

REGULATORY AUTHORITY ACTIVITIES



APRIL 2014 TO MARCH 2015

TABLE OF CONTENTS

REGULATORY AUTHORITY ACTIVITIES.....	3
SPECTRUM	11
CONSUMER PROTECTION	14
CORPORATE DEVELOPMENTS AND INITIATIVES	21
WORKPLAN CHECKLIST: 2014 – 15 DEVELOPMENTS AND INITIATIVES.....	22

REGULATORY AUTHORITY ACTIVITIES

The 2014-15 workplan was consulted upon and approved by the Minister on January 21, 2014. The Regulatory Authority (the “Authority”) adopted a work plan that seeks to achieve the following five strategic priorities:

- Regulating an electronic communications environment that is capable of encouraging competition amongst Bermuda's existing providers, while also ensuring ease of entry for new businesses;
- Ensuring that electronic communications undertakings transparently provide value-for-money services to the public;
- Contributing to the ongoing discussion on regulatory matters at an international level at various forums such as the International Telecommunications Union (“ITU”);
- Encouraging innovation in the provision of electronic communication services via the continued evolution of the policy and regulatory environment; and
- Organisation building.

Within the last fiscal year, the following activities were carried out by the Authority and were aimed at promoting the aforementioned strategic priorities:

1) Institutional Capacity Building

The Authority has continued to employ and train qualified permanent staff; it has achieved this by using appropriate information technology, adopting transparent administrative procedures, preparing reasonable expense and revenue budgets, and imposing appropriate financial controls.

2) Staffing and Administrative Procedures

Including the Chief Executive (“CE”), the Authority’s full time staff remained at seven during 2014. In October 2014, the Authority’s CE resigned his position and was replaced by an interim CE until January 2015 when the new CE commenced his position. An increase in the number of senior management and staff is expected in the coming year to support ongoing resourcing needs.

3) Promotion of Sustainable Competition

The promotion of sustainable competition has a number of objectives, such as enhancing consumer welfare by implementing the Model Access and Interconnect Agreement (“MAIA”), eliminating artificial barriers to competition among Integrated Communications Operations Licence (“ICOL”) holders, requiring those with significant market power to implement effective ex-ante remedies, enforcing prohibitions against anti-competitive conduct, resolving interconnection and access disputes between providers, and enhancing the ability of users to switch providers.

4) Authority Adjudication Rules

In January 2013, after the Authority began operations, it published a set of administrative rules (the “Interim Administrative Rules”), which were adopted on an interim basis. The Interim Administrative Rules set forth rules relating to general administrative procedures undertaken by the Authority. At the time that the Interim Administrative Rules were published, the Authority expressly indicated that it would conduct a public consultation specifically related to the rules governing adjudications (the “Adjudication Rules”).

The Authority issued the Adjudication Rules Consultation in June 2014. The Adjudication Rules set out in Chapter 9 of the Interim Administrative Rules Determination were reproduced for the purposes of the Consultation. Subsequent to the Consultation, the Authority issued the Regulatory Authority (Adjudication Rules) General Determination 2014 in September 2014, which adapted the Interim Adjudication Rules to serve as the established procedures to be followed during an adjudication.

5) Bermuda CableVision HBO Decision

On May 27, 2014, Bermuda Cable Vision Limited (“BCV”) applied for a tariff increase for its Home Box Office, Inc. (“HBO”) service on the grounds that HBO, BCV’s supplier of HBO service, had retroactively implemented a price increase beginning January 2014. The Authority decided to (i) approve a retroactive price increase of 5% for 2014; and (ii) conditionally approve an annual 5% price increase for the provision of the HBO service until 2017, under the condition that BCV supply the Authority with official documentation outlining a required increase of 5% from HBO no later than December 1 of the year prior to that in which the increase will take place, or one month before the implementation of the price increase, whichever is earlier. Once the Authority has received an official notice, the increase would automatically be approved.

6) Local Access Charge (“LAC”)

Prior to the commencement of the Authority, Link Bermuda Limited (“Link”) submitted a complaint that the LAC should be reduced to reflect the current cost of long distance service to the Telecommunications Commission. Link argued that the LAC had not been reduced since 2006, while the price of long distance calls had fallen significantly. This would indicate that the LAC represented a larger portion of the cost of long distance in 2014 than in previous years. In addition, Link argued that the LAC should be reduced in order to facilitate alignment with common rates in jurisdictions of a similar size and economy. After the Authority’s commencement, the application was transferred to the Authority for resolution in accordance with Section 80(3) of the ECA.

In a Final Decision and Order dated May 19, 2014, the Authority concluded that the cost analysis provided by Bermuda Telephone Company Limited (“BTC”) depicted a fair account of the associated costs, and that a detailed cost study was not necessary at

that time. The Order approved the reduction of the LAC rate by \$0.003, for an LAC rate of \$0.027 per minute beginning April 1, 2015, based on the Authority's analysis of the cost information provided by BTC.

Additionally, the LAC shall have an annual decrease of \$0.0025 per minute for three years, beginning April 1, 2016 and ending on April 1, 2018, in line with the ongoing reduction of international settlement rates worldwide.

At the end of the four-year period, the Authority will conduct a detailed cost analysis, which will take into consideration the potential future changes of Bermuda's telecommunications industry in the calculation of the LAC rate. In terms of the LAC prices for the next four years, they are scheduled to decline by \$0.003 in April 2015, and by \$0.0025 per year for three years thereafter.

7) BTC MAIA Discount Order (the "Discount Order")

The Authority issued the Discount Order on April 3, 2014 to clarify the manner in which the 15% discount will apply to Leased Lines and Business Broad Band Services subject to the MAIA between BTC and any ICOL holder, particularly Link.

One particularly significant obligation placed on BTC by the General Determination regarding Obligations for Operators with Significant Market Power (the "Remedies GD") was the requirement that it enter into a MAIA with any ICOL holder which requests it, under terms that include a 15% discount on the retail price (the "Retail Minus Discount") for certain services.

The MAIA is a contract setting out the terms upon which an operator with Significant Market Power offers wholesale access and interconnection services to other operators.

One of the main areas of contention has been whether the 15% discount is sufficient, whether it should be applicable to Leased Lines and Business Broadband Services and, if so, to what extent the discount should be applied to these services.

The Discount Order sets out how the Retail Minus Discount will apply to particular services under various scenarios. After a review, the Authority addressed the application of the Retail Minus Discount to the offer of Leased Lines and Business Broadband services by BTC to any ICOL holder under its MAIA. The Authority concluded that the Retail Minus Discount will be applied in the manner set out in Annex 1 of the Discount Order in as far as various scenarios therein are relevant.

8) Consumer Protection

This objective involves protecting the interests of Bermuda consumers by ensuring that all end-users have access to electronic communications networks and services, implementing requirements that ensure transparency, protecting consumers from unfair or abusive practices, and resolving disputes between end users and service providers.

ICOL holders have specific obligations relating to consumer protection set forth in their license. The information required in service contracts as well as obligations concerning the addressing of complaints from customers, are both broadly covered by ICOL obligations. Additional consumer protection obligations were enacted in 2014, as set forth below.

9) Consumer Contracts

In May 2014, the Authority issued a Consumer Rights: Contracts Consultation (the “Contracts Consultation”). The purpose of the Contracts Consultation was to solicit public feedback on a proposed set of standards for the provision of Electronic Communications services (specifically fixed telephone, mobile telephone, Internet, long distance and pay television) to the Bermuda public. This Contracts Consultation was the first in a series of consultations on the issue of consumer rights with the ultimate goal being a comprehensive Consumer Rights Code of Practice that provides a stable and clear basis for the manner in which service providers engage the consumer in marketing practices.

The Contracts Consultation consisted of two parts. Part I proposed decisions relating to contracts between consumers and service providers. The decisions proposed within Part I were designed to (i) build upon the minimum standards for a consumer contract set out in the ICOLs held by service providers; and (ii) place consumers in the best position to make informed decisions of their own free will concerning their service providers while still balancing the convenience offered by some service providers for consumers to enter into contracts for services in an efficient manner.

Part II sought to address the top concerns raised by consumers with the Authority during the Authority’s first year in operation. The majority of complaints received were related to (i) the quality of broadband services; and (ii) unsolicited communications.

To address broadband service issues, the Authority proposed to enter into a constructive dialogue with consumers, internet service providers, the Office of Consumer Affairs and any other interested parties to develop a solution that benefits consumers in terms of responsiveness and speed and which addresses any other issues raised around the quality of broadband service.

The Authority additionally sought to offer a balance in the proposed solution to address the issue of unsolicited marketing via telephone, email and SMS messages. The Authority proposed that when consumers sign up for a new or upgraded service, service providers will be required to give them the opportunity to “opt in” to any marketing initiatives that use email, mobile or fixed telephone numbers for the purposes of offering promotions, deals or any other information prior to entering into an agreement. This is

in contrast to the common practice of “opting out” of receiving messages. Whenever consumers are contacted by any service provider for marketing purposes, they would have to give consumers the opportunity to unsubscribe from phone calls, text messages and emails and to have their telephone number placed on a “Do Not Call” register.

In October 2014, the Authority made the Regulatory Authority (Consumer Rights: Residential Contracts) General Determination (the “Consumer Contracts GD”). The Consumer Contracts GD set forth minimum terms and conditions for contracts for electronic communications services offered to the general public on a private residential basis for a fee. The Consumer Contracts GD required service providers to ensure that all new contracts were in compliance with the Consumer Contracts GD within 6 months of the effective date and all existing contracts were brought into compliance within 12 months of the effective date.

Broadband Quality of Service Working Group (the “Working Group”)

The Authority subsequently created the Working Group to address the broadband issues that were raised in the Contracts Consultation. The Working Group’s mission was to provide the Authority’s Board with input related to the development of an island-wide broadband framework. It achieved this by drafting a report containing recommendations for regulating, monitoring and enforcing broadband quality of service standards. The Working Group focused on the issues surrounding broadband services that were identified in the Contracts Consultation. In addition, it gathered data from other jurisdictions and regulatory bodies, with the goal of recommending solutions that would address Bermuda’s needs.

Consumer Perception Broadband and Mobile Surveys

To gauge consumer sentiment surrounding mobile and broadband service in Bermuda, the Authority commissioned public surveys and published the results in January and February 2015. Consumer responses gave the Authority a benchmark against which to measure the success of its work on behalf of consumers in the future. It is the Authority’s goal to ensure that consumer satisfaction and education regarding the telecommunications industry increases. The results of these surveys have already begun to form the basis of the Authority’s decisions for its 2015-16 work plan, which has an emphasis on consumer protection.

Pricing Portal

In February 2015, the Authority made the Regulatory Authority (Electronic Communications Price Comparison Website) General Determination 2015 (the “Pricing Portal GD”) to implement a first-of-its-kind measure on the island, a price comparison website. In August 2015, the Authority launched the web-based price comparison tool at PriceCheck.bm to assist consumers in identifying and comparing residential telecommunications services offered by Bermuda’s local service providers.

PriceCheck.bm combined all residential telecommunication services in one place, thus allowing consumers to have an objective view when comparing all the services offered by Bermuda's telecommunication companies before choosing the right service they require.

Telecommunications providers that offer residential services upload accurate pricing and service information onto the website on an ongoing basis to ensure that certain prices are being made available in the market place. The tool has proven to be successful, generating many visits during that period.

10) Efficient Use of Scarce Resources

This objective refers to ensuring that scarce resources, such as radio spectrum, are allocated and used efficiently. This is achieved by conducting investigations and, as necessary, requiring that inefficiently used resources be relinquished or shared.

Section 78 Transitional Spectrum Investigation

The Authority was required by Section 78 of the ECA to conduct a transitional investigation of the spectrum assignments granted to ICOL holders for the purpose of determining whether the assigned frequencies are being utilised efficiently to decide whether the Authority should renew, modify or decline to renew the existing transitional spectrum licenses, which were scheduled to expire on October 29, 2014. The ECA placed the burden of proof on the licensee to demonstrate a reasonable need for the spectrum assigned to it. If the ICOL holder fails to demonstrate a reasonable need for some or all of the assigned spectrum, the Authority may decline to renew the spectrum licence, or modify the spectrum licence reduce the amount of assigned spectrum, if the Authority concludes that such measures are necessary to ensure the efficient use of spectrum.

As part of an ongoing consultative process, the Authority published a non-confidential Draft Final Decision and Order in October 2014. Given the confidential nature of the data addressed in the investigation, the Authority determined that it was prudent to provide spectrum licensees with company-specific, confidential versions of the Authority's Draft Spectrum Efficiency and Usage Self-Assessments ("SEUSA") Analysis and Draft Final Decisions.

The Authority determined that it was reasonable to limit the scope of the investigation to "high value" spectrum assignments, where there was the greatest potential for demand to exceed supply and the most urgent need to ensure efficient spectrum assignments. Consistent with this approach, the Authority limited the investigation to the spectrum associated with Wireless Cable Spectrum Licenses, Commercial Mobile Radio Service Spectrum Licenses, and Fixed Wireless Access Spectrum Licenses. Excluded from the scope of the investigation were the spectrum assignments associated with Other Mobile Radio Service Spectrum Licences and Point-to-Point Microwave Spectrum Licences.

The Authority published separate Final Decisions for Bermuda Digital Broadband Ltd. (“BDB”), Bermuda Digital Communications Ltd. (trading as CellOne) (“CellOne”), Telecommunications (Bermuda & West Indies) Limited (trading as Digicel) (“Digicel”) and Quantum Communications Limited (“Quantum”) in December 2014. In their respective Final Decisions, the Authority determined that the spectrum licenses for BDB and Quantum that expired on October 29, 2014 shall not be renewed. The Authority also determined that the spectrum licenses for CellOne and Digicel will be modified to reduce their respective spectrum assignments, consistent with Section 78 of the ECA. As such, the Authority issued new, reduced assignment spectrum licenses to CellOne and Digicel on October 30, 2014, with a 10-year term ending on October 29, 2024. For the CellOne and Digicel spectrum blocks that were previously assigned but not renewed, each party was issued a temporary spectrum license with a 90-day term, which ended on January 27, 2015, to transition out of the spectrum.

Bermuda Digital Communications Limited v. Regulatory Authority

CellOne subsequently lodged an appeal against the Authority seeking a stay of the Authority’s decision to reduce CellOne’s authorized spectrum. In a decision, dated March 9, 2015, the Chief Justice refused CellOne’s application for a stay, finding that CellOne was not likely to prevail on the merits of its application.

World on Wireless Limited (“WOW”) Migration

Prior to the Authority’s enactment, the Department of Telecommunications (“DOT”) and WOW met to discuss migration out of certain bands of spectrum as part of the DOT’s review of spectrum assignments. WOW subsequently submitted a memorandum to the DOT discussing its potential position on migration. In May 2013, WOW sent the Authority a memorandum detailing its migration proposal (the “Migration Proposal”).

In a decision dated 31 March 2015, the Authority approved the Migration Proposal submitted by WOW. Pursuant to the Migration Proposal, WOW agreed to surrender its 700 Band Frequencies (698 – 806 MHz or Channels 52 – 69) so that they may be reallocated and reassigned for mobile communications. In exchange for surrendering these frequencies, WOW: (i) requested a new assignment in the 500 MHz band by the Authority, and (ii) compensation for reasonably incurred migration costs.

The Authority reconfirmed, in line with the DOT, that an important public interest will be served by clearing frequencies in the 700 MHz band for use by mobile communications services. Along with the 800 MHz spectrum band, the 700 MHz spectrum band was allocated to, and is now being commercialised worldwide for, mobile broadband use. The importance of both bands for mobile broadband stems both from the physical propagation characteristics of a spectrum below 1 GHz, and the commercialisation of these bands by equipment manufacturers for mobile use following the allocation of these bands for that purpose at the ITU level. This includes Region 2, which encompasses Bermuda.

The development of mobile Internet services and applications is a policy priority for the Government of Bermuda and the availability of a spectrum below 1 GHz, particularly in the 800 MHz and 700 MHz bands, is critical to that objective.

Following the Authority's review of WOW's Migration Proposal and responses to its Preliminary Consultation, the Authority approved WOW's Migration Proposal for WOW's migration out of the 700 Band Frequencies into the 500 Band Frequencies. The Authority also granted WOW a ten-year spectrum licence to reassign its use of the 600 Band Frequencies that it currently holds.

The Government of Bermuda separately agreed to compensate WOW for the reasonable costs incurred while migrating from the 700 Band Frequencies to the 500 Band Frequencies.

11)Barrie KeyTech Concentration Decision

In August 2014, the Authority issued a decision (the "Concentration Decision") approving of two proposed concentrations (the "Proposed Concentrations") between KeyTech Limited ("KeyTech"), BCV, Barrie OpCo Limited ("Barrie") and BTC. In July 2014, the Authority received notification of the Proposed Concentrations that (i) KeyTech proposed to acquire a controlling interest in BCV (the "BCV Investment"); and (ii) Barrie proposed to merge with BTC, with BTC surviving the merger as a wholly owned subsidiary of Barrie Holdings Limited (the "BTC Purchase"). The parties submitted that the BCV Investment and BTC Purchase were contingent on one another.

Under Section 87 of the RAA, the Authority is required to review certain transactions that result in the change of ownership and/or control of companies licensed by the Authority to offer electronic communications services. The Proposed Concentrations related to the change of control of BTC and BCV, both licensed by the Authority to offer electronic communications services.

After careful consideration, the Authority approved the Proposed Concentrations subject to (i) ministerial approval of the conditions set forth in Annex A and B of the Concentration Decision (the "Conditions"); (ii) ministerial consent to change of control of BCV and BTC's ICOL; and (iii) BTC and KeyTech complying with the applicable Conditions. The Conditions were designed to reduce the potential for the Proposed Concentrations to have adverse effects on competition.

SPECTRUM

Spectrum Efficiency Investigation

Following the Spectrum Efficiency and Usage Self-Assessments consultation, the Authority found that both CellOne and Digicel were using their Commercial Mobile Radio Service (“CMRS”) spectrum assignments inefficiently. In accordance with Section 78(b) of the ECA, both licences were modified to use a reduced amount of spectrum and given three months to cease using the noted spectrum.

In January 2015, both licensees completed the release of those frequencies that were deemed to be used in an inefficient manner, which gave the Authority the ability to reassign them to more efficient uses.

Spectrum Licences

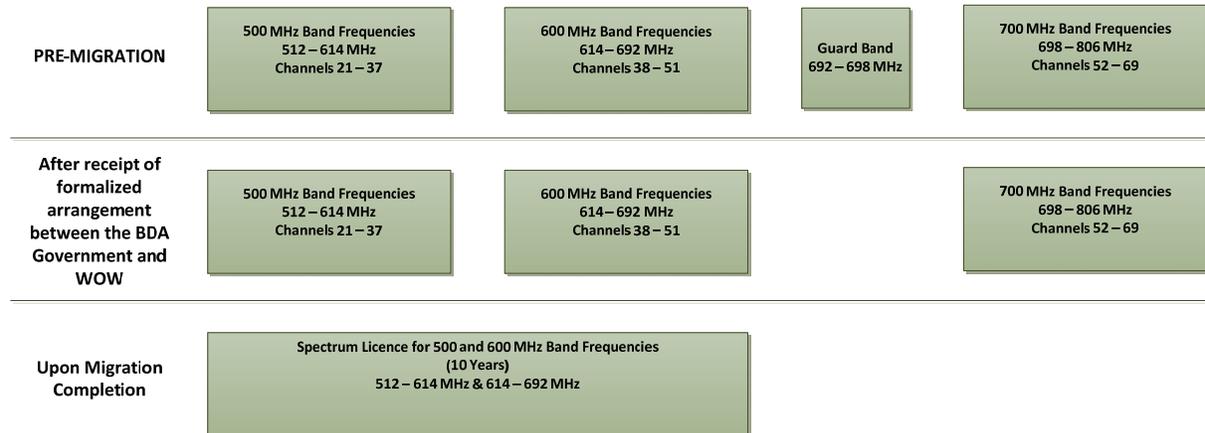
On October 29, 2014, all temporary spectrum licences were renewed for a further 10 years, with the exception of the licences that were modified in accordance with Section 78 of the ECA.

These Spectrum Licences that were issued to multiple ICOL holders comprised:

- CMRS
- Fixed Wireless Access
- Microwave Point-to-Point
- Other Mobile Radio Service.

700 MHz Migration

On March 2, 2015, the Authority released the WOW 700 MHz Spectrum Migration Proposal – Draft Final Decision and Order. This Final Decision and Order put in place the guidelines which WOW will follow when executing the Order. The basic steps of the WOW licence migration are set out below:



This process is due to be concluded by Q1 2016. WOW is on course to complete the migration by the date proposed in the Migration Order and Decision Milestone Plan, or shortly thereafter.

Ministry of Economic Development Spectrum Policy

With the support of the Authority, on September 22, 2014, the Minister responsible for telecommunications, Dr. the Hon. E. Grant Gibbons, JP, MP published his Spectrum Policy Statement (“the policy”) following the conclusion of a public consultation which commenced on January 31, 2014.

The purpose of the policy was to provide the spectrum management guidance for the Authority to implement going forward with respect to spectrum allocations, spectrum assignments, and spectrum-related fees. The concept of High Demand Spectrum (“HDS”) was also introduced.

High Demand Spectrum

It was concluded that the HDS approach put forth by the Authority should be implemented as a spectrum management policy going forward. As such, the Minister proposed that the Authority be required to define, through a General Determination, a set of frequencies where the potential for demand to exceed supply and the need to ensure efficient spectrum assignments are the greatest. The defined HDS may then be subjected to more stringent spectrum management procedures with respect to assignments and fees.

Spectrum Allocation

The ITU, *inter alia*, establishes the global framework for the use of radio frequencies (or spectrum) in the ITU Radio Regulations – a treaty ratified by the Member States of the ITU.

The Authority is guided by the policy regarding spectrum allocation; indeed, the Minister decided that it was in the best interest of Bermuda to continue to follow the Federal Communications Commission’s (“FCC”) frequency allocations and band plans as much as practicable so that Bermuda may benefit from the interoperability of, and all available economies of scale for, radio communications equipment. This approach is consistent with the ITU allocations for region 2, of which Bermuda is an affiliate.

Spectrum Assignment

In accordance with the policy, the Authority is to maintain the First Come First Served (“FCFS”) approach to spectrum assignment for non-HDS frequencies going forward. The Minister further decided that this methodology provides sufficient regulatory oversight for non-HDS frequencies.

Under the policy, the Minister also proposed the use of a comparative selection process where demand for the right to use a specific portion of the radio spectrum is expected to exceed supply. Under this comparative selection process (also referred to as a “beauty contest” or “administrative assignment”) the Authority would issue a Request for Applications. It would then evaluate applications for spectrum against a list of criteria. Clear advanced notice of the criteria to be used and the weightings to be applied to each criterion would be provided to improve the transparency and objectiveness of this comparative process.

Spectrum Fees

On December 18, 2014, the Bermuda Government made regulations to address the introduction of spectrum fees following the finalisation of the Ministry of Economic Development’s Spectrum Policy Statement in September 2014. These regulations are referred to as the Government Fees Amendment (NO. 4) Regulations 2014. The regulations set a positive reference rate for HDS spectrum at \$12,500/MHz.

The above-mentioned regulations are based on the Administered Incentive Pricing model (“AIP”), which sets goals to incentivise efficient use of spectrum for all HDS bands. This model utilised a base price set by the Minister for the reference band. From this, all other bands listed as HDS were weighted accordingly from more demand to less demand. See below:

HDS BAND NAME	FREQUENCY RANGE	HDS BAND SIZE	% OF REFERENCE RATE
700 MHz Band	698 to 806 MHz	108 MHz	100%
850 MHz Band	824 to 849 MHz 869 to 894 MHz	50 MHz	100%
1900 MHz Band	1850 to 1910 MHz 1930 to 1990 MHz	120 MHz	78%
2100 MHz Band (AWS-1)	1710 to 1755 MHz 2110 to 2155 MHz	90 MHz	39%
2100 MHz Band (AWS-3)	1690 to 1700 MHz 1700 to 1710 MHz 2155 to 2180 MHz 1755 to 1780 MHz	65 MHz	39%
2500 MHz Band	2496 to 2690 MHz	194 MHz	33%
3.500 GHz Band	3.300 to 3.700 GHz	400 MHz	3%

CONSUMER PROTECTION

1) Overview

The Authority continued its consumer protection, education and awareness strategy as part of its 2014-15 work plan. The Authority conducted two major consumer-related consultations during the year. These consultations were specifically designed around consumer complaints and legislation set out in the ECA. The consultations also became the first submissions in establishing a Consumer Code of Practice.

The Contracts Consultation focused on all service providers' terms and conditions, and various consumer-related issues. The Authority feels it is of paramount importance to ensure that, when considering whether or not to enter into a Contract, consumers are put in the position of having sufficient information about the products and service(s) they are seeking. These consumers must also be aware of the terms and conditions under which the products are being offered, so that they can make an informed decision before they enter into a contract.

The Authority proposed to develop a set of minimum standards that should be included in all contracts. These included presentation and format, details of contract, quality of service and automatic renewals. Other consumer-related topics consulted on were broadband quality of service and unsolicited communications.

The results of the broadband quality of service consultation determined that it was necessary to address broadband speeds and that it is in the public interest to find a solution that ensures that consumers get the service they are paying for, encourages transparency, and increases competition. A final decision was made to create a working group to develop recommendations to resolve some of these broadband concerns.

2) Consumer Perceptions of Residential Telecommunication Services

During December 2014 and January 2015, the Authority commissioned two surveys to capture customer perceptions amongst the Bermuda community when it came to satisfaction with service levels and areas of concern related to mobile and broadband services. This public survey defines consumer opinions on telecommunication service providers in Bermuda. Full detail on the two surveys are published on the Authority's website.

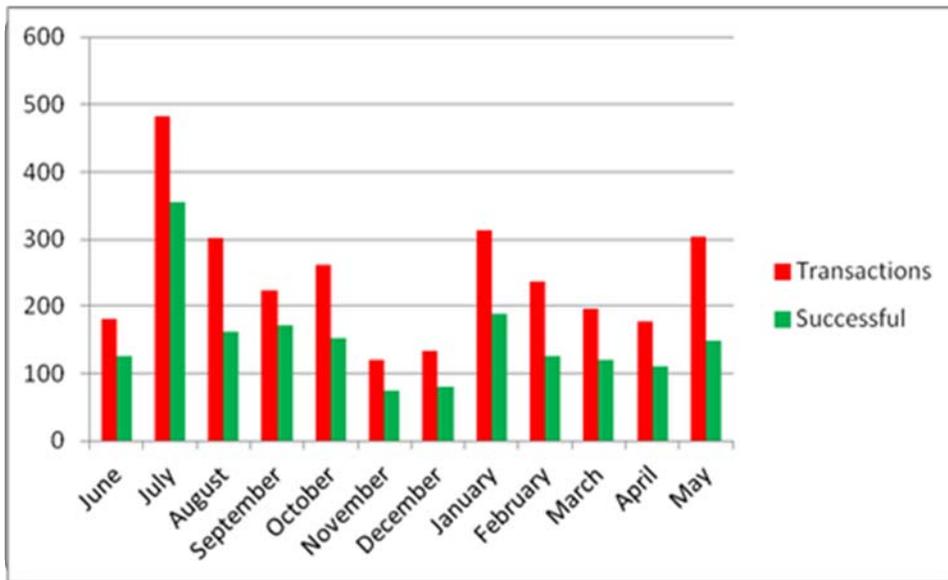
3) Local Number Portability

In April 2015, Fixed Number Portability came into effect to allow carriers to port residential numbers from each other. BTC initially opted to only port numbers out and subsequently changed its position to receive ports in. Fixed Number Portability resulted in new entrants and more movement amongst carriers relating to price.

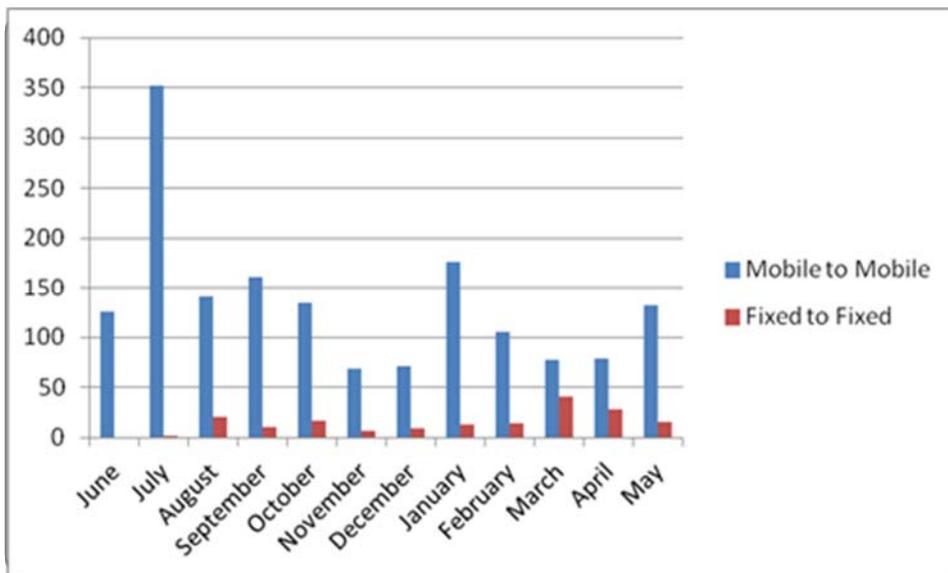
LNP Bermuda Statistics: June 2014 to May 2015

Local Number Portability (Fixed and Mobile) worked well during the period June 2014 to May 2015. Throughout this period there was a total of 1,811 successful portings with 2,932 attempted porting transactions.

The following graph shows the distribution of portings over the period.

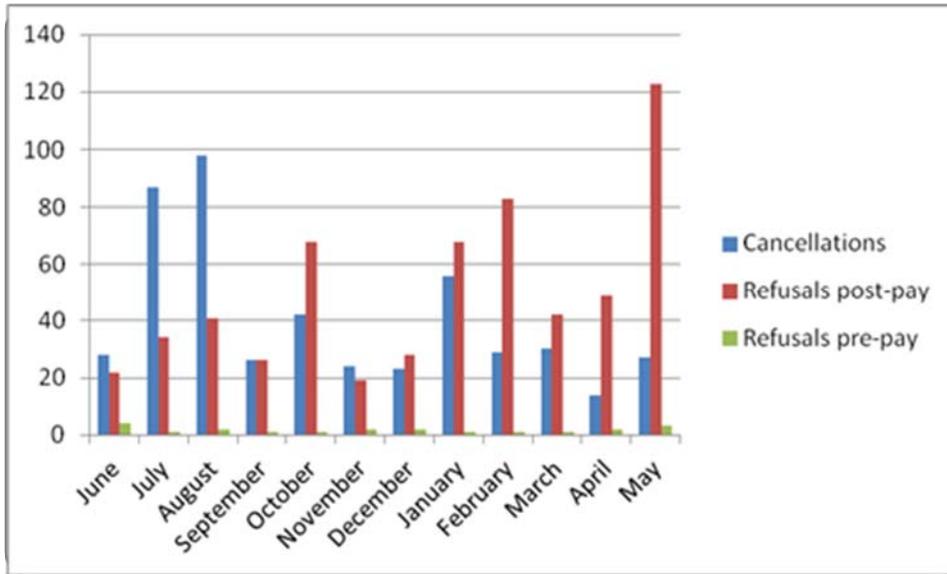


The graph below shows the number of mobile and fixed portings. There were also 2 mobile to fixed and 11 fixed to mobile portings, which are not shown.

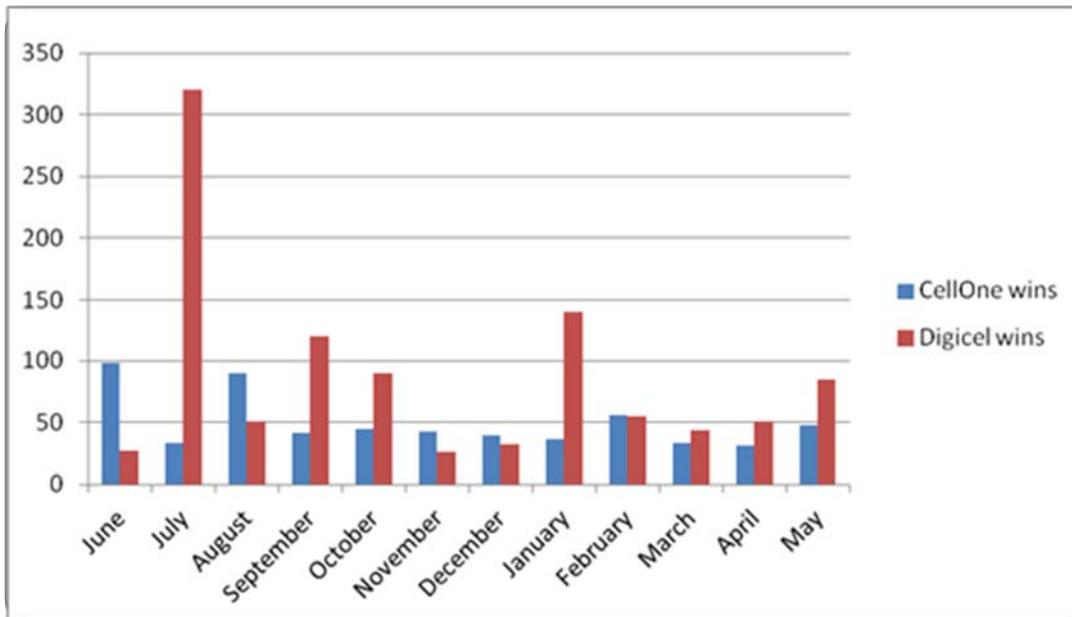


The proportion of porting requests not completed successfully was significant, at 38%.

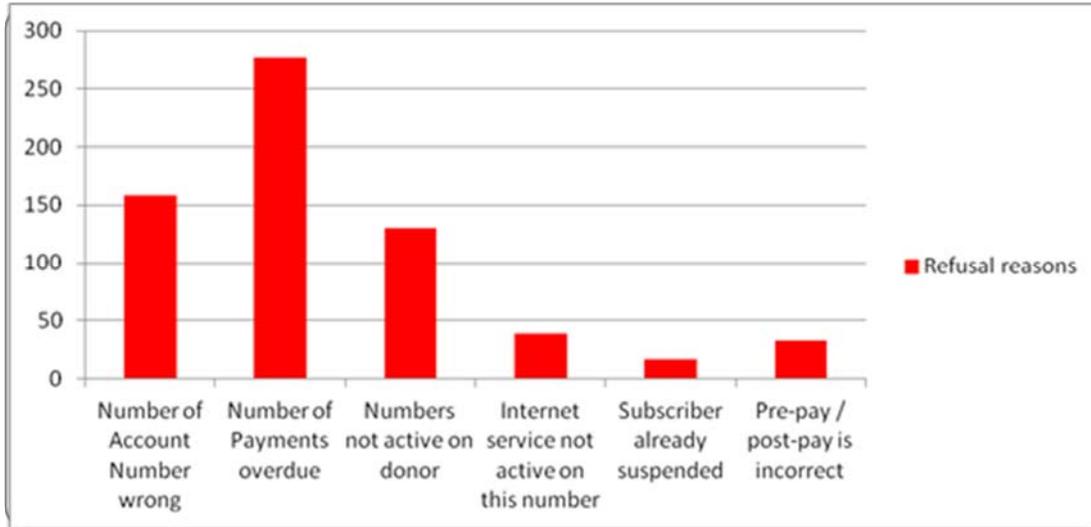
The following graph shows the breakdown of the unsuccessful transactions between refusals and cancellations. The rate of refusals for pre-pay is much lower than for post-pay.



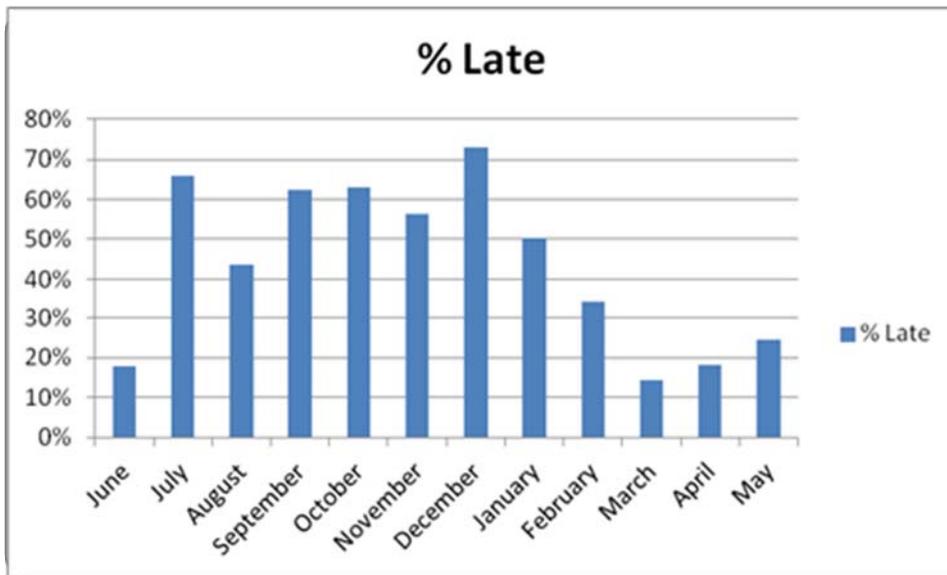
For the mobile portings, there were more portings to Digicel (1031) than there were to CellOne (591), as shown in the following graph.



The graph below shows the breakdown of refusal reasons, with overdue payments being the most common reason. For a small number of ports, more than one reason was given, and so the number of reasons exceeds the number of ports refused.



The porting specification places time limits on the donor operators when it comes to responding to porting requests from recipients. The following graph shows the approximate number of late responses (the figures are approximate because they do not take into account the public holidays). The figures show improvement in the last four months of the period.



4) Consumer Complaints

Authority Telecommunications Consumer Complaints: 2014-15

Consumer complaints have been on the rise since 2013 and are steadily increasing. Consumers are now buying more devices that require broadband services and are thus demanding a higher quality of service as technology changes. Over The Top services, Wi-Fi, gaming, telephone and other services are being used more increasingly, which puts further strain on the telecommunications infrastructure. The expectations from the consumer include good quality of service, friendly and helpful customer service, and value for money. These expectations are consistent with the varied complaints received by the Authority during this year and are also consistent with last year's statistics. From April 1, 2014 to March 31, 2015 the Authority received 40 investigated complaints compared to 28 in 2013-14.

Type of Complaints	
Broadband Speeds	17
Customer Service	6
Billing	7
Carrier Contracts	2
Other Telecom Related	8
Total	40

Consumer Affairs Telecommunications Complaints: 2014-15

The Consumer Affairs Bureau ("Consumer Affairs") has begun to pass telecommunication complaints on to the Authority, although several complaints were fielded by that department. For the year 2014-15, a total of 35 telecommunications complaints were received by Consumer Affairs. This was a slight decrease compared to 40 complaints in 2013-14.

Type of Complaints	
Billing	22
Service	9
Carrier Contracts	2
Customer Service	2
Total	35

These complaints from consumers will form the basis of consultations that will be conducted by the Authority. The purpose of the consultations is to solicit public feedback related to the provision of electronic communications services (specifically fixed telephone, mobile cellular phone, Internet, long distance, broadband services and pay television) to the Bermuda public. This series of consultations will ultimately form a comprehensive Consumer Rights Code of Practice that provides a stable and clear basis for service providers to engage in consumer and marketing practices.

5) Consumer Awareness

Per the Residential Broadband Survey, in 2014 there was an overall lack of awareness of the Authority. Just over a quarter of residents (27%) were aware of its existence. Of these residents, some feel that the purpose of the Authority should be to regulate and ensure the legality of telecom providers (29%) and protect consumers by ensuring the best services and rates (28%). From 2013 to present, the Authority has produced various education initiatives in the form of newspaper ads, fact sheets, pamphlets and radio interviews.

To increase its awareness, the Authority has engaged a marketing firm to help increase its visibility and to further highlight its purpose. As new consultations are initiated, a combination of marketing initiatives will be used to encourage increased involvement by the public, such as print media, radio interviews, social media, online survey, news articles, lunch and learns and town hall meetings, which will form the basis of the outreach plan.

7) Consumer Education

The promotion of consumer education and information is an important part of the Authority's priorities. As competition increases, the Authority has started to focus on effectively educating consumers on prevention and protection from misleading or intrusive practices by telecommunications providers in contracts, fees and marketing.

The proliferation of new markets, products, and services through the Internet and other technology creates the potential for gaps in consumer knowledge and understanding, and thus for the potential marketplace abuse of consumers. Moreover, the ever-increasing amount of marketing directed at young people and children means that starting consumer education at an early age is critical. Knowledgeable consumers can participate more fully and effectively in the marketplace.

The Authority believes that consumers need to be able to obtain good information about the services in order to make informed choices and get the best value for money. Consumers should also understand both their rights and responsibilities when entering into an agreement to purchase telecommunications services. The use of plain, understandable language is a key factor for consumers when it comes to making the most of a competitive marketplace. The more consumers know about their rights and

responsibilities, as well as about the goods and services they buy, the better they are able to protect themselves and make sound purchasing decisions.

The Authority collaborates with Consumer Affairs, the Chamber of Commerce and various carriers, to help educate the consumer. Collaborations focus on quality of service from carriers, how to measure compensation for no provisions of service, including information about lowering international roaming charges, and knowing the difference between an Internet service provider and access provider. These collaboration efforts help foster relationships between regulators, the Government and carriers, in order to better serve the public.

CORPORATE DEVELOPMENTS AND INITIATIVES

The following are the main corporate and ongoing activities undertaken by the Authority.

Human Resource Management

The Authority maintains its strong desire to provide opportunities for Bermudians to develop their skills and abilities in the telecommunications regulatory sector. It is proud to report that all employees, with the exception of the Chief Executive were Bermudian during 2014-15. The Authority will continue to review its needs in the area of human resources.

Performance Management/Training and Development

The Authority remains committed to training its employees and has provided both internal and overseas training opportunities to ensure that performance and organisational goals are in alignment. It will continue to work with local and overseas human resource specialists to develop training programs that are targeted at meeting the objectives set out in its work plans.

Information Management

The Authority will upgrade its information management system and processes during the next six months to improve the effective management of information within the Authority.

Website

The Authority's official website has been kept up to date with all the Decisions, Directions, Consultations, Orders and General Determinations made by the Authority. There are plans to upgrade the website within the next six months to improve the overall design and layout to assist users in finding information easier.

WORKPLAN CHECKLIST: 2014 – 15

Priority 1: *Regulating an electronic communications environment that is capable of encouraging competition amongst Bermuda's existing providers, while also ensuring ease of entry for new businesses.*

Activity	Target Outcome	Complete	Deferred	Comments
Review of wholesale network infrastructure access market (Market 21) - Identification and Analysis of Markets, Determination of Market Power and Setting of Remedies (special attention to NGA)	Consultation Report on Consultation Determination	X		
Review of wholesale broadband access markets (Markets 12 and 13) - Identification and Analysis of Markets, Determination of Market Power and Setting of Remedies (special attention to NGA)	Consultation Report on Consultation Determination		X	
Review of numbering charging structure and methodology	Consultation		X	The Authority concluded that the cost recovery option of administering numbers should not be exercised, at this time. The Authority will follow this matter closely and revisit at a later date.
Re-assignment of the rights of use of mobile spectrum, if necessary	Assignment process Assignment of licenses		X	WOW migration Decision and Order issued March 2, 2015, and the physical migration was completed on December 31, 2015.
Development of a Broadband policy in Bermuda	Policy Paper Consultation Report on Consultation Report to Government		X	
Monitoring LAC Developments	Monitoring of LAC and carrying out any necessary studies and actions		X	
Development of a framework to test and regulate the pricing of bundles	Consultation Report on Consultation Determination Implementation of Framework	X		

Legislative Changes to RAA and ECA	Monitor the effectiveness of the legislation and propose changes or new legislation If necessary		X	
------------------------------------	--	--	---	--

Priority 2: Ensuring that electronic communications undertakings transparently provide value-for-money services to the public.

Activity	Target Outcome	Complete	Deferred	Comments
Develop Universal Service Policy in Bermuda	Policy Paper Consultation Report on Consultation Report to Government		X	
Monitoring Quality of Broadband Service	Consultation Report on Consultation Determination Measurement/Publication of QoS report	X		
Establishment of a national plan for telecommunications infrastructures (towers)	Recommendations to Government			The Authority concluded that transfer of statutory oversight will be required and it is unclear that this will bring substantial benefit versus time and costs to implement.
Review of Consumer rights (Contracts)	Consultation Report on Consultation Determination	X		
Development of Price Comparison Website	Development of Price Comparison Website		X	General Determination was completed and signed on February 18, 2015 - Implementation June 2015
Conduct Consumer Perception Surveys	Commissioning of survey and publication of results	X		
Compilation of Electronic Communication Statistics	Consultation Report on Consultation Determination			Ongoing work
Monitoring number portability management	Ongoing monitoring			Ongoing work
Monitoring and development of guidelines on good consumer practices and prices of services	Ongoing monitoring			Ongoing work
Develop policy for ICOL Entrants	Policy Paper Consultation Report on Consultation Recommendation to Government		X	

Priority 3: *Contributing to the ongoing discussion on regulatory matters at an international level at various forums such as the ITU.*

Activity	Target Outcome	Complete	Deferred	Comments
Monitoring ITU regulations and directives	Ongoing monitoring			Ongoing work

Priority 4: *Encouraging innovation in the provision of electronic communication services via the continued evolution of the policy and regulatory environment.*

Activity	Target Outcome	Complete	Deferred	Comments
Forward-looking Technology Research with special emphasis on over the top players and their effects on regulation	Ongoing research			Ongoing work
Promotion of test and trial Pilot Projects to encourage new and innovative technologies and services	Ongoing promotion			Ongoing work

Priority 5: *Organisation building.*

Activity	Target Outcome	Complete	Deferred	Comments
Review of the Authority's website	Upgrade Authority's website to make it easier to use and find information easier		X	
Establishing an online payment portal for Radio Communications Equipment	Implementation of Online Payment portal		X	
Develop Internal Authority's Infrastructure	Enhancement of internal infrastructure with data management facilities			Ongoing work
Human Resources Development	Training Need Analysis			Ongoing work