



Commission
Draft Annual Work Plan
and Budget 2016/2017 and
Introduction of the Industry Levy
Consultation Document

Consultation

Publication date: 30 June 2016

Closing date for responses: 28 July 2016

Reference Number: 02/2016

About this document

Under section 63 of the Telecommunications Act 2006 (the **Act**), the Telecommunications Regulatory Commission of the British Virgin Islands (**Commission**) is required to publish its Annual Work Plan and Budget. The Annual Work Plan sets out our priorities and discusses the work that the Commission is planning for the coming year. This document is a draft of our Annual Work Plan and Budget covering the 2016/2017 financial year.

The Annual Work Plan and Budget includes the details of the Commission's intention to impose an industry levy fee on each licensee and authorisation holder and how that industry levy will be calculated. We are publishing this draft to provide our stakeholders with the opportunity to comment on our proposed priorities, anticipated work for the year, attendant budget and the calculation and implementation of the industry levy.

Contents

Instructions for submitting a response

Part I. 2016/2017 Strategic Plans

1. Overview
2. Nature and Scope of Functions
3. 2016/2017 Strategic Aims and Objectives

Part II. Introduction of the Industry Levy

Part III. 2016/2017 Work Plan

Part IV. 2016/2017 Budget

Instructions for submitting a response

The Telecommunications Regulatory Commission of the Virgin Islands (the **Commission**) invites comments on this consultation document from all interested parties. Comments should be submitted by 28 July 2016.

We strongly prefer responses to this document to be sent by email to consultations@trc.vg (indicating the subject: "Consultation on the Annual Work Plan and Budget 2016/2017 and Introduction of the Industry Levy". Alternatively, responses may be sent to the address (or the P.O Box number) set out below:

Consultation on the Annual Work Plan and Budget 2016/2017 and Introduction of the Industry Levy –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

Responses from corporate bodies (legal persons) should include:

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

Responses from individual (natural) persons, should include name and contact details (including email).

We have produced a cover sheet for responses (see below) and would be very grateful if you could send one with your response. This will speed up our processing of the responses, and help to maintain confidentiality where appropriate.

In the interest of transparency, the Commission will make all submissions received available to the public, subject to the confidentiality of the information received. The Commission will evaluate requests for confidentiality according to relevant legal principles.

Respondents are required to clearly mark any information included in their submission which they consider to be confidential, and provide reasons why that information should be treated as such. Where information claimed to be confidential is included in a submission, respondents are required to provide both a confidential and a non-confidential version of their submission. The Commission will determine whether information claimed to be confidential is to be treated as such and, if so, will not publish that information. In respect of information that is determined to be non-confidential, the Commission may publish or refrain from publishing such information at its sole discretion.

Once the Commission has received and considered responses to this consultative document, it will deliver its final Work Plan and Budget for the 2016/2017 financial year and calculations of the industry levy to the Minister of Finance for approval and it will be published on the Commission's website.

Cover sheet for response to a Commission consultation

BASIC DETAILS

Consultation title:
To (Commission
Contact):

Name of
respondent:

Representing (self or organisation/s):

Address (if not received by email):

CONFIDENTIALITY

Please tick below which part of your response you consider is confidential, giving your reasons why

Nothing

Name/contact details/job title

Whole response

Organisation

Part of the response

Details of Confidential Information

If you want part of your response, your name or your organisation not to be published, we can still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response that the Commission can publish. However, in supplying this response, I understand that the Commission may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations. If I have sent my response by email, the Commission can disregard any standard email text about not disclosing email contents and attachments.

The Commission seeks to publish responses on receipt. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

Name

Signed (if hard copy)

PART I: 2016 and 2017 Strategic Plans

1. Overview

1.1 The Annual Work Plan and Budget describes the work we intend to carry out in the coming year to fulfil our duties. It also identifies the nature and scope of our functions and our strategic aims and objectives. We also include our proposed budget for the 2016/2017 financial year.

1.2 The Minister, with the approval of the Council, made the following appointments to the Board of the Commission:

Chairman: Michael Thomas (Appointed: 13 February 2015)

Deputy Chairman: Ian S. Smith (Appointed: 13 February 2015 and Resigned: 31 March 2016)

Board Member: Delroy Williams (Appointed 1 May 2015)

Chief Executive Officer and Board Member: Guy Lester Malone (Reappointed on 1 March 2015)

1.3 The newly constituted Board of the Commission is undertaking a thorough review of (a) work done by the Commission to date; (b) action required to bring the Commission into line and up to date with its duties under the Telecommunications Act, 2006 (**Act**); (c) staffing requirements to facilitate the delivery of the Commission's Work Plan; and (d) the need for additional office space to accommodate an enlarged staff.

1.4 The Board has made a recommendation to the Minister to appoint an additional Commissioner with a telecommunications services background from outside the Virgin Islands, as specified in section 7 (2) of the Act.

1.5 Our **mission** is to promote value, choice, innovation, quality and competitive pricing for consumers and businesses in the Virgin Islands. We will work for consumers and businesses by promoting investment, effective competition, informed choice and the opportunity to have access to a wide range of telecommunications services.

1.6 To achieve these goals, we will be consultative, transparent and proportionate. We will ensure we behave in a professional manner with fairness, integrity and independence.

1.7 We have adopted six essential principles of good regulation consistent with international standards and best practice.

1.7.1 **Accountability:** Our decision making powers should be, with the constraints of confidentiality, exercised transparently and subject to appropriate scrutiny and challenge.

- 1.7.2 **Focus:** We will concentrate on protecting the interests of consumers and businesses in the Virgin Islands by ensuring the operation of a well-functioning and contestable market.
- 1.7.3 **Predictability:** We plan to provide a stable and objective environment allowing all those affected by our regulation to anticipate the basis for further decisions and make long term investment decisions with confidence.
- 1.7.4 **Adaptability:** The framework of our economic regulation will be flexible enough to respond to a quickly changing technology and services environment, continuing to be relevant and effective over time.
- 1.7.5 **Efficiency:** Where we intervene, policy interventions will be proportionate and cost-effective and our decision making should be timely and robust.
- 1.7.6 **Balance:** Our evidenced based approach to decision making and our adaptability will ensure that we remain proportionate, consistent, fair and just.

2. Nature and Scope of Function

- 2.1 The Commission is the regulatory body established in 2007 in accordance with the Act to implement the Government's policy with respect to telecommunications as set out in the Telecommunications Liberalisation in the British Virgin Islands – 10 January 2007¹.
- 2.2 The Commission's activities are funded through the royalty fees paid by licenced operators in the Virgin Islands. The Commission is also entitled to charge licenced operators an annual Industry Levy. The Commission will implement the Industry Levy for the first time in this financial year by assessing the proportion to be paid by each operator in accordance with section 59 of the Act.
- 2.3 This Public Consultation includes a consultation on the Work Plan and Budget as well as the introduction of the Industry Levy provided for under section 59 of the Act.
- 2.4 The Commission's goal is to ensure that the interests of consumers and businesses in the Virgin Islands are promoted and protected with respect to price, choice, quality of service and innovation in telecommunications services. We believe this goal is best achieved by encouraging a competitive market place.

1

http://www.trc.vg/images/attachments/040_G00050_Telecommunications%20Liberalisation%20In%20The%20British%20Virgin%20Islands.pdf

3. Strategic Aims and Objectives 2016/2017

3.1 Implement the Spectrum Management Framework and Action Plan

In 2011, the Commission consulted upon its vision for spectrum management in the Virgin Islands. The implementation of this plan is now underway, modified as necessary to accommodate changes in technology and business requirements. The Action Plan associated with the review is also now being implemented.

3.2 Create a Culture of Compliance

We will be increasing our monitoring and enforcement activities in line with our duties under the Act to ensure that all operators are in compliance with the Act, their licences, the Telecommunications Code and any Instructions or Directions made by the Commission.

3.3 Engagement with Consumers and Businesses

We are committed to supporting local businesses and consumers in the Virgin Islands. The thriving Financial Services and Tourism industries are critically dependent upon having a competitive and robust telecommunications market and infrastructure to deliver their services. We plan to engage in a communications program with businesses and consumers to promote understanding of the market and our work. We are also looking forward to gaining a better understanding of their needs and concerns.

3.4 Our Stakeholders

We will increase our interaction with stakeholders. This dialogue will be critical as we prioritise our work plan and will provide us with the ability to respond quickly and effectively to market developments.

The landscape of our communications market is changing, with two of the licenced operators in the BVI being acquired directly or indirectly by significant international companies. Liberty Global plc announced the purchase of Cable & Wireless Communications plc (the parent company of Cable & Wireless (BVI) Limited. Atlantic Tele-Network, Inc. has announced its acquisition of B.V.I. Cable T.V. Ltd.

The Commission expects that the new ownership of these companies will not result in a change to the fundamental market structure in the BVI and are likely to be beneficial to the BVI as a result of the strong technical qualifications and extensive experience both acquirers have in providing a wide product range and customer service.

3.5 Government

We will continue to advise the Minister for Communications and Works and the Government of the Virgin Islands on policies and positions – providing timely and high quality advice. For example, the Commission has recommended approval of the transactions described above to the Minister.

3.6 International Best Practice

We will ensure that we follow international best practice in regulation and competition law. We are seeking closer relationships with sectoral regulators including CANTO, the CTU, ICTA, OOCUR, Ofcom in the UK, the FCC in the US and CICRA in the Channel Islands. We also expect to attend Mobile World Congress and engage with the GSMA, the ITU and other international associations with a particular emphasis on the needs of smaller economies. Sharing knowledge and best practice will allow us to ensure consistency in our approach to economic regulation.

3.7 Improved Performance

We recognise the need to focus on increasing our level of activity as well as the speed of our responses and efficiency of our work. We will prioritise work that delivers the most benefit to the consumers, enterprises and visitors in the British Virgin Islands.

PART II: Introduction of the Industry Levy

1. History and Background

- 1.1 On 10 January, 2007, the Government of the Virgin Islands produced the *Telecommunications Liberalisation in the British Virgin Islands* document as the passage way to close the telecommunication monopoly and introduce competition in the telecommunications industry in the BVI.
- 1.2 It has been nine years since the Act has been enacted. Under this Act, the Commission is intended to have two revenue streams from the licensees, namely the Annual Industry Levy and Annual Royalty Fees.
- 1.3 The Annual Industry Levy is a charge on the licensed operators intended to financially maintain the Commission in the performance of its duties pursuant to section 6 of the Act, as the regulator of telecommunications in the British Virgin Islands.
- 1.4 The Royalty Fee is a fee charged by the Commission to each Licensee equal to the amount of 3% of its gross revenues derived from services provided under the License collected by the Licensee. The Licensees are required to provide the Commission with Audited Accounts each year on which the Commission bases the calculation of Royalty Fees. Royalty Fees are due to be paid by each Licensee no later than 5 April of each year.
- 1.5 For the past nine years the Commission has been collecting and using the Royalty Fees alone to carry out the functions of the Commission. The Commission has so far not implemented or collected the Industry Levy. The Commission collected revenues from the Licensees, as if the licensees were still only accountable for Royalties as applied under the former Telecommunications Act, Cap. 171, as amended.
- 1.6 The industry regulated by the Commission has become more complex based upon new technologies, products and services, as have the issues that have come before the Commission. Consequently, the costs of fulfilling its duties have increased substantially. It is now necessary for the Commission to begin collecting the Industry Levy from each of the Licensees to fund the work of the Commission going forward. The Royalties collected in the past were used to support the work of the Commission. In the future, a portion of Royalties will be paid to the Government of the Virgin Islands.
- 1.7 The Commission intends to begin collecting the Industry Levy on 1 October 2016, for the financial year 2016/2017, following this consultation. The Commission does not intend to collect industry levies for prior years. The Commission gave notice to the Licensees on 23 February 2016 of its intent

to implement the Industry Levy for the Commission's 2016/2017 financial year.

- 1.8 The Commission has given the Licensees more than enough time to recoup their capital investment, pay their shareholders and other stakeholders in the industry. The Commission thanks the Licensees for the investment that they have made in the telecommunication industry of the BVI.

2. Legislation

- 2.1 Section 59 of the Act, sets the legislative framework enabling the imposition of the industry levy. The section states:

(1) Following a public consultation and within four weeks of the approval by the Minister responsible for finance under section 63, of its estimates in respect of a financial year, the Commission shall

a) set an industry levy for that financial year in accordance with subsection (2); and

b) assess the proportion of the industry levy to be paid by each licensee and authorization holder.

(2) The industry levy for a financial year shall be calculated by adding the net estimated expenditure of the Commission as set out in the estimates approved by the Minister responsible for finance and a contingency of ten percent of the net estimated expenditure, and by adjusting the sum of the net estimated expenditure and the contingency by

a) the addition of the deficit, if any, shown in the audited accounts of the Commission for the previous financial year; or

b) the subtraction of the surplus, if any, shown in the audited accounts of the Commission for the previous financial year.

(3) The amount assessed by the Commission on a licensee or an authorization holder shall be paid to the Commission within four weeks after receiving notification of the assessment.

(4) Without prejudice to any other enforcement action available to the Commission, a licensee or an authorization holder that does not pay an assessment made in accordance with this section is liable to pay

interest to the Commission at the rate of five percent annum or such other prescribed rate.

(5) The assessment and any interest payable under subsection (4) may be recovered by the Commission as a civil debt in summary proceedings.

(6) Monies received by the Commission by way of the industry levy shall be retained by the Commission for its own use, unless the Minister responsible for finance, with the approval of the Council, otherwise directs.

2.2 The obligation to pay the Industry Levy has been included in the licence agreement of each authorization holder, entitled *Licence for the Operation of a Telecommunication Network Providing Telecommunications Services in the British Virgin Islands*. The relevant article reads:

Article 5. Fees

(5.1) Payment of Industry Levy and Royalty Fees.

In consideration for the granting of this License and for the License to be effective, the license shall pay to the Commission (1) an annual Industry Levy (2) an annual Royalty fee in the amount three percent 3% of the gross revenue from services provided under this License collected by the Licensee, payable in US Dollars no later than 5 April of each year, commencing on 5 April, 2007. The Licensee may seek adjustment from the Commission in the following year for payment on gross revenue not collected by the Licensee during the prior year. Any such fee not so paid by the date due shall thereafter accrue interest at a rate equal to five percent (5%) per annum or such other prescribed rate.

3 Process for Implementation 2016 -2017

3.1 **Step 1:**

Approval of Commission Work Plan and Budget 2016/2017 by the Commission Board Members (Completed on May 30, 2016)

3.2 **Step 2:**

Notice of Consultation published at least 14 days prior to the Consultation (completed on June 2, 2016) and conduct a 28 day public consultation on the Work Plan and Budget 2016/2017 and introduction of the Industry Levy and publishing of responses received and reporting on the results of the Consultation.

3.3 **Step 3**

Approved Work Plan and Budget sent to the Minister responsible for finance to be approved by the House of Assembly.

3.4 **Step 4**

Assess the proportion of the Industry Levy to be paid by each licensee and authorization holder. Each licensee will be issued an invoice for the Industry Levy fee for which they have four weeks to pay the assessment.

Please note that for this first time implementation the Commission will not be adding or subtracting the previous financial years, because it is nine years delayed in its implementation.

4 Industry Levy Calculation 2016 - 2017

4.1 In exercising the power conferred on the Commission pursuant to Section 59 of the Act, the Industry Levy will be implemented following this Consultation.

4.2 Each authorization holder shall pay the appropriate industry levy fee to the Commission as specified in the paragraph below.

4.3 Generally, the computation of the regulatory industry levy applicable to a licensee in the telecommunication sector is calculated on the basis of the following formula (and shall be payable within four weeks presentation of invoice by the Commission):

Schedule of Regulatory Industry Levy Calculation

| | | | |
|--|--|--|--|
| Regulatory Industry Levy Formula | | | |
| $RF^a = Ra/Rt \cdot TB$ | | | |
| Where: | | | |
| RF^a = Annual Regulatory fee for company "A" | | | |
| R^a = Applicable revenues for Company "A" | | | |
| Rt = Total applicable revenue of all relevant companies | | | |
| TB = Total applicable budget for telecommunications activities | | | |

- 4.4 Section 59 (3) states that the amount assessed by the Commission on a licensee or an authorization holder shall be paid to the Commission within four weeks after receiving notification of the assessment.
- 4.5 For example, for a prior year of operation, with four telecommunication service providers in the BVI with Revenues as set out below:

Example Calculation of the Industry Levy Fee

| | |
|---|----------------------------------|
| Table 1 | |
| Licensees | Total Turnover (Revenues) |
| Company A | \$ 15,000,000.00 |
| Company B | \$ 20,000,000.00 |
| Company C | \$ 30,000,000.00 |
| Company D | \$ 550,000.00 |
| Total Applicable Revenues By All Operators | \$ 65,550,000.00 |

- 4.6 After the Commission's work plan and budget has been approved by the Minister responsible for finance, if the total approved budget expenditure for a year of operation is \$3,000,000.00, this amount will be prorated and invoiced among the four licensed service providers. See Table 2, for an example of this calculation:

| Table 2 | | | |
|---|----------------------------------|--|---|
| Licensees | Total Turnover (Revenues) | Total Applicable of Expenditure Budget of TRC | Total Industry Levy Due By Licensees |
| Company A | \$ 15,000,000.00 | \$3,000,000.00 | \$686,498.86 |
| Company B | \$ 20,000,000.00 | 3,000,000.00 | \$915,331.81 |
| Company C | \$ 30,000,000.00 | 3,000,000.00 | \$1,372,997.71 |
| Company D | \$ 550,000.00 | 3,000,000.00 | \$25,171.62 |
| Total Applicable Revenues By All Operators | \$ 65,550,000.00 | Total Expenditure Budget TRC | \$3,000,000.00 |

4.7 For additional clarity, if Company A's, Industry Levy charge is \$686,498.86; the formula calculation is as follows: (Total revenue of Company A / Total Applicable Revenue by all Operators) x Total Applicable Expenditure Budget of the Commission ((15,000,000/65,550,000) x 3,000,000).

PART III: 2016/2017 WORK PLAN

The Commission's objective for the Virgin Islands' telecommunications market is to ensure that it satisfies all reasonable demands for telecommunications services by promoting competition and encouraging investment.

Our critical projects for 2016 and 2017 are set out below.

1. Ensure optimal spectrum efficiency, so that this resource is used for the maximum benefit of consumers and enterprises.

- 1.1 The Commission consulted upon the Spectrum Award 2015. The final Invitation to Apply was published on August 18, 2015. The spectrum to be released based upon a competitive evaluation process, is 700 MHz, 1900 MHz and AWS-1 spectrum. These frequencies that we propose to award may be used by the successful operators to deliver high speed mobile broadband services to Virgin Islands citizens, consumers and enterprises, as well as to visitors to the Virgin Islands. The Spectrum Award 2015 was delayed as a result of litigation. The Commission has now restarted the Spectrum Award process (Spectrum Award 2016). The Commission expects the Spectrum Award 2016 to be completed before the end of the Commission's financial year.
- 1.2 Frequency Authorisations will be issued pursuant to the Spectrum Award 2016. There will be an annual fee payable by successful operators over the 15 years of each Frequency Authorisation granted in relation to the spectrum awarded. The fee reflects the costs of awarding and managing the spectrum. Frequency authorisations will also be issued to each of the operators for the period of their Unitary Licence reflecting their existing spectrum allocations and charging an annual fee that will cover the Commission's cost of monitoring and regulating their activities.
- 1.3 We will develop and implement a spectrum plan (or national frequency allocation table) as required by section 34 of the Act and prepare channel plans for bands allocated for mobile and fixed broadband access services. We will implement a fixed monitoring station.
- 1.4 We will continue to audit bands used by mobile and fixed broadband access services.
- 1.5 We expect to audit the use of allocated spectrum for efficiency and take action to re-farm spectrum as necessary in the interest of efficiency and develop a schedule for the award of future spectrum in the Virgin Islands in coordination with operators.

- 1.6 We will complete a thorough review of how the spectrum frequencies are being used in the Virgin Islands, regularise any incidence of non-compliance and issue frequency licences to each operator reflecting clearly what frequencies are assigned, as appropriate. This activity will include benchmarking and considering appropriate charges for spectrum usage.
- 1.7 We will assess availability of frequencies for TV services and consult on potential demand. If there is demand, we will assign frequencies for fixed and mobile TV services.
- 1.8 We will consider and determine licence exempt bands and prepare Regulations.
- 1.9 We will continue to monitor increasing interference from marine traffic and put in place appropriate notifications through working jointly with HM Customs, the Port Authority, Ship's Registry and Ship Agents to work to eliminate any harmful interference.
- 1.10 We will construct a fixed monitoring station at Sabbath Hill for monitoring of the use of radio spectrum in the BVI to ensure compliance with the Act.
- 1.11 We will consider a framework in which to consider applications to provide a broadcast satellite service and indicate to satellite operators our willingness to file orbital slot applications, as well as offer test and development licences.

2. Facilitate continued development of a first class integrated telecommunications Infrastructure that delivers choice, value and quality of service for consumers, enterprises and visitors to the Virgin Islands.

- 2.1 We plan to conduct a consumer satisfaction survey including quality of service, billing, customer services and the ability to switch provider. We will promote consumer awareness based upon the survey, as well as coordinate with the operators to address concerns that are raised by the survey. Implement a streamlined consumer complaints system including the possible introduction of a software based system.
- 2.2 We will conduct forums to promote citizen and consumer awareness of the safe use of the internet and promotion of privacy of personal data.
- 2.3 Meet with business users of telecommunications services in the Virgin Islands to identify telecommunications related issues which may be inhibiting their business as well as enhanced services that they may be seeking. Consider appropriate regulatory action to respond to their concerns. We will also liaise with operators to provide feedback and make enquiries based upon the information we gather.

- 2.4 Ensure that consumers and businesses are so far as possible protected from “bill shock” through a program of education and explore opportunities to reduce roaming and data charges.
- 2.5 Hold quarterly meetings with operators to allow them to brief the Commission on their businesses and issues that are of concern and for the Commission to make enquiries of the operators. We will work with the operators to establish an agreed information program to facilitate consumer awareness.
- 2.6 The Commission will celebrate its tenth anniversary in 2017 and will use this opportunity to educate citizens and consumer on the work of the Commission and the communications market generally.
- 2.7 We plan to consult upon and implement a new parts of the Telecommunications Code setting out Protection of Consumer Rights Requirements and Access to Emergency Services.
- 2.8 Conduct Commission visits to Islands throughout the BVI to meet consumers and understand local issues as well as educate consumers on their rights and how to complain if necessary.
- 2.9 Conduct a nation-wide fixed, mobile network and internet signal coverage and performance audit and validate the minimum population coverage for each fixed, mobile and ISP operator’s telecommunications network.
- 2.10 Consider whether to review and consult upon the implementation of a number portability system in the BVI.

3. Ensure compliance by each of the operators with the Act, the Telecommunications Code, their licences and any relevant directive or instruction given by the Commission.

- 3.1 Conduct a targeted compliance audit of each of the operators (**BVI Cable TV Limited, Cable & Wireless (BVI) Limited, Caribbean Cellular Telecommunications Limited and Digicel BVI Limited**) to review any areas of inefficient use of their licence and non-compliance and work with each operator to bring them into compliance as the Commission deems to be necessary, proportionate and appropriate.
- 3.2 Implement a compliance program which will be agreed by the operators by way of binding undertakings, and will be enforced by the Commission.
- 3.3 Consider whether to consult upon and implement guidelines which the Commission will consider when exercising its discretion in taking

enforcement action for any breach of the Act, any licence, the Regulations, the Telecommunications Code and any instructions issued by the Commission.

- 3.4 Enforce compliance with all rules and regulations in relation to broadcast radio usage and licences.
- 3.5 Support the Government in the development of legislation in relation to cyber security and cybercrime and its implementation. Consider how each of the operators is preparing for and implementing cyber security programmes for the benefit of consumers and businesses in the BVI.
- 3.6 We have now hired a Chief Legal Advisor, as well as an assistant legal advisor for the Commission, who will advise the Commission, assist in the compliance with and enforcement of the Act and attendant regulations, propose new legislation and regulations and regularly monitor and report on operator compliance.
- 3.7 In an effort to cut the significant outside professional fee costs incurred as a result of litigation, the Commission will be running an Invitation to Tender for a local law firm to provide any necessary external legal services to the Commission, as may be necessary from time to time to fulfil our duties.
- 3.8 We have also now hired a Chief Technology Officer to enhance the Commission's ability to monitor and enforce the Act as well as advising on new technologies and recommending action in relation to the Virgin Islands telecommunications infrastructure and services.

4. Reviewing the legislative framework and proposing the introduction of new or revised Telecommunications Codes and replacing historic legislation.

- 4.1 Review the Act and Telecommunications Code to update and improve the legislative framework and propose suitable changes, where necessary.
- 4.2 Review the Telecommunications Act and Amendment (CAP. 171) to update and incorporate historic legislation into the legislation as Codes. Specific priorities include (a) radio, ship, marine, aeronautical, amateur and broadcast licencing; and (b) the forms of licence required.
- 4.3 Prepare and consult upon a new part of the Telecommunications Code to cover Consumer Protection issues. Consider introducing a Code to facilitate number portability in the BVI.
- 4.4 Amend Part 5 of the Telecommunications Code in relation to the Granting of Frequency Authorisations (Interim Procedure) Requirement, 2011 to

provide a complete and up to date Code in relation to the granting of frequency authorisations.

- 4.5 Establish Equipment Type Approval framework for the BVI through a study and review of international best practice to ensure the safe for public use of telecommunications equipment.

5. Targeting economic regulation so that it is aimed at those areas where market forces alone are not sufficient to protect consumer and business interests.

- 5.1 Complete the second stage of our consultation on the retail and wholesale fixed broadband markets which focuses on the appropriate regulatory remedies to achieve better fixed broadband performance from the dominant supplier. Put in place measures to ensure quality of service is adequately measured and reported and, if necessary, regulation to remedy poor performance. Set up customer satisfaction reporting mechanism.
- 5.2 Set out a new Market Review Consultation Programme updating the 2010 Market Review with consideration of new markets following further consultation on the priority markets for future reviews.
- 5.3 Review markets for possible failures constraining the development of the sector or having a negative effect on consumer or business interests and set remedies to address identified market failure.
- 5.4 Consider with the Minister of Communications and Works whether to implement a Universal Service requirement in the BVI in accordance with section 28 of the Act.
- 5.5 Investigate matters raised by complainants and practices by operators that may breach the Act, their licences, the Telecommunications Code or which may be anti-competitive. Take appropriate enforcement action.
- 5.6 Hire a new Chief Economist to take forward the programme of work relating to market reviews and the implementation of policies and procedures to enhance fair competition.

6. Ensure that the Commission is adequately staffed and compensated and has the appropriate financing framework to fulfil its duties under the Act.

- 6.1 We are consulting on the implementation of the Industrial Levy this year to ensure that the Commission has adequate finances.

- 6.2 We will be following up on financial information recently delivered by the operators to evaluate whether additional royalty fees are due and taking enforcement action as necessary.
- 6.3 Internal and external staff training and development to ensure increased knowledge and awareness of the communications and technology sector as well as the responsibilities of the Commission.
- 6.4 Undertake third party review of the levels of Board and staff compensation to reflect industry standards and international best practice.
- 6.5 Lease additional premises to accommodate increased staffing and security requirements.

PART IV: Budget for the 2016/2017 Financial Year

| | FY 2016 Budget | FY 2017 Budget |
|--|---------------------|---------------------|
| Non-Executive Members Honoraria and Expenses | 40,800.00 | 40,800.00 |
| Executive Members Compensation | 993,962.21 | 1,102,431.72 |
| Staff Costs | 317,273.43 | 338,396.75 |
| Office Services | 176,176.49 | 192,400.44 |
| Professional Services | 859,251.00 | 1,325,200.00 |
| Conferences, Training and Travel | 127,173.46 | 200,863.23 |
| Rent and Utilities | 212,581.33 | 378,426.66 |
| Maintenance Expenses | 48,010.00 | 54,502.17 |
| Consumers Education and Public Relations | 48,000.00 | 48,000.00 |
| General and Administration | 134,546.00 | 149,689.24 |
| Special Project | - | 250,000.00 |
| Estimated Operating Expenditures | 2,957,773.92 | 4,080,710.21 |
| Contingency Amount. | - | 541,360.51 |
| Total Estimated Expenditures with Contingency | 2,957,773.92 | 4,622,070.72 |
| Capital Expenditure | 1,041,494.43 | 1,332,894.93 |