommunications industry adequately supporting wider needs of the community (**Community**);

6) Regulatory institution able to establish and implement appropriate regulatory framework in an effective manner, functioning in an adequate legal and policy environment (**Effective Regulatory Institution and Framework**)[2].

The TRC has set out the tasks (both projects and processes) it intends to accomplish under the Programme along specific action lines, each geared to pursue one of the objectives outlined above in the light of the immediate requirements of this stage of the market and institutional development. TRC would appreciate the views of the stakeholders with regard to the objectives above, the specific tasks below as well as their priority and timelines. Stakeholders are also welcome to propose any additional tasks they consider important together with reasons of why they consider that such tasks should be included in the Programme.

6. Comprehensive Work Programme

6.1. Projects

Num-ber	Task	Objective	Subtask/Specific Delivery	Estimated Implement-ation
Action Line 1: Enabling Environment				
1.1.	Framework for collection and reporting of market information	Availability of information on the telecommunications market in the Virgin Islands as well as the possibility to benchmark it against other markets		Q2, 2011
1.2.	Licensing Framework	Transparent and clear framework governing market entry	1.2.1. Licensing framework for telecommunications activities	Q1, 2011
			1.2.2. Position Paper on services provided outside of the Territory (including VoIP services)	Q2, 2011

---

[2] This objective has been revised to recognize the importance of the factors external to the TRC (namely, the legal and policy frameworks) to the effective functioning of a regulatory organisation.

Num-ber	Task	Objective	Subtask/Specific Delivery	Estimated Implement-ation
			1.2.3. Licensing framework for broadcasting spectrum	Q1, 2011
			1.2.4. Telecommunications spectrum licensing framework	Q1, 2011
			1.2.5. Framework for ship licenses and similar authorizations	Q1, 2011
			1.2.6. Framework for business radio licences and similar authorisations (New)	Q4, 2011
			1.2.7. Framework for Radio Amateur Club Licenses (New)	Q1, 2011
1.3.	Framework for efficient and effective use of spectrum	Efficient and effective use of radio spectrum as a scarce resource	1.3.1. Full implementation of a monitoring system	Q2, 2011
			1.3.2. Spectrum audit	Q2, 2011
			1.3.3. Spectrum Policy and Action Plan	Q2, 2011
			1.3.4. Implementation of the Spectrum Policy	Subsequent to the Spectrum Policy and pursuant to the Action Plan
1.4.	Telecommunications towers and similar facilities – framework for deployment	In cooperation with the Town and Country Planning Department, addressing public concerns in relation to telecommunications towers at the same time ensuring efficient deployment of them, where needed		Q4, 2010
1.5.	Standards for in-building telecommunications facilities	In cooperation with relevant authorities, ensuring that internal wiring and other		Q3, 2011

Num-ber	Task	Objective	Subtask/Specific Delivery	Estimated Implement-ation
	(New)	telecommunications facilities, located in buildings, enable provision of the state-of-the-art telecommunications services		
1.6.	Framework for coordination of infrastructure works (New)	In cooperation with relevant authorities, ensure that infrastructure works are properly coordinated among telecommunications operators and between telecommunications operators and public utilities in order to ensure efficiency of investments and protection of networks		Q3, 2011
1.7.	Equipment approval framework	Ensure that use of telecommunications equipment does not create harmful interference, without imposing unnecessary barriers for bringing such equipment into the Virgin Islands		Q1, 2011
1.8.	Numbering Plan	Numbers managed according to a clear and predictable framework		Q2, 2011
1.9.	Domain Name management	".VG" domain names managed in the best public interests of the Virgin Islands		Q2, 2011
1.10.	Preparation for transition from IPv4 to IPv6 (New)	Ensure that stakeholders in the telecommunications sector are aware of issues		Q3, 2011

Num-ber	Task	Objective	Subtask/Specific Delivery	Estimated Implement-ation
		related to the IPv4 protocol and are able to migrate infrastructure to the IPv6 protocol		
1.11.	Facilitation of establishment of an Internet Exchange Point	Exchange of the local Internet traffic within the Territory and bettering conditions for local hosting of content and implementation of additional services		Q1, 2011
1.12.	Promotion of more competitive and resilient international connectivity	Evaluation of the adequacy of the existing international connectivity options and creating conditions for additional international connectivity		Q3, 2011
1.13.	Interconnection framework	Ensure that interconnection process does not act as a market entry barrier		Q1, 2011
1.14.	Dispute resolution framework (between licensees)	Ability of market players to obtain a quick and efficient resolution of their disputes		Q3, 2011
1.15.	Guidelines on the Treatment of Confidential Information	Legal certainty to all the stakeholders as to when information is considered confidential by the TRC		Q4, 2011
Action Line 2: Fostering Competition				
2.1.	Market Review	Addressing market failures constraining development of the sector and/or having a negative effect on user interests	2.1.1. Setting out the Framework	Q4, 2010
			2..1.2. Market Analysis	Q2, 2011
2.2.	Strategic Sector Review	Reviewing the state of the telecommunications sector in order to identify		Q2, 2011

Num-ber	Task	Objective	Subtask/Specific Delivery	Estimated Implement-ation
		further actions necessary to ensure the development of the competitive sector able to satisfy the interests of users		
Action Line 3: Consumer Awareness				
3.1.	Consumer satisfaction survey	Evaluating consumer satisfaction with telecommunications services and benchmarking market players in this regard		Q2, 2011
3.2.	Implementation of the Quality of Service reporting framework	Availability of transparent and easy-to-understand information enabling evaluation of quality of different service providers		Q2, 2011
Action Line 4: Consumer Protection				
4.1.	Consumer protection framework	Basic consumer rights equally protected by all service providers		Q1, 2011
4.2.	Evaluation of Number Portability (if feasibility is established, implementation of the Number Portability would follow)	Determining the feasibility and, if feasible, best ways to ensure consumer ability to retain their telephone number when changing service providers		Q1, 2011
4.3.	Tariff comparison tool (New)	Ensuring transparency of tariffs of telecommunications services thereby enabling users to benefit from the price competition in the sector		Q4, 2011
4.4.	Framework for protection of	Ensure that residents, belonging to vulnerable		Q3, 2011

Num-ber	Task	Objective	Subtask/Specific Delivery	Estimated Implement-ation
	disabled, elderly and other users with special needs (New)	social groups, are able to benefit from availability of telecommunications services		
4.5.	Quality of Service framework for Cable TV (New)	Ensuring quality of cable TV services		Q2, 2012
Action Line 5: Community				
5.1.	Framework for emergency management and response	Clear framework for operation of telecommunications networks and services in case of disasters (including hurricanes) and other emergencies (including disruptions of telecommunications services); Ensuring that essential telecommunications services are provided in case of disasters		Q2, 2011
5.2.	World Telecommunication and Information Society Day	Organizing a telecommunications / information society related event in the Virgin Islands with a view to increase public awareness about the opportunities provided by information and communication technologies ("ICT")		Q2, 2011
5.3.	"Greener" telecommunications sector	Promote use of more environmentally friendly technologies and processes as well as use of renewable energy sources in the		Q4, 2011

Num-ber	Task	Objective	Subtask/Specific Delivery	Estimated Implement-ation
		telecommunications sector		
Action Line 6: Effective Regulatory Institution and Framework				
6.1.	Proposals for review of the Telecommunications Act (New)	Ensure that the legislative framework enables effective regulation of the telecommunications sector in accordance with the international best practices		Q4, 2010
6.2.	Proposals for the ICT Policy (New)	Assist in developing coherent policy direction for the development of the ICT sector		Q4, 2010
6.3.	Review of the TRC financing framework (New)	Ensure sustainable long-term financing of the TRC in a manner, which would support the TRC's regulatory objectives		Q2, 2011
6.4.	Service Charter of the TRC (New)	Ensure that the TRC provides effective and efficient services to all stakeholders		Q1, 2011
6.5.	Staff training strategy and programme (New)	Ensure that the TRC's staff has high level of skills and knowledge, necessary to achieve the Vision and Mission of the TRC		Q1, 2011
6.6.	TRC's own ICT infrastructure (New)	Ensure that the TRC's internal ICT systems and facilities adequately support its operations		Q1, 2011

6.2. Major Processes

CONSULTATION ON THE WORK PROGRAMME FOR 2010-2011

Num-ber	Process	Objective	Sub-process	Estimated Workload (applica-tions / other)
Action Line 1: Enabling Environment				
1.1.	Telecommunications Licensing	Transparent and smooth process of market entry, supporting the Vision and Mission of the TRC		1-2
1.2.	Review of applications for a transfer of significant interest	Ensuring that transfers of interest in licensees and holders of frequency authorisations do not detrimentally affect public interest, including competitive environment in the Territory as well as interests of users		1-2
1.3.	Spectrum Licensing	Efficient and effective use of radio spectrum as a scarce resource	1.3.1. Issuing of various new frequency authorisations and radio operator licenses	500
			1.3.2. Renewal of various frequency authorisations and radio operator licences	400
1.4.	Review of applications for installing new wireless communications facilities or amendments to existing facilities	Addressing public concerns in relation to telecommunications towers at the same time ensuring efficient deployment of them, where needed		5
1.5.	Applications for equipment approval	Ensure that use of telecommunications equipment does not create harmful interference, without imposing unnecessary barriers for bringing such equipment into the Virgin		20

Num-ber	Process	Objective	Sub-process	Estimated Workload (applica-tions / other)
		Islands		
1.6.	Applications for telephone numbers	Transparent and smooth process of managing telephone numbers		1-2
1.7.	Supervision of licence obligations	Ensuring that licensees comply with their obligations		4-6 licensees
1.8.	Supervision of users of radio equipment	Ensuring that users of radio equipment obtain necessary radio licences		2-3 inspections
Action Line 2: Fostering Competition				
2.1.	Competition complaints / disputes	Ensuring that competition in the market is protected in the interest of telecommunications users		4
Action Line 3: Consumer Awareness				
3.1.	Public presentations, interviews, appearances in radio/TV shows	Increased consumer awareness enabling them to choose telecommunications services and protect themselves in the competitive market		6 occurrences
Action Line 4: Consumer Protection				
4.1.	Consumer complaints	Effective protection of consumer rights		20
Action Line 5: Community				
5.1.	Measuring electromagnet-tic radiation	Adequate information to the public and individual stakeholders on levels of electromagnetic radiation, enabling the TRC and other relevant authorities to take corrective actions if necessary		6 exercises
5.2.	Ensuring	Support to the Territory-		3

Num-ber	Process	Objective	Sub-process	Estimated Workload (applica-tions / other)
	coordination during severe weather conditions and other natural disasters	wide activities of disaster preparedness, response and restoration		occurrences
5.3.	Attracting investment into the Virgin Islands	Increased awareness of potential investors about possibilities in the Virgin Islands ICT sector		Participa-tion in 1-2 events; direct discussions with potential investors
5.4.	Contribute to the ICT education	Promote development of the ICT related skills in the Territory		1-2 events
Action Line 6: Effective Regulatory Institution and Framework				
6.1.	Strengthening regional and international cooperation	Ensuring that telecommunications regulation in the Virgin Islands is better integrated in the regional and international processes		Participa-tion in 2-3 events, participa-tion in the Internatio-nal Telecommu-nication Union's (ITU) HIPCAR[3] project; direct cooperation with other regulatory authorities

---

[3] Enhancing Competitiveness in the Caribbean through the Harmonization of ICT Policies, Legislation and Regulatory Procedures

CONSULTATION ON THE WORK PROGRAMME FOR 2010-2011

7. Estimates of Expected Expenditure and Income (US Dollars)

Estimated Revenues Retained from Prior Periods	**3,865,275.49**
Estimated Revenues for 2010 -11	**2,068,000.00**
Total Estimated Revenues	**5,933,275.49**
Estimated Operating Expenditures for 2010-11	**3,328,637.74**
Including:	
Human Capital	1,695,807.74
Leaseholds, Maintenance and Utilities	187,630.00
Professional Fees	1,235,000.00
Public Relations and Events	181,000.00
Other	29,200.00
Estimated Capital Expenditures for 2010 -11	**605,450.00**
Total Estimated Expenditures	**3,934,087.74**
Contingency Pct.	**10%**
Contingency Pct.	**393,408.77**
Total Estimated Expenditures with Contingency	**4,327,496.52**
Reserve for Future Periods	**1,605,778.97**