



ANNUAL REPORT

**for the period
October 2004 to September 2005**

March 8th, 2006

National Telecommunications Regulatory Commission
Saint Lucia

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ABBREVIATIONS AND ACRONYMS

Commission	Saint Lucia National Telecommunications Regulatory Commission
Contracting States	St. Kitts & Nevis, Dominica, Saint Lucia, St. Vincent & the Grenadines, Grenada
ECTEL	Eastern Caribbean Telecommunications Authority
ECTEL Member States	St. Kitts & Nevis, Dominica, Saint Lucia, St. Vincent & the Grenadines, Grenada
Minister	Minister with responsibility for Telecommunications
MMS	Mobile Monitoring Station
NTRCs	National Telecommunications Regulatory Commissions in the ECTEL Member States
OECS	Organisation of Eastern Caribbean States
SMMS	Spectrum Monitoring and Management System
Treaty	Treaty Establishing the Eastern Caribbean Telecommunications Authority

EXECUTIVE SUMMARY

Within the period, October 2004 to September 2005, the Commission has continued to make progress with the institutional strengthening measures it had initiated during the last reporting period. It is in the process of finalising the Procedures Manual for the sector and it has also begun to develop other types of guidelines for the public. It therefore intends to continue those activities, and many of them are expected to be completed, or at least be in advanced stages, by the next Annual Report.

Within the sector there has been little growth in the number of telecommunications licences that have been issued, and concern has been expressed that the island's fledgling telecommunications market might already be showing signs of stagnation. Notwithstanding, the revenue collected as telecommunications licence fees and spectrum fees has increased significantly (over 200%) since the last reporting period, but with the announced purchase of Cingular Wireless's Caribbean operations by Digicel, it is not yet known how this might be affected.

The Commission approved the Price Cap Plan for Cable & Wireless (West Indies) Limited in Saint Lucia, but its implementation had to be pushed back due to the late publication of the Telecommunications (Retail Tariff) Regulations. The resulting delay may require the approved Plan to be revisited, so that it reflects the actual circumstances around its implementation and any accommodations that have had to be made in that regard.

There has been great focus on legislative reform by ECTEL. A number of new Regulations have been proposed and some existing Regulations are being revised. As of the writing of this report, ECTEL has forwarded its recommended drafts of the Dispute Resolution Regulations and the Fees Regulations, for publication by its Member States. It is expected that many of the other proposed Regulations shall be completed within 2006.

Finally, some of the new issues that will affect the sector and its regulation, especially in the medium-to-long term, are discussed. They include the implications of the proposed purchase of Cingular Wireless's Caribbean operations by Digicel, Voice over Internet Protocol; the CARICOM Single Market and Economy, and the new World Bank Telecommunications and ICT Development Project. For those issues and it is mentioned throughout this report, there are requests for more policy guidance, which would better inform the Commission of the country's position and imperatives, as they pertain to telecommunications.

1

NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

1.1 Constitution of the Commission

The constitution of the National Telecommunications Regulatory Commission has not changed since the last reporting year. The Commissioners thus are:

Mr. Eldon Mathurin (Chairman)

Mr. Thaddeus Antoine

Mr. Victor Eudoxie

Mr. Victor Ellis

Mr. J. Wendell Skeete

It should be noted that the term of appointment for the Commissioners shall end on October 21st, 2006. Thus, it is strongly recommended that arrangements to appoint Commissioners are made prior to that date, to facilitate a smooth transition to a new constitution of the Commission.

1.2 Diary of Key Events

The period October 2004 to September 2005 has had some noteworthy events, some of which will impact the telecommunications sector in Saint Lucia in the medium to long term. Some of the highlights of the year are given below and a **Diary of Key Events** for the period under review has been presented in Appendix A.

Approval of Price Cap Plan: Based on the Price Cap Implementation Agreement between Cable & Wireless (West Indies) Limited, the Contracting States and ECTEL, which was signed on July 30th, 2004, a Price Cap Plan was recommended to the Commission for its approval. The recommendation was subject to public comment and on November 16th, 2004, the Commission approved the Price Cap Plan for implementation in Saint Lucia.

Memorandum of Understanding: This agreement was signed between ECTEL and the NTRCs in the Contracting States for the management and use of the spectrum monitoring equipment and the mobile monitoring station, all of which remain the property of ECTEL.

Letter of Commitment for Numbering Administration: In that agreement the Commission agreed for ECTEL to act as its agent in interacting with external agencies to ensure that all numbers assigned are properly recorded and accessible by all telecommunications providers worldwide.

New World Bank Project: The Contracting States for the initial OECS Telecommunications Reform Project, have committed to a new World Bank Project for Telecommunications and ICT Development, which was approved on May 12th 2005, and is expected to end on December 31st, 2009. A fuller discourse on this activity is given in Section 9.4.

Telecommunications (Retail Tariff) Regulations: The publication of these Regulations was also a requirement of the above-mentioned Price Cap Implementation Agreement, and is a pivotal element for the implementation of a price cap regime, which would be based on the Commission-approved Price Cap Plan.

Proposed Purchase of Cingular Wireless's Caribbean Operations: The announcement that Digicel intended to purchase Cingular Wireless's Caribbean operations, which would include mobile/cellular telecommunications licensee Wireless Ventures (St. Lucia) Limited, essentially reduces the number of players in the mobile/cellular market from three to two, and may have long term implications for competition in that sector.

1.2.1 ECTEL/NTRC Consultative Forum

The Consultative Forum has been organised pursuant to a decision of the ECTEL Board of Directors, in which it was agreed that such a meeting would be held twice per year. The Forum would provide the NTRCs with an opportunity to meet to exchange views and discuss the development of major documents that are being prepared by the ECTEL Directorate. The two sessions for this 2005 were held in Saint Lucia on January 14th, 2005 and August 3rd - 4th, 2005.

1.2.2 World Telecommunications Day Symposium

The Commission was represented at this Symposium, which was held from May 16th to 18th, 2005. It was hosted by the Caribbean Telecommunications Union (CTU), on the theme,

Leveraging Information and Communications Technology for Global Competitive Advantage, in recognition of World Telecommunications Day, which focussed on ***Creating an Equitable Information Society for Action***. The Symposium was designed to be of interest to government officials, public servants, telecommunications regulators and representatives from the private sector, as reflected in the attached agenda. Consequently, the interest in and relevance of the presentations would vary, depending on an attendee's area of work.

Although the general focus of the event was supposed to be on Information and Communications Technology (ICT), three important messages emerged:

- (i) Voice over Internet Protocol (VoIP) has not been given any serious attention within the Caribbean, but its use and application are expected to explode by 2006-2007. However, from the United States of America's experience, there are no easy answers to issues and problems raised by VoIP, since legislators never envisaged technology advancements that would completely throw off-kilter the business and regulation of telecommunications.
- (ii) Regulatory certainty is the key to fostering competition (which seemed to endorse the efforts of the Commission to produce the Procedures Manual and the Framework for Amateur Radio Operations). The statement also suggests that regulators need to take consistent positions on issues, although it is understood that they might need to revise an initial position at a future date. However, it is believed that essential to achieving that state, regulators must be well-prepared, instead of the usual practice of rushing to address matters after they have become critical to the sector.
- (iii) Finally, the applications of recent technological developments are still taking shape and have not yet fully affected the industry. However, integral to those applications reaching the consumers and also ICT development, is the telecommunications platform. Although most of the infrastructure is owned by the incumbent network operators, it was observed that there was an assumption that the infrastructure was available, ready for use and could satisfy the needs of emerging technologies and applications. No attention was being paid to the continued maintenance and expansion of the infrastructure, but there seemed to be an assumption that this would be done.

2

THE SECRETARIAT

The staff complement of the Secretariat has remained at five during this reporting year. In anticipation of the extensive technical work that the Commission is required to undertake, concerted efforts were made to recruit a Technical Assistant, who would work with the organisation's Technical Officer.

2.1 Appointments

2.1.1 Position of Legal Officer/Secretary to the Commission

The contract for the Legal Officer/Secretary to the Commission, Shana Willie, has been extended by one additional year, and so shall end in August 2006.

2.1.2 Position of Technical Assistant

Effective from November 1st, 2005, Mr. E. Fabian Lewis will be appointed to the position of Technical Assistant, and will have the following main duties:

- (a) To schedule and undertake spectrum monitoring and management activities.
- (b) To assist in the administration of numbers allocations and assignments in Saint Lucia.
- (c) To investigate, report and advise on complaints or conduct investigations concerning allegations of breaches of the law, as it pertains to telecommunications.
- (d) To conduct inspections to ensure compliance with prescribed technical standards.
- (e) To prepare and submit regular reports to satisfy the advisory and investigative functions associated with the position.
- (f) To maintain and upkeep records arising out of the execution of the prescribed duties, such as those related to spectrum monitoring and management, numbering allocations and assignments, and investigation of complaints.

- (g) To review technical issues associated with evaluations that the Commission is required to conduct.
- (h) To perform such other related duties as may be assigned from time to time.

2.2 Organisational Chart

The Organisational Chart for the Commission, Figure 2.1, has not changed since the last report, since all positions shall be filled for the first time in November 2005, when the appointment of the Technical Assistant comes into effect. Moreover, the effectiveness of those positions with respect to the functions of the Commission can only be successfully assessed against the demands and needs of the sector, when all positions have been filled.

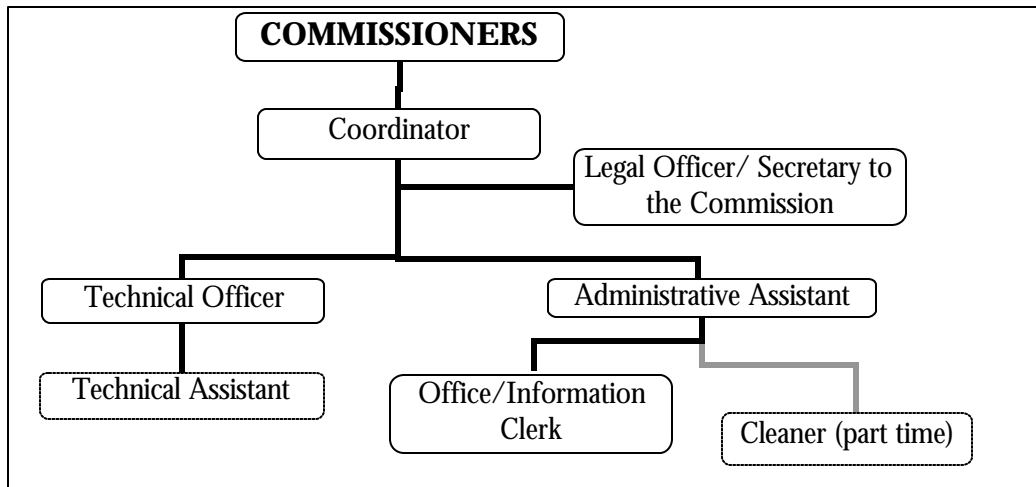


Figure 2.1: Organisational Chart of the National Telecommunications Regulatory Commission

However, it should be noted that the needs and expertise required by the Commission is increasing, as the sector continues to develop. Presently, although there might be deficiencies in the expertise available to the Commission, the demand is not regular enough to require full-time appointments. Consequently, consideration shall soon need to be given to establishing arrangements that would permit the Commission to have access to additional and pertinent expertise on a timely basis, and whenever the need arises.

2.3 Training & Professional Development

Within the reporting period efforts have been made to provide the staff of the Secretariat with avenues for professional development in the areas presented below.

2.3.1 Records and Information Management

One of the primary objectives for the period under review was to improve the management of information with the organisation. In an effort to achieve this outcome, the membership was secured for the Administrative Assistant and Office/Information Clerk in the International Association of Information Management (ARMA International), a not-for-profit association and recognised authority on managing paper and electronic records and information. ARMA International provides to access a wide range of resources, such as on-line courses, seminars, periodicals, dealing with various developments in records and information management, and their applicability to various types of organisations, including administrative bodies like the Commission.

2.3.2 Spectrum Monitoring and Management

The Technical Officer to the Commission was accepted by the United States Telecommunications Training Institute (USTTI) to participate in its Basic Spectrum Monitoring and Assessment course (M5-106), which was held from April 12th to 18th, 2005, in the United States of America. The course had a number of learning objectives, which included, obtaining a working understanding of:

- spectrum management techniques related to enforcement of national and international radio regulations, and apply them practically at a fully equipped monitoring position;
- signal recognition, and how the signals are received through correlation between available publications and observed/measured signal characteristics;
- how received signals are processed through receivers, monitors, oscilloscopes, DSP techniques, and spectrum analyzers to establish transmission parameters;
- how special engineering measurement equipment is applied against microwave, television, and satellite systems to understand the basis for their complex monitoring results;

- the complexities of modern monitoring, measuring and direction finding.¹

2.4 Proposed Move to Employment on a Permanent Basis and the Establishment of Pensionable Positions

At present, all employees of the Commission are appointed on fixed term contracts. Although this arrangement provides both employees and the Commission with some degree of flexibility, it inherently engenders instability within the organisation, since appointments are (from the outset) for a fixed term. In the future, the Commission would like to more fully establish its staffing, by being able to offer employment on a permanent basis in pensionable positions. In that regard, and notwithstanding that contribution to the National Insurance Corporation is mandatory, the Commission would like to establish its own superannuation system.

The Commission is about to engage in preliminary discussions with the requisite agents and authorities for guidance on setting up its own arrangements for superannuation. Although, timelines cannot yet be furnished, it is hoped that the scheme should on its way to being finalised by the end of 2006.

¹ USTTI Course Listing, <http://www.ustti.org>

3

UPDATE ON SYSTEMS & INSTITUTIONAL STRENGTHENING MEASURES

Since the last reporting year, significant progress has been made to implement the systems and to realise the institutional strengthening measures that were described in the Commission's last report. Of concern, however, is the area of policy development, which still has not evolved sufficiently to address the issues of the sector, and to provide much needed and timely guidance to the Commission.

3.1 Spectrum Monitoring and Management Systems (SMMS)

Since the last report, ECTEL and the Commission finalised and signed the Memorandum of Understanding (MoU), in respect of the Spectrum Monitoring and Management System, which although owned by ECTEL, is in the possession of and is expected to be used by the Commission. In anticipation of taking possession of the Mobile Monitoring Station (MMS), the Commission had a garage constructed to secure the vehicle.

The garage was completed in late August 2004, and with the expected appointment of a Technical Assistant, who would be responsible for driving the MMS, arrangements shall be made with ECTEL from transfer of the vehicle to the Commission. It is thus expected, that the Commission shall be in a position to actively begin comprehensive monitoring exercises from the beginning of 2006.

3.2 Policies

Within the third quarter of 2005, the Minister with responsibilities for Telecommunications sought to re-introduce regular meetings between the Ministry and the Commission. It is likely that the first of those meetings shall occur within the last quarter of the calendar year. Prior to that period, however, there had been minimal policy guidance, or regular and structured discussions on the same.

However, during the 2003-4 reporting year, the Commission sought to have the Ministry of Communications, Works, Transport & Public Utilities consider transitional arrangements that could be instituted to assist entities that had been licensed under the now repealed Wireless Telegraphy Ordinance to meet the requirements of the Telecommunications Act 2000. In the absence of any clear direction from the Ministry, but noting the contribution made by amateur radio operators after the passage of Hurricane Ivan in September 2004, which devastated Grenada, the Commission sought a no-objection response from the Minister in respect of undertaking a re-licensing exercise for amateur radio operators.

The exercise was launched on October 23rd, 2004. It invited amateur radio operators who had been licensed under the Wireless Ordinance to furnish their details, using the approved application form and to provide documentary evidence of the operation of the station as a licensed entity under the Wireless Telegraphy Ordinance, Ch.146, which has since been repealed. The exercise was initially had a deadline of February 28th, 2005, but it was extended to June 30th, 2005.

As of July 1st, 2005, amateur radio operators were required to meet the full requirements of the application process, namely completion of the application form in triplicate, payment of the application fee of EC\$25.00 and furnishing documentary evidence of the operation of your amateur radio station as a licensed entity under the Wireless Telegraphy Ordinance, Ch.146. A deadline date of December 30th, 2005 has been set for submission of applications under those conditions. In the future, the Commission intends to no longer accept evidence of having been licensed under the Wireless Telegraphy Ordinance, and applicants will be required to sit and pass the soon to be instituted amateur radio examinations.

In a similar regard, the Commission has launched re-licensing exercises for other types of telecommunications operations, such as Citizen Band Radio, Land Mobile Radio, Maritime Mobile Radio, with the intention of ensuring the that application, review and recommendation processes have been satisfied. More details have been furnished in section 11.1.1.

3.3 Procedures

3.3.1 Sector Procedures

With reference to procedures, as last reported, the Commission has been preparing a Procedures Manual, which it expects should provide some guidance to the sector, and which it hopes would better inform interested parties of the practices that the Commission intends to employ when addressing issues that are placed before it. The Procedures Manual has

been divided into modules, which, for the most part, have been structured around the existing Telecommunications Regulations. By selecting a modular format, it is expected that revision of existing modules and the creation of new modules, as the need arises, could be more easily undertaken.

On July 12th, 2005, the Commission invited comment on the following eight (8) modules, which were published as Consultation Document, LCD/JL05.004:

- Module 1:** General Information and Common Procedures
- Module 2:** Consultations
- Module 3:** Application and Licensing Processes
- Module 4:** Interconnection
- Module 5:** Terminal Equipment and Public Networks
- Module 6:** Private Telecommunications Networks
- Module 7:** Fees
- Module 8:** Spectrum Monitoring and Compliance Management

The closing date for comments was initially scheduled to for September 12th, but due to requests for an extension of time by ECTEL, the deadline date was pushed back to September 30th, 2005. Notwithstanding, the Commission intends to finalise the Manual and make it publicly available before the end of the year.

3.3.2 Office/Internal Procedures

As indicated in the last report, substantive work on documenting the internal procedures had been deferred, pending completion of the Procedures Manual. With the Procedures Manual in its final stages, work has resumed on the internal procedures, with the main areas of focus being the technical and administrative sections of the secretariat.

In many instances, internal procedures are required for activities associated with the day-to-day running of the office of the Commission, as well as for providing the requisite support that the Commission needs in order to meet its legal responsibilities as the regulator of the telecommunications sector.

3.4 Website Development

The creation of a new website for the Commission has been ongoing, and as last reported, it is being done primarily in-house. Due to the evolution of the sector, detailed information on sector issues, such as numbering, spectrum management, interconnection, equipment type approval, and tariffs and pricing, shall be presented. In addition, the website will include information pertinent to consumers, including telecommunications rates, Frequently Asked Questions (FAQs), the obligations of service providers and the responsibilities of consumers.

3.5 Discussion Forum

Since the last report, ECTEL has created a Discussion Forum on its website, which can be accessed at <http://www.ectel.int/forum>. The forum has been designed to permit public discussion among its registered users, as well as private discussions among the NTRCs or between the NTRCs and ECTEL.

3.6 Links with Other Agencies

The Commission has actively undertaken to establish links with a number of agencies with which there might be opportunities to collaborate. An update has been given in section 11.1.6.

4

FINANCIAL REVIEW

The financial condition of the Commission for the period October 2004 to September 2005 shall be presented in this section of the report. First, an overview of the income inflows and usage of the funds received by the Commission shall be given. Then, the Auditor's Financial Report is presented, followed by a general discussion on the expenditures, as recorded. Although the Commission has been able to keep its expenses within the limits of the disbursements made by ECTEL within the fiscal year, attention is drawn to the cap that has been placed on the budget of the Commission for 2006/7 to 2007/8, which may cause the organisation to be inadequately resourced for the responsibilities and tasks that it might be required to undertake.

4.1 Income Inflows and Usage

As last reported, the Commission had requested supplementary funds for ECTEL to cover a projected shortfall in funds of EC\$ 97,750. In October 2004, ECTEL disbursed an additional EC\$ 50,000.00 to assist the Commission to cover that deficit. With the receipt of those funds, the Commission was able to undertake construction of the garage to house the MMS, which was urgently required. For the other deferred activities, such as the preparation of an Office Procedures Manual, it was decided that it would be done in-house, and the implementation of a Public Education Campaign would be channelled through ECTEL's Regional Public Education Initiative, which it had planned to undertake during the period under review.

For the period October 1st, 2004 to September 30th, 2005, ECTEL disbursed EC\$ 725,028.00 to meet the Commission's projected budget of EC\$ 725,690.00. Although the projected amount is marginally different to that proposed for the 2003/4 fiscal year, the following factors had to be considered in respect of the allocations made:

- Increases in remuneration to staff members and provision for gratuity for all eligible staff members;
- More accurate projections of utilities expenses;

- Provision for legal fees associated with the appeal case against Cable & Wireless (West Indies) Limited;
- Provision for auto repair, fuel and maintenance of the MMS, when it is transferred to the Commission.

Within the 2004/5 financial year, the Commission undertook construction of the garage for the MMS, which had a cost of approximately EC\$ 58,000.00, which covered planning and engineering fees and all of the construction works. Savings were achieved in respect of legal fees, due to the end of the litigation, and the provision for auto repair, fuel and maintenance of MMS, since the vehicle was not transferred to the Commission during the period under review. These monies were put towards completion of the garage, the purchase of new reprographic equipment, and the purchase of property and equipment insurances for the organisation.

4.2 Financial Audit Report

The report of the independent auditors, G. Llewellyn Gill and Company, has been provided as Appendix B to this Report. Figure 4.1 below presents a comparison of the distribution of the Commission’s expenditure for the fiscal periods, October 2003 to September 2004, and October 2004 to September 2005.

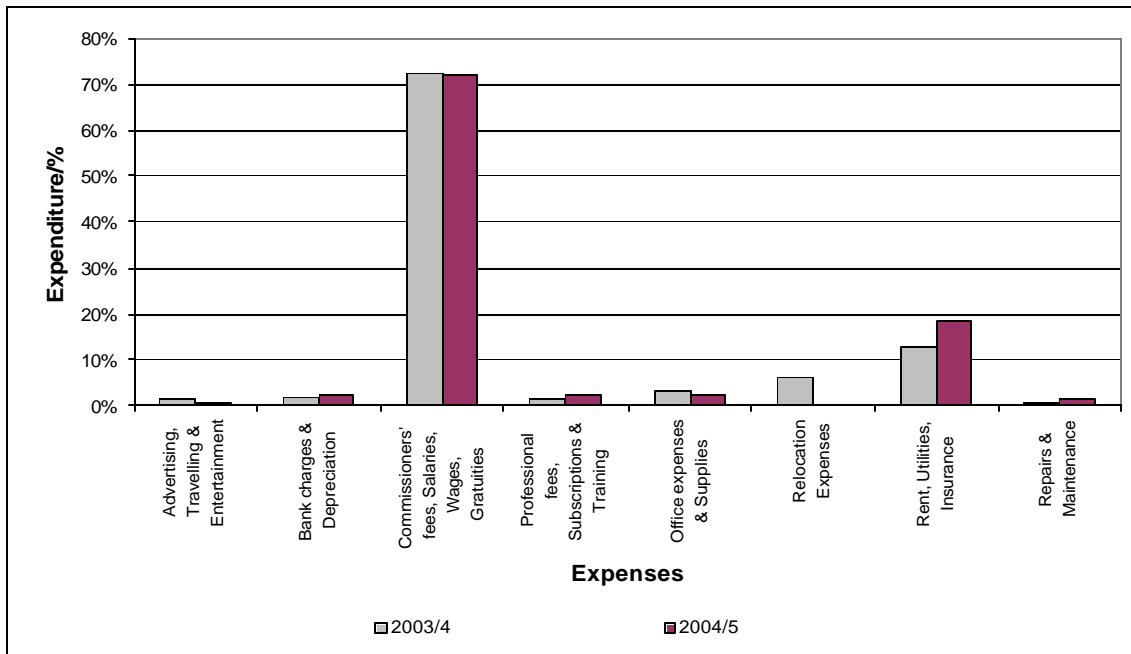


Figure 2.1: Distribution of Expenditures for the Fiscal Years 2003/4 and 2004/5

Generally it can be seen that there was very little percentage-change between the groups of expenditure for the two fiscal years. However, due to the nearly 50% increase in the Commission's budget for 2003/4, there was an increase in the dollar value of some expenses. For example, although the expenditure for the remuneration to staff and Commissioners fees accounted for 72% in both years, that expense increased by EC\$ 47,480.00 in 2004/5, which has been attributed to the increase in remuneration to the staff of the Commission, and most notably, the appointment of the Technical Officer.

Although utilities and rental charges increased drastically, from EC\$ 70,281 at the end of the 2004 fiscal year to EC\$ 103,935 in 2005, an increase of EC\$ 33,654, it should be noted that 2004/5 would have been the first full year for which the Commission would have paid the rent and utilities for its offices at Bois d'Orange.

4.3 Concerns on the Future Funding of the Commission

In October 2005, the ECTEL Directorate communicated that, due to the current levels at which revenue from spectrum fees has been fixed, its Council of Ministers had placed a cap on ECTEL's contribution to the operating budgets of the NTRCs, which would remain effective for the next two years, up to September 2008. Consequently, when the ECTEL Directorate or an NTRC wishes to exceed a line item, a corresponding decrease in another item must be proposed before approval can be granted.

Although the Commission appreciates the limitations in revenue from spectrum fees and the rigour that ought to be present when budgets are being prepared and approved, it is concerned that the proposed cap could be deleterious to the needs of the organisation and by extension, the sector.

5

TELECOMMUNICATIONS LICENCES

As indicated in Section 3.2, the Commission initiated a re-licensing exercise for amateur radio operators, which resulted in a number of positive recommendations being made to the Minister, in addition to other positive recommendations that were made for successful Individual and Class Licence applications. However, there has been only a marginal increase in the number of telecommunications licences that have been issued since the last Annual Report.

5.1 Licence Update

Within this reporting period, the Minister has granted two (2) telecommunications licences.

5.1.1 Licences Issued

Licence: The Landing of a Submarine Cable and the Establishment and Operation of a Submarine Cable Telecommunications Network and the Provision of Certain Telecommunications Services

Licensee	Date Issued
Antilles Crossing (St. Lucia) Limited	February 2 nd , 2005

Licence: The Establishment and Operation of a Private Telecommunications Network Services

Licensee	Date Issued
FINMAN Information Technology Unit	September 22 nd , 2004

5.1.2 Licences Transferred or Assigned

As of September 30th, 2005, no licences have been transferred or assigned.

5.1.3 Licences Modified

As of September 30th, 2005, no licences have been modified.

5.1.4 Licences Terminated

As of September 30th, 2005, no licences have been terminated

5.2 Review of Licensing Regime

As of September 30th, 2005, Saint Lucia has granted fourteen (14) telecommunications licences, twelve of which have been for the provision of telecommunications services to the public. However, of those twelve, only four businesses (and six (6) licences) can be confirmed as being in operation.

These figures paint a sobering image of the island's telecommunications sector, and the Commission is concerned that even before it has truly blossomed, the sector is already showing signs of contraction and more importantly, stagnation. Table 5.1 summarises by year, the number of licence applications that the Commission received, the number of applications for which positive recommendations were submitted to the Minister, and the number of licences that the Commission has on record as having been granted by the Minister.

	2001	2002	2003	2004	2005
No. of Licence Applications Received by the Commission	36	48	33	34	69
No. of Applications Closed with Positive Recommendations	26	12	16	18	42
No. of Licences Granted by Minister	3	2	6	2	1

Table 5.1: Status of Applications Received and Processed through the Commission

Although the table above includes both licences for the provision of telecommunications services to the public and telecommunications operations for the private use of the licensees, the number of licences granted is still small. It suggests that either (i) the Ministry does not efficiently process the recommendations received, and/or (ii) that the Minister is not prepared to grant licences to the applicants that have been positively recommended by ECTEL and/or the Commission. In sum, it would appear that although Saint Lucia's telecommunications market has been liberalised and permits open competition, there are still barriers to the entities being licensed even when they have been successfully evaluated.

5.2.1 Proposed Symposium for Telecommunications Investors

In view of the Commission's concern that the telecommunications market is not developing as expected, and as a means of increasing local participation in the sector, in the third quarter of 2005, the Commission embarked on preliminary discussions with the Saint Lucia National Development Corporation (NDC) to determine the possibility of the organisation co-ordinating a symposium on telecommunications, which it was hoped could be held during 2006. The event would be organised to inform prospective investors on the industry, key procedures and requirements, as well as to provide an opportunity for networking and general discussion.

Although the NDC expressed interest in the proposed activity, it indicated that it has been severely hampered by manpower limitations and so might not have enough resources to co-ordinate and mobilise such an initiative. As of the end of this reporting period, the agreed follow-up meetings have not yet taken place, and with the challenges facing that institution, the proposed initiative might not be realised.

6

TELECOMMUNICATIONS FEES

For the period, October 2004 to September 2005, the following fees were collected by the Government of Saint Lucia (GoSL) and by ECTEL.

Licence Fees (GoSL)	EC\$ 5,319,665
Spectrum Fees (ECTEL)	EC\$ 3,397,800
TOTAL	EC\$ 8,717,465

6.1 Telecommunications Licence Fees

The telecommunications licences fees collected by the Inland Revenue Department have increased over two-fold since the last reporting period, from approximately EC\$ 1.5 million. The source of this revenue has been primarily from the four main telecommunications operators, namely, Cable & Wireless (West Indies) Limited, Cable & Wireless Caribbean Cellular (St. Lucia) Limited, Digicel St. Lucia Limited and Wireless Ventures (St. Lucia) Limited, whose contribution is approximately 99.5% of the revenue received.

Year	2003/4	2004/5
Licence Fees (EC\$)	1,549,825	5,319,665
Change	-	? 243%

Table 6.1: Comparison of Telecommuunciations Licence Fees Collected by the Inland Revenue Department

It is important to note that several other entities have been licensed in Saint Lucia, and so are required to pay telecommunications licence fees which, from the records supplied by the Inland Revenue Department, have not been collected. There is thus a concern that the Inland Revenue Department may not have made the requisite effort to collect from those

licensees and has focussed almost exclusively on the main operators, for payment of telecommunications licence fees.

In transferring the responsibility for the collection of telecommunications licence fees to the Inland Revenue Department, an additional administrative body has been included to oversee compliance with the terms of licences, as it pertains to fees. Non-payment of fees constitutes a breach of a licence, which the Commission is responsible for overseeing. When breaches have been identified, sanctions, such as suspension and revocation of the licence, can be applied by the Minister, and these would usually be done upon the recommendation of the Commission.

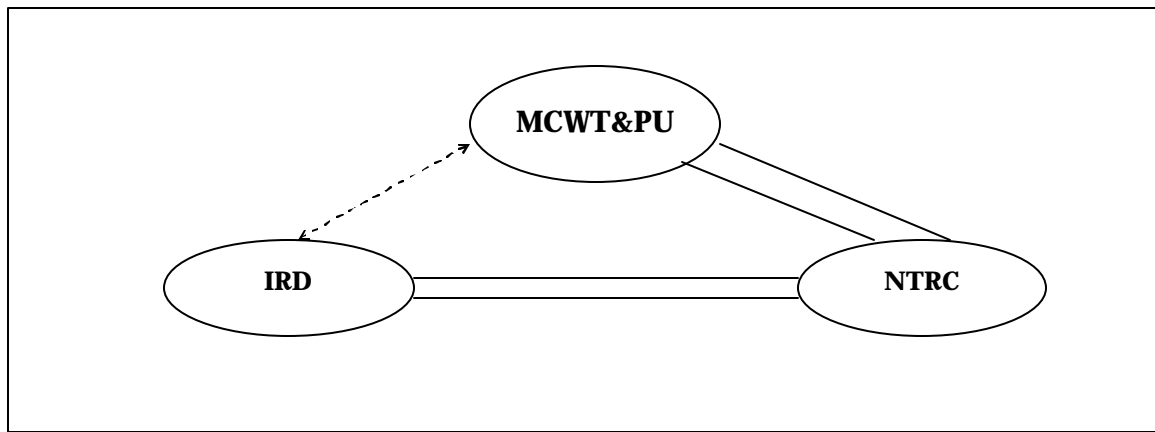


Figure 6.1: Linkages between the Inland Revenue Department, the Ministry of Communications, Works, Transport & Public Utilities and the Commission

As the agency responsible for the collection of telecommunications licence fees, it is expected that the system and processes established by the Inland Revenue Department should be able to have the following features:

- To accept and reflect multi-year payments of licence fees made in advance;
- To accept and reflect multiple one-off or short term payments of licence fees;
- To set up licensee accounts based on the anniversary date of a licence, as opposed to the licensee's fiscal year, or when payment of the initial licence fee is made²;
- To generate invoices based on the number and type of equipment that is being utilised;³

² The initial licence fee, which is stipulated for Individual and Type A Class Licences, is paid before the licence is issued by the Minister.

- To indicate or flag when fees are outstanding.

Although this is the second year since the Inland Revenue Department has collected telecommunications licence fees, the Commission is concerned that the agency might not yet be able to deal with all of the above requirements of the sector. Consequently, the Commission's ability to verify and ensure compliance of a critical condition of the licence is severely hampered.

6.2 Frequency Authorisation (Spectrum) Fees

The amount collected as spectrum fees in Saint Lucia increased by over 200% since the last reporting year. Table 6.3 presents the fees collected for the periods 2003 to 2004 and 2004 to 2005.

Year	2003/4	2004/5
Spectrum Fees (EC\$)	986,733	3,397,800
Change	-	? 244%

Table 6.2: Comparison of Telecommunications Spectrum Fees Collected by ECTEL

ECTEL collected EC\$ 10,669,513.00 in total as spectrum fees from its Member States, with Saint Lucia contributing approximately 32% to that sum. It should, however, be noted, that the spectrum fees collected by Saint Lucia includes amounts which had been billed during or in relation to the previous financial year, and so might not be repeated in subsequent periods.

³ For Type B Class Licences in particular, the licence fee payable would be dependent on the number and types of transceivers that a licensee possesses

TARIFFS & PRICING

7.1 Price Cap Regime

Within the last reporting period and in keeping with the terms and conditions agreed to by the signatories to the Price Cap Implementation Plan (PCIA)⁴, which was signed on Friday, July 30th, 2004, a schedule was established for the completion of identified tasks so that a price cap regime could be implemented for Cable & Wireless (West Indies) Limited. The PCIA earmarked December 1st, 2004 for the implementation of the approved price cap plan, but this date was subsequently pushed back to January 1st, 2005, since the parties had underestimated the time required to complete the prescribed tasks.

7.1.1 Publication of the Telecommunications (Retail Tariff) Regulations

The PCIA required that two consultation exercises be conducted. First, the Minister was required to hold a consultation on the proposed Telecommunications (Retail Tariff) Regulations, which would replace the Telecommunications (Tariff) Regulations 2002. That consultation ran for the period August 14th, 2004 to September 30th, 2004. While the draft Regulations might have been finalised soon after the consultation period, although not in time to meet the initial October 8th, 2004 deadline, the Telecommunications (Retail Tariff) Regulations were officially published on May 25th, 2005.

The aim of the Telecommunications (Retail Tariff) Regulations 2005 is to provide a more comprehensive framework to support an incentive-based pricing mechanism on telecommunications operators for the provision of services, especially those services that need to be regulated and have been designated as such. By its name, the Regulations focuses on retail tariffs, that is the rates and prices aimed at consumers. However, there has been a call for the preparation of *wholesale tariff regulations*, which will regulate the rates charged to other service providers, such as those that might wish to be re-sellers of telecommunications services.

⁴ The signatories to the PCIA were Cable & Wireless (West Indies) Limited, ECTEL and the ECTEL Member States

7.1.2 Approval of the Proposed Price Cap Plan

The second consultation was published by the Commission, in which it was required to review and consider the ***Recommendation of the Eastern Caribbean Telecommunications Authority (“ECTEL”) to Approve or Disapprove a Price Cap Plan for Cable & Wireless (West Indies) Limited (“C&W”) in Saint Lucia***, [LCD/AU04.003]. The consultation was launched on August 4th, 2004, but both Cable & Wireless (West Indies) Limited and ECTEL had requested an extension of time to respond to the views received. Thus, the deadline date by which the Commission would be required to issue a decision either approving or disapproving the Price Cap Plan was pushed back to November 16th, 2004.

In reviewing the comments received on the Consultation Document, and ECTEL’s and Cable & Wireless (West Indies) Limited’s response to those comments, the Commission sought to determine whether or not there were any compelling reasons why the contents of ECTEL’s recommendation of a Price Cap Plan for Cable & Wireless (West Indies) Limited could not to be implemented as proposed.

In its deliberations, the Commission focused on assessing the merit of the comments made on the Consultation Document and the responses provided by Cable & Wireless and ECTEL. Specific attention was thus given to:

- identifying any significant issues raised by the respondents that might not have been adequately addressed by ECTEL and/or by Cable & Wireless (West Indies) Limited, and finally
- deciding, in the event that there had been inadequate treatment of critical issues, whether the circumstances might be sufficient to persuade the Commission to not approve the proposed Price Cap Plan.

The Commission’s treatment of the views submitted and its decisions as to whether or not to approve or disapprove the proposed Price Cap Plan was published as a Determination Notice [LDN/NO04.001] on November 16th, 2004.

In reaching its decision, the Commission noted that ECTEL’s recommendation of the Price Cap Plan was as a result of negotiations between ECTEL and the incumbent operator Cable & Wireless (West Indies) Limited, in order to satisfy the requirement of implementing a price cap regime, which was initially stipulated in the May 20th, 2002 Agreement between CWWI and the Governments of the ECTEL Contracting States. It further noted that since the proposed Price Cap Plan was a negotiated document produced under a constraining time line, and the completion of which required compromise by both parties to the negotiations, it was recognized that the utilization of such an approach would, in some instances, appear

to be arbitrary. The Commission then proceeded to state some concerns that it had on the proposed Plan, which included the

- The rationale for determining the productivity offsets (X factor) and initial rates,
- The basket chosen for Internet Services,
- The need for procedures to be developed to monitor the quality of service factor,
- The provisions for inclusion of new services into the Price Cap Plan, and
- The need for procedures for future Price Cap Regimes and tariff applications,

However, based on the methodology adopted for the Commission's role in this consultation, and through its deliberations on the submissions before it, the Commission was of the view that the issues raised by the respondents had been adequately addressed by ECTEL and/or Cable & Wireless (West Indies) Limited. It therefore approved the proposed Price Cap Plan for Cable & Wireless (West Indies) Limited in Saint Lucia, as recommended by ECTEL.

7.1.3 Other Requirements for Implementation of the Price Cap Regime

With the approval of the proposed Price Cap Plan and the publication of the Telecommunications (Retail Tariff) Regulations, Cable & Wireless (West Indies) Limited had accepted that it was a *major supplier*, since it would be providing regulated services as listed in the Price Cap Plan. Consequently, and in keeping with r. 6(6) of the Regulations, the company would be required to submit the initial rates for the telecommunications services that would be regulated under the Price Cap Plan.

However, pursuant to the PCIA, ECTEL requested that the Commission grant an extension of time to Cable & Wireless (West Indies) Limited until September 30th, 2005, in which to file those initial rates. As of that date, which is the end of this reporting period, the filing had not been submitted, but there was a subsequent request from ECTEL for the Commission to grant a further extension to Cable & Wireless (West Indies) Limited to supply the initial rates, until Friday, November 18th, 2005.

7.1.4 Considerations on the Implementation of the Price Cap Regime

It was expected that the approved Price Cap Plan would be implemented from the revised date of January 1st, 2006. However, with the delay in promulgation of the Telecommunications (Retail Tariff) Regulations and Cable & Wireless (West Indies) Limited's submission of the initial rates for services to be regulated under Price Cap Plan,

the mechanism has not yet been implemented, as of the end of this reporting period. Upon review of the approved Price Cap Plan, the document appears dated in some respects and so could be revisited to clarify the state of the Plan, after almost a year's delay in its implementation.

Of significant note is the time frame of the Price Cap Plan. The document clearly states that the approved version of the Plan would be in operation for four years, from December 1st, 2004 to November 30th, 2008. However, since the Plan has not yet been implemented, as of September 30th, 2005, is it still expected to run for four years? Or will the November 30th 2008 deadline still hold, regardless of when the Plan is actually implemented?

Critical to the implementation of a Price Cap Regime is its time frame of operation, as it seeks to drive a service provider to realise efficiencies, since it would be subject to price regulation. Thus, if a relatively short period is selected, the market may not significantly benefit from efforts to regulate the prices of the service provider who would be subject to that regime, and so would be to the advantage of the service provider. Alternatively, if the period is relatively long, the service provider might be subject to onerous (and even unfair) requirements, especially when the market bears no resemblance to the circumstances that existed at the start point of the regime.

It should be noted that the Commission intends to communicate with ECTEL, as a signatory and one of the architects of the PCIA, for guidance on the above issues, and the way forward in respect of the Price Cap Plan.

7.2 Telecommunications Rates

The rates for telecommunications services in a liberalised telecommunications environment can be a useful indication of the vibrancy and competitiveness of the sector. In the following subsections, the current rates and pricing plans are presented and, when possible, they are compared with those from earlier periods. Generally, it should be observed that, except for ADSL internet service, there has been little change in the rates since last reported, even for mobile cellular telephone, which has had competition since 2003.

7.2.1 Fixed Line Telecommunications

The rates that are being paid for fixed line telecommunications services have changed since the last reporting period. In January 2005, and in keeping with the initial rates and pricing commitments approved in the Price Cap Plan, Cable & Wireless (West Indies) Limited

reduced telephone rates for fixed line-to-fixed line and fixed line-to-mobile local calls. Consumers also received 60 minutes per month of free fixed line-to-fixed line local calling on during night and weekend calling periods. Tables 7.1 and 7.2 thus illustrate how the rates have changed since the May 20th, 2002 Agreement, for fixed line-to-fixed line local calls and fixed line -to-mobile local calls, respectively.

	Fixed Line-to-Fixed Line Per Minute Charges (ECS)		
	Daytime	Evening	Weekend
January 2005	0.07	0.05	0.05
April 2003	0.09	0.08	0.06
November 2002	0.08	0.07	0.05
May 2002	0.09	0.08	0.06

Table 7.1: Charges for Fixed Line-to-Fixed Line Local Calls from May 2002 to Present

	Fixed Line-to-Mobile Per Minute Charges (ECS)		
	Daytime	Evening	Weekend
January 2005	0.76	0.75	0.71
April 2003	0.81	0.80	0.78
December 2002	0.68	0.67	0.65
November 2002	0.58	0.59	0.55
May 2002	0.81	0.80	0.79

Table 7.2: Charges for Fixed Line-to-Mobile Local Calls from May 2002 to Present

7.2.2 Mobile Cellular Telephony

Mobile/cellular telephony rates have not changed since Digicel St. Lucia Limited and Wireless Ventures (St. Lucia) Limited launched of operation in 2003. Table 7.3 presents the rates for pre-paid mobile/cellular service. The packages and rates available for post-paid mobile/cellular service have been included as Appendix C.

Operator	Pre-Paid Per Minute Charges/ECS		
	Peak	Off-peak	Weekend
<i>Outgoing Mobile-to-Mobile of Same Operator</i>			
C&W Caribbean Cellular	0.70	0.55	0.55
Digicel	0.75	0.65	0.50

Operator	Pre-Paid Per Minute Charges/EC\$		
	Peak	Off-peak	Weekend
Wireless Ventures	0.72	0.54	0.54
Outgoing Mobile-to-Fixed			
C&W Caribbean Cellular	0.84	0.75	0.75
Digicel	0.85	0.80	0.75
Wireless Ventures	0.90	0.72	0.72
Outgoing Mobile-to-Mobile of Another Operator			
C&W Caribbean Cellular	0.80	0.80	0.80
Digicel	0.85	0.80	0.75
Wireless Ventures	0.96	0.78	0.78

Table 7.3: Rates for Pre-Paid Mobile/Cellular Telecommunications Service

7.2.3 Internet Service

In respect of Internet Service, Cable & Wireless (West Indies) Limited is still the sole provider of that service in Saint Lucia. In recent months the company has been promoting its ADSL⁵ Service. It has increased the upload speeds, introduced new packages, and has reduced rates by up to 50% for some packages. On the other hand, there have been no changes in the rates or speeds for the dial-up internet access. Table 7.4 shows the rates for internet service packages that require use of a dial-up modem. Table 7.5 compares old and new ADSL packages, as of September 30th, 2005.

Dial-up Access	Monthly Charge (EC\$)	Free Internet Hours	
X10	\$ 35	10	\$ 4.00 per additional hour
X20	\$ 60	20	\$ 3.00 per additional hour
X30	\$ 80	30	\$ 2.00 per additional hour
X50	\$ 120	50	\$ 1.50 per additional hour
X-Unlimited	\$ 129	Unlimited	\$ 0.75 log-on fee

Table 7.1: Dial-up Internet Service Packages

⁵ ADSL – Asynchronous Digital Subscriber Line

ADSL Packages	Download/Upload Speeds (b/s)	Monthly Charge (EC\$)
XNet On Demand	256K / 128K	\$ 49⁶
XLite	128K / 64K	\$ 99
Ultra (old)	128K / 64 K	\$ 179
X256	256K / 128K	\$ 149
Select (old)	256K / 64K	\$ 249
X512	512K / 256K	\$ 199
Premium (old)	768K / 128K	\$ 599
X768	768K / 256K	\$ 299
Deluxe (old)	1544K / 256K	\$ 999
X5144	1544K / 512K	\$ 599

Table 7.2: Comparison of ADSL Internet Service Packages

It should be noted that the XNet On Demand service is a market trial, which was launched on August 29th, 2005 and which is scheduled to end on November 29th, 2005. Unlike all other ADSL service packages, which provide unlimited access for the listed monthly rate, the monthly charge for the XNet On Demand service covers internet access for twelve (12) hours only. For each additional hour of use, a charge of EC\$ 5.00 is levied.

7.3 Commission's Appeal Case against Cable & Wireless

As last reported, the Commission had to decide, with the signing of the **Price Cap Implementation Agreement**, whether or not there was a need to continue with its appeal against the decision given in the case, *Cable & Wireless (West Indies) Limited vs. National Telecommunications Regulatory Commission (2003)*. After much deliberation, the Commission took the position that it would no longer pursue the appeal, since the Agreement introduced drastic changes to the regulation of tariffs and pricing and so made many of the arguments for the appeal moot. In return, it was agreed that each party to the case would bear its own costs in respect of the appeal.

⁶ Monthly rate is for 12 hours use.

8

LEGISLATIVE REVIEW

Within this reporting year, ECTEL has begun to undertake an extensive review of the legislation, for which there have already been a number of consultations. The focus has been on Regulations, although it has been noted that the parent document, the Telecommunications Act, also requires extensive review and amendment. With the exception of the Dispute Resolution Regulations, versions of the other listed Regulations are in operation. Consequently, it is expected that the revised versions have addressed deficiencies that have been identified in the current Regulations.

8.1 Dispute Resolution Regulations

The main purpose of the draft Telecommunications (Dispute Resolution) Regulations is to provide a comprehensive procedure for resolving of disputes in the telecommunications sector. The proposed Regulations would apply to all disputes concerning the provision of telecommunications facilities and services, and would also include complaints initiated by –

- (a) subscribers and other members of the public against a telecommunications provider,
- (b) a licensee against another licensee,
- (c) parties using frequencies authorization, and
- (d) one contracting state against another.

The draft Regulations also provide a framework for the application of Alternative Dispute Resolution (ADR) mechanisms, such as mediation, conciliation and arbitration. ADR methods are being promoted worldwide because they can avoid the delay, expense, formalities and complexity of a tribunal hearing or court proceedings, and so could be to the mutual benefit of all parties

ECTEL held a national consultation on the draft Regulations, in August 2004. From the Commission's records, the final draft of the Regulations as recommended by ECTEL was forwarded to the Ministries with responsibility for Telecommunications in May 2005, for publication in the national Gazettes.

8.2 Fees Regulations

A revised version of the Telecommunications (Fees) Regulations has been prepared which would integrate the *Telecommunications (Fees) Regulations 2002* and the *Telecommunications (Frequency Fees) (Collection Mechanism) Regulations 2003*. The revised Regulations sought also to address the following shortcomings, primarily pertaining to the billing and collection of spectrum fees:

- (i) There was no established basis for billing of assigned frequencies, rather than frequencies in use;
- (ii) The current Regulations do not explicitly require fees to be paid upon the grant of all frequencies;
- (iii) There is no definition of 'links', notably microwave links, and determining when a link has actually been established, which has had a deleterious effect on spectrum revenue collection;
- (iv) There is no standardised billing period.

The proposed Regulations were subjected to national consultation from October 12th, 2004 to January 14th, 2005. The approved and recommended version from ECTEL was forwarded to the Permanent Secretaries in the Ministries of Telecommunications in July 2005, for onward transmission to Cabinet for its consideration and for the official publication of new Telecommunications (Fees) Regulations. From the Commission's records, as of September 30th, the new Regulations have not been published.

8.2.1 Unique Considerations for Saint Lucia on the Proposed Fees Regulations

ECTEL's recommended version of the Telecommunications (Fees) Regulations should be considered a model document, which has been supplied to its Member States for consideration and publication. In Saint Lucia's case, the Regulations as drafted do not include the unique circumstances that exist, specifically the collection of telecommunications licence fees by the Inland Revenue Department, instead of the Commission, as obtains in the other jurisdictions. Thus, the requisite amendments would need to be made, prior to publication.

8.3 Licensing and Authorisation Regulations

ECTEL has been revising the Telecommunications (Licensing and Authorisation) Regulations 2002, with the hope of addressing the following deficiencies:

- To more clearly describe Individual and Class Licences, and when Frequency Authorisation would be required;
- To streamline the time frames for the application and licensing process;
- To establish procedures for the transfer of licences;
- To establish procedures for the enforcement of the licence;
- To more comprehensively revise the requisite application forms for the provision of telecommunications service and/or the establishment of telecommunications operations.

The proposed Regulations have, so far, been subjected to two sets of consultations that have been limited to Attorney Generals' Chambers, Ministries with responsibility for Telecommunications and the NTRCs, the last of which is scheduled to end on November 9th, 2005. It is expected that soon thereafter, ECTEL shall request that a national consultation be held, with the hope that its final recommendation to the Member States could be furnished in 2006.

8.4 Spectrum Management Regulations

The key purpose of the revisions proposed for the Telecommunications (Spectrum Management) Regulations 2002, has been to more consistently articulate the Commission's jurisdiction and responsibility for regulating spectrum management vis-à-vis that of ECTEL. In most respects, the Commission would be explicitly required to inform ECTEL of spectrum use, be advised by ECTEL, and importantly be seen to make its own decisions, as might be necessary. In addition, the revisions elaborate on some of the areas of the existing Regulations. For example, an attempt has been made to produce a more comprehensive guidance for instances of harmful interference.

In similar regard as the draft Telecommunications (Licensing and Authorisation) Regulations, the proposed Telecommunications (Spectrum Management) Regulations have, so far, been subjected to two sets of consultations that have been limited to Attorney Generals' Chambers, Ministries with responsibility for Telecommunications and the NTRCs, the last of which is scheduled to end on November 9th, 2005. It is expected that soon

thereafter, ECTEL shall request that a national consultation be held, with the hope that its final recommendation to the Member States could be furnished in 2006.

8.5 Other Proposed Regulations

In addition to the draft regulations described above, ECTEL has been working on other legal instruments, which may not yet be advanced enough for national input. Within the next calendar year, it is likely that those regulations, shall be receiving a great deal more attention, and shall hopefully be finalised by the end of the 2005-2006 reporting period.

8.5.1 Quality of Service

The telecommunications sector in Saint Lucia is in dire need of standards for the provision of service: (i) from telecommunications service providers to consumers, and (ii) between service providers. Although most of the telecommunications licences that have been issued so far have included quality of service parameters, it has been recognised that they are inadequate in terms of breadth and content.

In preparing regulations that address quality of service, it might be possible to establish a more comprehensive set of factors and limits, to introduce more detailed mechanisms for dealing with inadequate performance or breaches of those limits, as well as to regularly revise quality of service parameters.

8.5.2 Equipment Type Approval

Provisions pertaining to equipment type approval are contained in the Telecommunications (Terminal Equipment and Public Network) Regulations, 2002. In addition to establishing a process of granting equipment type approval, those regulations also very briefly prescribe the need for technical standards, the registration of dealers and suppliers of terminal equipment and the registration of persons undertaking the wiring of customer premises.

From early versions of the proposed regulations, it is likely that additional processes for equipment compliance would be included, such as through declarations of conformity issued by manufacturers. At this time, however, it is not known whether the other above-stated areas that are also part of the existing Telecommunications (Terminal Equipment and Public Network) Regulations, will also be included in the updated Regulations.

8.5.3 Universal Service

Universal service is an important topic in the telecommunications sector, which has not yet been substantively addressed in Saint Lucia. In its most basic form, Universal Service is defined as ensuring that every individual within a country has basic telephone service available at an affordable price. However, the concept varies, from country to country, from having a telephone in every home and business, in the wealthier countries, to ensuring that most inhabitants are within a certain distance or time away from a public telephone, in developing countries⁷. Each country must thus define Universal Service in terms of its circumstances and environment, and must develop the appropriate policies and framework to realise the identified objectives.

Saint Lucia is a signatory to a new World Bank Project on Telecommunications and ICT Development, which has Universal Access as one of the four components that would be addressed under that project. Universal Access is a derivative of Universal Service and the terms are often used interchangeably. Notwithstanding, Universal Access generally refers to a situation where every person has a reasonable means of access to a publicly available telephone, and/or telecommunications services. The Project Information Document states that the objective of the Universal Access component “... is to review current Universal Access policy, create related guidelines and provide financial support to establish a Universal Access Fund”.

Creation of guidelines for Universal Access shall require the drafting of Regulations. However, as earlier stated, policy, particularly national policy, is required to inform any future initiatives in that area.

⁷ World Trade Organisation’s definition for Universal Service,
http://www.wto.org/english/tratop_e/serv_e/telecom_e/tel12_e.htm

9

OTHER SECTOR ISSUES

Within the reporting period the issues discussed below have begun to gain prominence, and potentially shall affect the telecommunications sector in the medium and long terms. Some of these issues may also necessitate a review of telecommunications regulation in Saint Lucia, due to the application of technology, and the shift towards regional integration becomes more established.

9.1 Proposed Purchase of Cingular Wireless's Caribbean Operations by Digicel

In June of this year, it was announced that the mobile telecommunications company, Digicel Limited, which owns and operates Digicel St. Lucia Limited intended to purchase the Caribbean operations of Cingular Wireless II, LLC ("Cingular"), which owns and operates Wireless Ventures (St. Lucia) Limited. In mid to late 2004, Cingular purchased the entire operation of AT&T Wireless Services, which also included the local subsidiary, Wireless Ventures (St. Lucia) Limited. The regulatory machinery was advised that Wireless Ventures (St. Lucia) Limited would still remain the holder of the company's telecommunications licence, but it would trade under the name, Cingular Wireless. As a result, the Commission's records still reflect Wireless Ventures (St. Lucia) Limited as the registered licence holder, and all formal communication to the company is still addressed as such.

Digicel Limited's purchase of Cingular's Caribbean operations, and the completion of the *Stock Purchase Agreement*, was predicated on the company receiving regulatory consent, which was given by the Minister in August/September 2005. As of September 30th, the purchase had not been completed. However, in order to minimise possible disruption to consumers, Digicel Limited and Cingular have entered into a Transition Services Agreement, in addition to the Stock Purchase Agreement. Under that agreement, Cingular would continue to provide certain services to Wireless Ventures (St. Lucia) Limited for a specific period of time after the purchase has been completed, which would facilitate the seamless transfer of service between the two operators.

9.1.1 Potential Implications of Purchase on Telecommunications Sector

The purchase of Cingular Wireless's Caribbean holdings by Digicel, underlines the fact that mergers and acquisitions are a normal occurrence in the world of business, as companies continually adjust to the demands of the market and of competition. Presently, the telecommunications legislation provides little guidance on how acquisitions and mergers ought to be treated from a regulatory perspective, and due to the small market and the limited number of players in Saint Lucia, the consequences of such normal activity can be acute.

At this juncture, it has not been confirmed whether Digicel intends to keep the operations Digicel St. Lucia Limited and Wireless Ventures (St. Lucia) Limited separate, or to merge them into one entity. However, due the obvious duplication of resources and the potential for improved efficiency and performance, there is a distinct possibility that the two companies might be merged into one operation. Notwithstanding, a review of some of the regulatory issues has yielded the following thoughts on the possible implication of the purchase.

Competition and Market Share: With the loss of a telecommunications network operator, a duopoly would result in the mobile/cellular communications market, where the most noticeable competition existed. From previously published assessments, the results strongly suggested that Cable & Wireless Caribbean Cellular (St. Lucia) Limited and Digicel St. Lucia Limited had about equal market share, but with the acquisition of Wireless Ventures (St. Lucia) Limited's operations, Digicel St. Lucia Limited is expected to have a much larger market share than the incumbent.

Licensing and Authorisation: Digicel St. Lucia Limited is already the holder of the requisite telecommunications licence. Since Wireless Ventures (St. Lucia) Limited is transferring its operations to an already licensed entity, the regulatory requirements in that regard should be minimal and should be primarily administrative in nature.

Spectrum Allocation: Digicel St. Lucia Limited has been assigned frequencies for the exclusive use with its operations, and in similar regard, the same was done for Wireless Ventures (St. Lucia) Limited. If the operations are merged, it is likely that spectrum shall be relinquished, which would permit more new entrants to the market that could establish and offer mobile/cellular telecommunications services. On the other hand, if Digicel intends to keep the operation separate, then the present frequency assignments might not change significantly.

Interconnection: The agreement to maintain connectivity of Wireless Ventures (St. Lucia) Limited network may need to be revisited with the incumbent operator, since eventually, that company would no longer be a telecommunications licensee.

Numbering: Into the foreseeable future, the numbers groups assigned to Wireless Ventures (St. Lucia) Limited can be assigned to the merged entity, since they are already in use by the public. Consequently Digicel would have approximately 120,000 numbers available for use.

Revenue: The amount paid by mobile/cellular operators as telecommunications licence fees is based on a percentage of revenue, and so is not directly dependent on the number of licensees in the market. Consequently, there might be only a marginal change in the revenue to Government from those fees, as the remaining players in the market should absorb the displaced consumers, which ought to result in increased revenues for those operators.

On the other hand, the spectrum fees that fund the regulatory machinery, namely, ECTEL and the NTRCs in the five Member States, are likely to decrease should the operations be merged and frequencies be relinquished to avoid duplication and to increase efficiency.

Cell sites: In having access to a greater number of cell sites, it is possible that there could be improved mobile/cellular coverage, notably in areas that might still be underserved. Further, in instances where there might be cell sites in close proximity to each other and especially in high traffic areas, it might be possible to increase capacity in those areas and so limit the number of dropped calls and increase available frequencies (circuits). Alternatively, mobile/cellular transceivers on towers may be removed if not in use, but the sites might still remain, with opportunities for lease, collocation or infrastructure sharing, if there are operators available to use the facilities.

However, another possible and more attractive option exists: one of the wireless networks could be used for the provision of another telecommunications service, such as fixed public telecommunications and/or internet service, and so introduce competition in those markets.

In sum, although the consequences of the purchase are yet to be experienced, it ought to be appreciated that it has changed the complexion of the telecommunications sector in Saint Lucia, in which there was only limited competition. It is thus critical for efforts be made to encourage investment in the telecommunications sector, so that the island's fledging industry can limit the adverse effects of normal business transactions and to ensure that the perceived benefits of competition are realised.

9.2 Telecommunications Licences for Broadcast Networks & Services

In its interpretation section, the Telecommunications Act 2000 defines '**broadcasting**' as the "transmission of radio or video programming to the public on a free, pay, subscription or other basis, whether by cable television, terrestrial, or satellite means, or by other electronic delivery of such programming". In that same section, '**telecommunications**' has been defined as "... any form of transmission, emission, or reception of signs, text, images and sounds or other intelligence of any nature by wire, radio, optical or other electromagnetic means". It was also specified in sub-section 6(1)(a) of the Act that the Act would not apply to "the program content and scheduling, as opposed to the transmission aspects of broadcasting networks and services".

Following the promulgation of the Telecommunications Act 2000, the position was taken by Government that the licensing of broadcasting networks and services fell outside of that Act. Such licences would remain the responsibility of other agencies, such as the Ministry for Broadcasting, and the Telecommunications Act and its procedures would only apply when use of the radio frequency spectrum was required to establish and operate broadcasting networks.

However, with the technological convergence that has occurred in recent years, where broadcasting networks and infrastructure, such as that used for cable television, can now support the provision of telecommunications services, the initial position taken by policy makers has had to be revisited. It was suggested that broadcasting should also fall under the Telecommunications Act 2000, and so its networks and services would need to be licensed under that legislation.

This revised position is in keeping with the proposal that has been made by the OECS Legal Drafting Department, which reviewed broadcasting within the sub-region and has prepared draft Broadcasting Bill. At consultations for this proposed piece of legislation, it was suggested that, in addition to any licence or approval that might be granted for programme content by the national broadcasting authority, a telecommunications licence would be issued that would oversee all of the technical requirements of that network and/or service.

Finally, it should be noted that ECTEL has circulated templates of the telecommunications licence for broadcasting networks and services. However, the Commission requested guidance on the following matters, which would facilitate the introduction of the suggested arrangement:

- The requirements that ought to be satisfied by an entity who wishes to provide broadcast services, and the procedural steps that would need to be satisfied.
- The roles of the ECTEL, the Ministry of Information, the Ministry of Communications, Works, Transport & Public Utilities, the Inland Revenue

Department and the Commission, and the information that would need to be exchanged by these agencies in order to manage those stated requirements.

- The application form(s) that would be used to secure a licence under the Telecommunications Act.
- The procedures that have been established to facilitate the transition to this new (or proposed) arrangement.

As of the writing of this report, a response has not yet been furnished.

9.3 Voice over Internet Protocol

Voice over Internet Protocol (VoIP) has been one of the most prevalent terms in telecommunications in recent times. The term refers to a technology that is used to transmit voice conversations over a data network, such as internal private networks, or the Internet, using the Internet Protocol⁸.

VoIP has begun to revolutionise telecommunications because it permits the existing infrastructure to be used in innovative ways that introduce cost savings. More importantly, it allows the newer telecommunications companies to seriously challenge the traditional voice telephony providers, since services can be offered over the open internet. Hence, once those businesses have arranged for access to the internet (or through their own private networks), they are able to offer voice service which directly competes with the more established voice telephony services.

In Saint Lucia, access to and use of VoIP-based services is primarily consumer-driven. Consumers use VoIP through the internet to make international calls, by subscribing to calling plans offered by a number of providers, none of which are licensed locally, such as Net2Phone, Skype, Vonage and FlyFone. Notwithstanding the absence of status of those telecommunications companies, they are providing the public with significant savings, which could likely be to the detriment of the locally licensed network operators and service providers.

In the short- to medium-term, it is expected that VoIP use for international voice calling shall continue to rise and shall gain a significant share of that market. In that regard, there are a number of regulatory issues that need to be addressed, which include the following:

⁸ Newton's Telecoms Dictionary, 19th edition

- (i) Determine whether mechanisms can be instituted to regulate businesses that might not be registered in Saint Lucia, but which are offering telecommunications services that have gained a sizeable market share and so are competing with locally licensed operators;
- (ii) The implications for revenue reporting and licence fees, since the services that use VoIP are considered to be non-geographic or nomadic – as they enable end-users to make and receive calls from numerous locations, both nationally and internationally. Moreover, licensed providers shall likely experience decreased revenues, which would in turn affect the telecommunications licence fees remitted to Government;
- (iii) Determine what appropriate numbering, if any, that should be allocated for services deemed non-geographic or nomadic, such as those based on VoIP.

At present, the Commission is not aware of the existence of a national policy on VoIP. It is, however, hopeful that discussions will be held within the next year so that the island can determine its position on this important and far-reaching subject.

9.4 The CARICOM Single Market and Economy

When the Treaty establishing the Caribbean Community, Chaguaramas, 1973, was revised in 1989, provisions were made to transform the then existing Common Market into a single economy and market to facilitate competitive production of goods and services within the Caribbean region. Through numerous revisions and the inclusion of additional Protocols, the CARICOM Single Market and Economy (CSME) now has the following key elements:

- Free Movement of Goods and Services
- Right of Establishment
- A Common External Tariff
- Free Circulation
- Free Movement of Capital
- A Common Trade Policy
- Free Movement of Labour
- The Harmonisation of Certain Laws and Policies

It has been reported that the CARICOM Member States, of which Saint Lucia is a member, have set themselves the target of 2005 by which time all restrictions to trade should be removed, thereby signalling the establishment of the Single Market and Economy as of January 1st, 2006.

9.4.1 The Potential Impact of CSME on the Telecommunications Regulation

It almost goes without saying that CSME shall affect the telecommunications sector, notably the provision of service (free movement of services) and the availability of labour (free movement of persons). With regard to telecommunications regulation, a key concern is the provision for cross border trade, which permits a business in one jurisdiction to provide services in another, without the need to register the business in that territory.

In similar regard to some of the concerns raised for VoIP, there are questions on the degree of oversight the island's regulatory machinery can provide; the controls that can be instituted to, inter alia,

- manage the use of national resources, such as numbers and the frequency spectrum,
- establish and maintain quality of service to local consumers, and
- resolve disputes that may arise, such as between providers, or between a provider and a consumer.

The above are only some of the issues that Saint Lucia ought to be prepared for, with the establishment of CSME. However, it has been noted that there has been no discourse, even from a policy perspective, on the benefits, challenges and implications of CSME in the telecommunications sector.

9.5 The Telecommunications and ICT Development Project

The *OECS Telecommunications Reform Project*, which was launched in October 1998, was the starting point for the pro-competitive efforts within the Contracting States to liberalise telecommunications, and shift from a monopoly to a liberalised environment. The initial Project had two key components, namely, to modernise the regulatory framework for telecommunications and to undertake a pilot project for Informatics training. However, during a mid-term review, the Informatics component revised from being training-focussed to policy development.

With the end of the *OECS Telecommunications Reform Project* in December 2004, the Contracting States have established the *Telecommunications and ICT Development Project* with the World Bank (Project ID: P088448), with the following components:

- (i) Legal and Regulatory Reforms: to strengthen the national and regional regulatory frameworks and to promote additional competition in the telecommunications sector.
- (ii) Universal Service Fund: to review current universal access policy, to create related guidelines and to promote financial support to establish a Universal Service Fund.
- (iii) Information and Communications Technologies (ICT): to improve growth and competitiveness in ICT-enabled services through utilisation of broadband infrastructure.
- (iv) Project Management: to provide support to project management and administration as well as funding for project audits⁹.

Once again, there will be counterpart funding by the Contracting States for this project. It was approved for implementation on May 12th, 2005, and it is expected to end on December 31st, 2009.

⁹ World Bank - *Project Appraisal Document ... for a Telecommunications and ICT Development Project*, Report No. 31395-LAC

10

PLANS AND FRAMEWORKS

Building on the premise of the Procedures Manual: to provide much needed guidance to the sector, attention is being given to the preparation of other guidelines for specific areas in telecommunications. These documents are being developed to either be 'plans' or 'frameworks'. Both sets of documents are in effect similar, but the preparation of the plans identified has been prescribed by legislation and it is likely to include rules for the future expansion of those areas.

10.1 Plans

ECTEL has been preparing two regional plans for the telecommunications sector, namely, a Regional Numbering Plan and a Regional Spectrum Management Plan, which would establish a basis for the harmonised development and management of those two areas. These plans have been mammoth undertakings. In each territory there are existing structures that needed to be assessed and where necessary, transitional arrangements have had to be instituted to facilitate a uniform and consistent approach in all Member States.

10.1.1 Numbering Plan

The Regional Numbering Plan, as developed by ECTEL, is a requirement of the ECTEL Treaty, which stipulates that the organisation "... recommend a regional policy for the conduct of telecommunications, in particular in relation to universal service, interconnection, numbering and pricing, and to monitor its implementation in the Contracting States". In earlier versions of this Plan, it has been stated that it shall contain:

- The background and rationale for the Numbering Plan;
- The Purpose and Objective of the Plan, including the assumptions, constraints and context for the development of the Plan;
- The General Principles applied in the development of the Plan;

- The International Linkages and inter-relationships between the various agencies in number administration;
- The Processes and Procedures relevant to number resource management;
- The guidelines for the allocation, assignment and management of the Central Office Codes (COC or NXX);
- The principles and procedures for the assignment and use of the short codes;
- The application of ENUM in the ECTEL Member States;
- Principles for the operation of non-geographic codes in ECTEL Member states;
- All of the relevant forms and procedures for the management of the Numbering Resource;
- A glossary of terms.

As of the writing of this report, ECTEL has held two (2) consultations on the Regional Numbering Plan. It is therefore expected that the document shall soon be finalised and shall be made publicly available. Soon thereafter, also, it is expected that the NTRCs would be required to prepare National Numbering Plans for their respective jurisdictions, as informed by the Regional Numbering Plan.

10.1.2 Spectrum Plan

The preparation and maintenance of a Regional Spectrum Plan is also a stated function of ECTEL. The Plan establishes a premise for advice and recommendations given by ECTEL to its Member States on the allocation and use of the radio frequency spectrum “... *to meet the demands of existing and emerging technologies and services, thereby ensuring that the radio spectrum provides the greatest economic and social benefit to the peoples of the region*”. A Plan was completed in 2002, but it is being revised and is expected to include the following sections:

- A glossary of terms;
- A table of frequency allocations;
- Guidelines for spectrum management in the ECTEL Member States;
- Frequency allocations for broadcast services;
- A policy on link length;
- A policy for unlicensed spectrum;

- A channelisation plan;
- Guidelines for the frequency assignment process.

As of the writing of this report, ECTEL has held two (2) consultations on the Regional Spectrum Plan, the most recent was in August 2005. It is expected that the document shall be finalised in 2006. Soon thereafter, also, it is expected that the NTRCs would be required to prepare National Spectrum Plans for their respective jurisdictions, which would be guided by ECTEL's regional plan.

10.2 Frameworks

Upon review of the telecommunications legislation, the Commission has been of the view that, as presently drafted, the focus of the Act is on the provision of telecommunications services to the general public. Consequently, the legislation provides limited guidance for those who seek to utilise the telecommunications media for their own personal use and enjoyment, or for those who intend to establish telecommunications networks for their own operations.

In an effort to provide much needed guidance to itself and to the public, the Commission is in the process of drafting frameworks for the following types of telecommunications operations:

- Amateur Radio;
- Citizen Band Radio ;
- Maritime Mobile Radio ;
- Land Mobile Radio;
- Aeronautical Mobile Radio;
- Family Radio.

The objective of each framework would be to succinctly document the basic structure, systems and processes pertinent to each type of telecommunications operations. Each framework is thus likely to address the following topics:

- Types of licences available and criteria for eligibility;
- Application process, licensing processes, renewal of licences, termination of licences;

- Approved frequency bands, modes of operation, power limits;
- Harmful interference;
- Call signs (where applicable);
- Basic operating rules and standards.

In some instances, it has been observed that in addition to the Commission, there might be other agencies that have some jurisdiction in respect of the above-named operations, such as the Division of Maritime Affairs for maritime operations and communications. Hence, when required, the Commission has been engaging in discussions with those agencies to determine whether or not, and the extent to which, responsibilities might overlap; areas of co-operation and collaboration; and what agreements and systems can be instituted to permit all parties to fulfil their functions.

As of September 30th, 2005, the Commission had launched a Public Consultation on its draft ***Framework for Amateur Radio Operations in Saint Lucia*** on August 22nd, 2005. The closing date for comments is October 19th, and the Commission hopes to be in a position to finalise this framework by the end of the calendar year. It has completed the draft ***Framework for Citizen Band Radio Operations in Saint Lucia***, which shall be the next document put forward for consultation. It is likely to be followed by a draft ***Framework for Maritime Radio Operations in Saint Lucia***, then Land Mobile Radio Operations, and finally a draft ***Framework for Aeronautical Radio Operations in Saint Lucia***.

11

2005/6 WORK PROGRAMME

The Commission was able to successfully tackle many of the activities listed in its 2004/5 Work Plan. Although many of the projects have not been fully completed within this reporting period, most are expected to be finalised within 2006. However, it must be recognised that the activities listed in the Work Plan are being undertaken in addition to the regular, ongoing work of the organisation, and often required the assistance of other agencies, which might not have been as forthcoming as desired. Consequently, as the circumstances and use of resources demand, those activities cannot be pursued exclusively.

11.1 Update on 2004/2005 Work Plan

For ease of reference, a copy of the 2004/5 Work Plan Schedule has been included as Appendix D.

11.1.1 Licensing of Telecommunications Users & Service Providers

As stated in the last report and in order to facilitate the licensing of telecommunications users and service providers, the following draft templates of outstanding telecommunications licences were prepared in-house:

- (i) Aeronautical Mobile Radio Licence
- (ii) Aircraft Station Licence
- (iii) Amateur Radio Operator Licence
- (iv) Citizen Band Radio Licence
- (v) Family Radio Licence
- (vi) Land Mobile Radio Licence
- (vii) Maritime Mobile Radio Licence
- (viii) Ship Station Licence

These documents were forwarded to ECTEL on November 2nd, 2004 for vetting, with the hope that the Commission could be suitably prepared to embark upon the proposed re-

licensing exercise. In December 2004, ECTEL communicated that it would completely revise the licence templates and would furnish the Commission with those templates some time in the New Year. However, as of the end of this reporting period, the draft licence templates have not been supplied.

Notwithstanding, and based on the arrangements that had been instituted to begin the re-licensing of amateur radio operators, as indicated in Section 3.2, in August 2005, the Commission gave notice to the public that it was re-licensing the following types of telecommunications operations:

- Citizen Band Radio
- Aeronautical Mobile Radio
- Land Mobile Radio
- Maritime Mobile Radio

For the above-stated operations, the Commission would recognise entities that had been licensed under the Wireless Telegraphy Ordinance (Ch. 146), but which has since been repealed. Persons would be required to furnish documentary evidence, such as receipts issued as proof of payment of licence fees, in order to have that status recognised.

In addition to the re-licensing exercises, the Commission has invited dealers and suppliers of telecommunications terminal equipment to register with the Commission, in keeping with Regulation 17 of the Telecommunications (Terminal Equipment and Public Network) Regulations, 2002, which is specifically addressed to persons who

- (a) *“provide maintenance, repair services, reticulation and any other related telecommunications installation at customer premises, and/or*
- (b) *supply items of telecommunications terminal equipment, such as fax machines, PABXs, modems and telephone handsets.”*

In all instances, the requisite application forms must be completed and must be submitted to the Office of the Commission, Bois d'Orange. In respect of licence applications, the Commission would process them and submit its recommendations to the Minister for his decision. For applications to register as a dealer/supplier of telecommunications terminal equipment, the Commission shall review those applications with the intention to publish a **Register of Dealers and Suppliers of Terminal Equipment**, which would be a listing of the entities recognised by the Commission to sell, maintain, repair and provide installation services, in keeping with Regulation 17 of the Telecommunications (Terminal Equipment and Public Network) Regulations. A deadline date of December 30th, 2005, has been set for

receipt of all applications, failing which the Commission shall move more assuredly towards ensuring compliance with the legislation.

11.1.2 Office Procedures

The proposed approach for documenting of internal procedures has been modified to better utilise the first-hand knowledge and expertise that are available in-house. More importantly, it was recognised that there are already existing procedures that are being used, which ought to be given first consideration. The main areas of focus for procedure development are technical and administrative sections of the secretariat, which would use the Procedures Manual for the sector as a starting point for preparation. In that regard, the Procedures Manual had to be in an advanced stage before work on the internal procedures could begin.

Efforts to prepare the internal procedures began in earnest in the third quarter of 2005. It thus expected that there should be a full working document by March 2006.

11.1.3 Sector Procedures Manual

As last reported, the Commission was able to secure technical assistance from the Canadian International Development Agency (CIDA) for the preparation of the Manual. However, within the last quarter of 2004, the project ran out of funding, well before the draft Manual could be finalised. The assigned consultant, Mr. Stuart MacPherson, most graciously gave of the time and expertise (after the project had ended) to at least supply a useable document. Work then continued in-house to complete the Manual.

On July 12th, 2005, eight (8) modules were published as a Consultation Document, LCD/JL05.004. A two-tiered consultation process was utilised, which was scheduled to last 84-days. However, due to requests for extensions in time, the Commission pushed back the final deadline for comments from September 12th, to September 30th, 2005.

Upon receipt of all comments, the Commission shall deliberate on the views shared and shall determine how best the Procedures Manual could be improved by those comments. The Manual shall then be revised to reflect those sentiments and soon thereafter, it shall be made publicly available.

11.1.4 Public Education

The work on overhauling Commission's website has not yet been completed. Most of the work was being done in-house and due to the difficulties experienced to incorporate certain

features, expertise had to be sought in order to obtain the desired effect, which introduced significant delays in completion of this project. Notwithstanding, it is expected that the new website would be launched early in 2006.

Energies were also expended to develop a newsletter, which could have been published separately but would be circulated as an insert in one of the national newspapers. However, upon further consideration, it was deemed more prudent and cost-effective to seek to establish a regular newspaper column. Hence, late in the third quarter of 2005, inquiries were made to the newspapers to determine the possibility of such an initiative. Due to the present commitment of the organisation, this publication is unlikely to begin before the New Year, as a number of articles ought to be prepared in anticipation of the launch of the column.

11.1.5 Amateur Radio Operations

As reported in earlier chapters, the Commission launched a re-licensing exercise for existing amateur radio operators on October 23rd, 2004. The exercise shall come to an end on December 30th, 2005. Thereafter, the Commission shall not be recognising evidence that persons had been previously licensed prior to the Telecommunications Act 2000, and shall move more assuredly towards ensuring compliance with the legislation.

The proposed ***Framework for Amateur Radio Operations in Saint Lucia*** was completed and was made publicly available for comment on August 22nd, 2005. A two-tier Public Consultation exercise was employed, which was initially scheduled to end on October 31st, 2005, but is likely to be delayed due to requests for extensions of time by amateur radio operators to submit comments.

Initial work has begun to establish a certification process for new amateur radio operators. Those persons would be required to sit examinations to ascertain their skills and abilities for specific classes of amateur radio operations. The syllabus is being prepared and it is likely that it shall be completed by the first quarter of 2006, with the first set of examinations being held within the second quarter.

11.1.6 Establishing Effective Liaisons

The Commission was successful in meeting with all of the agencies identified in its last report, and also met with representatives the Attorney General's Chambers, the Division of Maritime Affairs, the Fisheries Department and the Director of Public Prosecutions' Office. In most instances, opportunities for collaboration were explored, and follow-up sessions

have been scheduled in order to further possible arrangements between those entities and the Commission.

11.1.7 Spectrum Monitoring

The spectrum monitoring exercise has not yet begun in earnest, a number of preliminary arrangements were outstanding, which were already discussed in Section 3.1. However, it is expected that this exercise shall begin early in 2006.

11.1.8 Assessments & Surveys

The work on internal performance indicators is ongoing and has not yet been finalised. It is expected that the internal procedures that are being developed will highlight many important indicators that ought to be included.

For the assessment of telecommunications licensees, it was decided that the exercise would be conducted quarterly, and most of the results would be made publicly available. The programme was launched in December 2004, but there were significant delays in receiving data from the target group, which in turn delayed each iteration of assessment. Moreover, licensees became concerned about the sensitivity of some of the information that would be made public, especially for services where there was no competition and so the practice of generalising the figures, either by presenting them in aggregate and/or percentages, could not be utilised. It was thus agreed, that the approach might need to be revisited by all parties.

11.2 Planned Activities

In light of the work that is still to be done on activities initiated in 2004/5, the Commission's focus shall be on completing those tasks. However, it shall include for action in its Work Plan for 2005/6, standards development and the completion of the various frameworks previously discussed. Also, it should be noted that some of the listed activities will become 'ongoing activities', once initial targets have been achieved, and will soon no longer be included as 'planned activities' in the Work Plan, unless there are specific goals that have been set.

11.2.1 Standards Development

The telecommunications sector in Saint Lucia has been operating without the existence of its own recognised standards. Fortunately, since most of the telecommunications equipment and devices that are imported are from recognised manufacturers, their quality is generally good. However, since (i) the average consumer can purchase his/her/its own telecommunications devices, (ii) equipment specifications are not uniform world wide, due to the various standards that exist, and (iii) persons are being encouraged to enter the market, either to provide a telecommunications service or to offer much needed technical support, there ought to be standards, which clearly state the requirements and limits for identified equipment and services.

In the last quarter of 2004, the Commission, under the aegis of the Bureau of Standards, convened a meeting to discuss the revitalisation of the Bureau's Telecommunications Technical Committee (for standards development). The attendees, who included network operators and service providers, took the position that they would prefer if work on standards could be undertaken regionally.

Standards development was not featured in ECTEL's 2004-5 Work Plan, and it is not yet clear what attention it shall be given in 2005-6. It is therefore in this regard that the Commission is prepared, once again, to institute its own efforts to address this matter.

11.2.2 Frameworks for Telecommunications Operations

Similar to the efforts that are in progress to finalise a ***Framework for Amateur Radio Operations in Saint Lucia***, and as already discussed in Section 10.2, it has been appreciated that frameworks could be useful for the following telecommunications operations:

- Aeronautical Mobile Radio
- Citizen Band Radio
- Family Radio
- Land Mobile Radio
- Maritime Mobile Radio

Most of those frameworks are already being prepared. However, once working documents have been completed, the Commission shall make them publicly available for comment, which although it is a necessary element to foster transparency and permit public scrutiny, does introduce delays to their finalisation.

11.2.3 Measures to Improve Regulatory Certainty

This initiative was conceptualised after the World Telecommunications Day Symposium, which was held in Trinidad from May 16th to 18th, 2005¹⁰, and when consideration was given to the following:

- (i) the existing efforts by the Commission to provide guidance to the sector through the preparation of the Procedures Manual and the Frameworks;
- (ii) when it was recognised that the Commission has had a number of experiences, which although would be reflected in its records, they would perhaps give a disjointed view of the knowledge, methodology and reasoning that came to bear on various topics;
- (iii) that among the Commissioners and staff, there is a wealth of expertise that the organisation utilises, but which might not be clearly documented;
- (iv) that based on the fact that turn-over is inherent in such as organisation (notably among its Commissioners), it would be prudent to document what would be its institutional memory, and so ensure that in so far as it is possible that comprehensive references exists.

A number of topics have already been identified, many of which has been discussed in the Annual Reports. They include, but are not limited to:

- Interconnection,
- Price cap regime and other incentive-based pricing mechanisms,
- Which telecommunications service can the Commission regulate?
- Convergence,
- Customer Premises Wiring,
- Equipment Type Approval and Standards Development, and
- Caribbean Single Market & Economy.

¹⁰ See Sub-section 1.2.2

11.3 Work Plan Schedule for 2005/2006

Presented below are the activities earmarked for action during the period October 2005 to September 2006. For projects that are being continued from 2004/5, an update has been provided in section 11.1.

PROJECT & GENERAL TASKS	STATUS & COMMENTS
<p>Licensing of Telecommunications Users & Service Providers</p> <ul style="list-style-type: none"> • Establish linkages and procedures to manage non-compliance to the Act 	<p>In progress</p> <p><i>Linkages have been established. Applications are processed when received.</i></p>
<p>Office Procedures</p> <ul style="list-style-type: none"> • Internal procedures for administrative section • Internal procedures for technical section 	<p>In progress</p> <p><i>Work being done internally. On completion of working document, the need for external assistance will be assessed.</i></p>
<p>Sector Procedures Manual</p>	<p>In progress</p> <p><i>Consultation has been completed. Manual needs to be finalised and published</i></p>
<p>Public Education</p> <ul style="list-style-type: none"> • Overhaul website • Identify and select other public education medium, if necessary • Prepare material, if necessary 	<p>In progress</p> <p><i>Website soon to be finalised. Publication of newspaper column is being actively pursued.</i></p>
<p>Amateur Radio Operations</p> <ul style="list-style-type: none"> • Complete framework • Establish certification scheme for prospective amateur radio operators • Licence new amateur radio operators 	<p>In progress</p> <p><i>Framework to be finalised. Work has begun on certification scheme. Licensing of new amateur radio operators dependent on completion of certification scheme.</i></p>
<p>Frameworks (new)</p> <ul style="list-style-type: none"> • Develop Frameworks for <ul style="list-style-type: none"> ○ Citizen Band Radio ○ Maritime Mobile Radio ○ Land Mobile Radio ○ Aeronautical Mobile Radio 	<p>In progress</p> <p><i>Completion of maritime and aeronautical frameworks might be dependent on co-operation from agencies that might have responsibilities in those areas.</i></p>

PROJECT & GENERAL TASKS	STATUS & COMMENTS
<p>Spectrum Monitoring</p> <ul style="list-style-type: none"> • Start monitoring exercise • Revise database • Determine and execute follow-up action to be taken for identified breaches 	<p>To begin</p> <p><i>Mobile Monitoring Station is now available for use. Internal systems and procedures are being put in place.</i></p>
<p>Assessments & Surveys</p> <ul style="list-style-type: none"> • Identify performance indicators for licensees • Identify performance indicators for NTRC • Identify performance indicators and target groups among the public • Implement approved assessment processes 	<p>To be reviewed</p> <p><i>Must revisit the assessment parameters with the telecommunications service providers. Internal assessments can be implemented when a full working document of the internal procedures has been prepared.</i></p>
<p>Standards Development (new)</p> <ul style="list-style-type: none"> • Identify urgently needed standards • Develop and establish system for standards preparation and review 	<p>To begin</p> <p><i>Progress might depend on whether ECTEL intends to undertake this activity, in which case deference would be given to regional initiative.</i></p>

12

FINAL REMARKS

The Commission has noted the expansion of services in areas like internet banking, processing by the Customs & Excise Department, etc, and welcomes them. We look forward to participating in the development of an environment in which the telecommunications platform can be used even more extensively to promote our efficiency and competition as a nation.

Our thanks go to the personnel of those agencies which have collaborated with our efforts during the period and we look forward to intensifying these efforts as future circumstances and challenges will no doubt require.

We also express our appreciation to our management and staff for their superb effort and unstinting support during the year.

APPENDIX A:
Diary of Key Events

DIARY OF KEY EVENTS

2004	
September 22	Telecommunications licence issued to the FINMAN Information Technology Unit for the <i>Establishment and Operation of a Private Telecommunications Network Services</i>
October 23	Launch of Re-licensing of Amateur Radio Operators Exercise
October 26	Merger of AT&T Wireless Service (AWS) and Cingular in the United States of America completed
November 15	Brand transition from AT&T Wireless to Cingular Wireless for Saint Lucia operations. (Registered business and telecommunications licensee remained as Wireless Ventures (St. Lucia) Limited.
November 16	Commission published a Determination Notice on the <i>Recommendation of the Eastern Caribbean Telecommunications Authority ("ECTEL") to Approve or Disapprove a Price Cap plan for Cable & Wireless (West Indies) Limited ("C&W") in Saint Lucia, approving the Price Cap Plan</i>
November 26	NETEL officially launched service
December 31	<i>OECS Telecommunications Reform Project</i> (Project ID. P035730) closes
2005	
January 11	Cable & Wireless (West Indies) Limited announced reduction in rates for fixed-to-fixed and fixed-to-mobile calls, and the introduction of 60 free minutes of calls on evenings and weekends, effective from January 1 st , 2005
January 14	First ECTEL/NTRC Consultative Forum, Saint Lucia

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January 21	Notice of Application to withdraw the appeal case between the National Telecommunications Regulatory Commission and Cable & Wireless (West Indies) Limited filed with the Eastern Caribbean Supreme Court.
January 24	Variation Agreement between Wireless Ventures (St. Lucia) Limited and Cable & Wireless (West Indies) Limited for Fixed to Mobile Termination Rate/Incoming International
February 2	Telecommunications licence issued to Antilles Crossing (St. Lucia) Limited, for the <i>Landing of a Submarine Cable and the Establishment and Operation of a Submarine Cable Telecommunications Network and the Provision of Certain Telecommunications Services</i> ,
April 15	ECTEL-hosted forum on the <i>Findings of the Universal Access Study</i>
April 18 – 22	USTTI Training Course, M5-106 on <i>Radio Spectrum Monitoring and Measuring</i> , Maryland U.S.A.
April 18	Signing of <i>Memorandum of Understanding between Eastern Caribbean Telecommunications Authority and National Telecommunications Regulatory Commission (Saint Lucia) on the Management of the Spectrum Management and Monitoring System</i>
May 10	Letter of Commitment for Numbering Administration signed by ECTEL and the Commission.
May 12	<i>Telecommunications and ICT Development Project</i> (Project ID. P088448) gets World Bank approval
May 17 – 18	Caribbean Telecommunications Union (CTU) World Telecommunications Day Symposium, Trinidad
May 19	Signing of Commitment Letter between ECTEL and the Commission on the Administration of Numbers
May 23	Telecommunications (Retail Tariff) Regulations, No. 69 of 2005 published. (Telecommunications (Tariff) Regulations, No. 16 of 2002 repealed).

APPENDIX A

July 12	Public Consultation on Procedures Manual [LCD/JL05.004] launched
July 1	Formal notification of the sale of Cingular Wireless's Caribbean operations to Digicel
August 4 – 5	Second ECTEL/NTRC Consultative Forum, Saint Lucia
August 5	ECTEL recognises its fifth anniversary
August 5	Launch of Re-licensing exercise for Citizen Band Radio, Aeronautical Mobile Radio, Land Mobile Radio and Maritime Mobile Radio
August 9	Public Consultation on draft Framework for Amateur Radio Operations in Saint Lucia [LCD/AU05.005] launched
September 7	Meeting with amateur radio operators to discuss the consultation document, Framework for Amateur Radio Operations in Saint Lucia [LCD/AU05.005]

APPENDIX B:

Financial Audit Report

APPENDIX B

THE NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

FINANCIAL STATEMENTS

SEPTEMBER 30, 2005

**G LLEWELLYN GILL & CO.
CHARTERED ACCOUNTANTS
P O BOX 546, CASTRIES**

THE NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

SEPTEMBER 30, 2005

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G. Llewellyn Gill & Co.

Chartered Accountants

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AUDITORS' REPORT


To the Commissioners of:
THE NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

We have audited the balance sheet of **THE NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION** as at September 30, 2005 and the statements of changes in funds, support and expenditure and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform an audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at September 30, 2005 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Castries, St Lucia
December 30, 2005


Chartered Accountants

THE NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

BALANCE SHEET

AS AT SEPTEMBER 30, 2005

ASSETS

	<u>2005</u>	<u>2004</u>
CURRENT ASSETS		
Cash	\$ 338,185	151,015
Prepaid expenses	<u>11,379</u>	<u>9,000</u>
	<u>349,564</u>	<u>160,015</u>
CAPITAL ASSETS (Note 2)	<u>124,918</u>	<u>56,724</u>
	<u>\$ 474,482</u>	<u>\$ 216,739</u>

LIABILITIES

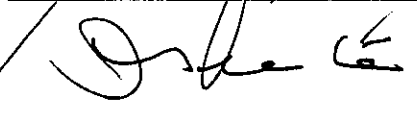
CURRENT LIABILITIES		
Bank overdraft	\$ -	\$ 28,495
Licence fees payable (Note 3)	23,980	22,505
Accounts payable	47,560	18,562
Gratuity payable	<u>57,243</u>	<u>30,785</u>
	<u>128,783</u>	<u>100,347</u>

FUNDS

CONTRIBUTED FUNDS (Note 4)	4,332	6,499
ACCUMULATED SURPLUS	<u>341,367</u>	<u>109,893</u>
	<u>345,699</u>	<u>116,392</u>
	<u>\$ 474,482</u>	<u>\$ 216,739</u>

APPROVED BY THE COMMISSION ON 30th January, 2006


 _____ Chairman


 _____ Member

The accompanying notes form an integral part of these statements.

THE NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

STATEMENT OF CHANGES IN FUNDS

YEAR ENDED SEPTEMBER 30, 2005

	<u>Contributed Funds</u>	<u>Accumulated Surplus</u>	<u>Total</u>
Balance at beginning of year	\$ 8,666	\$ 66,332	\$ 74,998
Amortization of Contributed Funds	(2,167)	2,167	-
Excess Support over Expenditure	<u>-</u>	<u>41,394</u>	<u>41,394</u>
Balance at September 30, 2004	\$ <u>6,499</u>	\$ <u>109,893</u>	\$ <u>116,392</u>
Balance at beginning of year	\$ 6,499	\$ 109,893	\$ 116,392
Amortization of Contributed Funds	(2,167)	2,167	-
Excess Support over Expenditure	<u>-</u>	<u>229,307</u>	<u>229,307</u>
Balance at September 30, 2005	\$ <u>4,332</u>	\$ <u>341,367</u>	\$ <u>345,699</u>

The accompanying notes form an integral part of these statements.

THE NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

STATEMENT OF SUPPORT AND EXPENDITURE

YEAR ENDED SEPTEMBER 30, 2005

	<u>2005</u>	<u>2004</u>
SUPPORT		
Contributions from ECTEL	\$ 775,028	\$ 500,000
Application fees	26,590	75,666
Other	<u>7,208</u>	<u>14,117</u>
	<u>808,826</u>	<u>589,783</u>
EXPENDITURE		
Advertising and promotion	365	4,155
Audit	5,000	4,000
Bank charges and interest	157	1,156
Commissioner's fees	91,200	91,836
Depreciation	14,158	8,802
Gratuity	54,957	81,785
Insurance	3,654	-
Legal and professional fees	2,000	2,300
Membership and subscriptions	1,728	1,321
Office expenses	13,729	12,526
Relocation expenses	-	32,897
Rent	54,000	31,500
Repairs and maintenance	8,577	3,174
Salaries and wages	271,300	223,820
Supplies	626	5,392
Training	5,367	1,526
Travelling and entertainment	2,766	3,418
Utilities	<u>49,935</u>	<u>38,781</u>
	<u>579,519</u>	<u>548,389</u>
EXCESS OF SUPPORT OVER EXPENDITURE for the year	\$ <u>229,307</u>	\$ <u>41,394</u>

The accompanying notes form an integral part of these statements.

THE NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2005

	<u>2005</u>	<u>2004</u>
Cash Flows from Operating Activities		
Excess of support over expenditure for the year	\$ 229,307	\$ 41,394
Add/(deduct): charges to income not involving cash		
Depreciation	<u>14,158</u>	<u>8,802</u>
	243,465	50,196
Net change in non-cash working capital balances related to operations*	<u>54,552</u>	<u>(6,587)</u>
Net cash provided by (used in) operating activities	<u>298,017</u>	<u>43,609</u>
Cash Flows from Investing Activities		
Additions to capital assets	<u>(82,352)</u>	<u>(40,158)</u>
Net cash provided by (used in) investing activities	<u>(82,352)</u>	<u>(40,158)</u>
INCREASE/(DECREASE) IN CASH	215,665	3,451
CASH AND CASH EQUIVALENTS, beginning of year	<u>122,520</u>	<u>119,069</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 338,185</u>	<u>\$ 122,520</u>
*Consisting of changes in:		
Licence fees payable	\$ 1,475	(2,393)
Prepaid expenses	(2,379)	(9,000)
Accounts payable	28,998	(25,979)
Gratuity payable	<u>26,458</u>	<u>30,785</u>
	<u>\$ 54,552</u>	<u>\$ (6,587)</u>

The accompanying notes form an integral part of these statements.

THE NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Status

The National Telecommunications Regulatory Commission was established by the Telecommunications Act No. 27 of 2000 on the 22nd November 2000. The Commission commenced operations on March 18, 2002.

(b) Principal activity

The principal activity of the Commission is to execute the functions defined in Section 12 of the Telecommunications Act No. 27 of 2000 in the regulation of Telecommunications in Saint Lucia.

(c) Basis of Accounting

These financial statements are prepared on the accrual basis of accounting, and in accordance with International Financial Reporting Standards.

(d) Capital Assets

Capital assets are stated at cost and are depreciated on a straight line basis at the following rates:

Furniture and Equipment 15% - 25%

2. CAPITAL ASSETS

	<u>Furniture & Equipment</u>	
	<u>2005</u>	<u>2004</u>
COST		
Balance at beginning of year	\$ 76,063	\$ 35,905
Additions	<u>82,352</u>	<u>40,158</u>
Balance at end of year	<u>158,415</u>	<u>76,063</u>
DEPRECIATION		
Balance at beginning of year	\$ 19,339	\$ 10,537
Depreciation for the year	<u>14,158</u>	<u>8,802</u>
Balance at end of year	<u>33,497</u>	<u>19,339</u>
Book Value end of year	<u>\$ 124,918</u>	<u>\$ 56,724</u>

3. LICENCE FEES PAYABLE

This amount represents Licence fees received on behalf of and payable to the Government of St.Lucia.

APPENDIX C:

**Mobile Cellular Post-paid
Rates & Packages**

MOBILE CELLULAR POST-PAID RATES & PACKAGES**Cable & Wireless Caribbean Cellular (St. Lucia) Limited**

Plan	Digital 40	Digital 150	Digital 350	Digital 500
Monthly Plan (ECS)	\$ 57	\$ 115	\$ 210	\$ 285
Minutes included per month	40	150	350	500
Peak Outbound per minute (ECS)	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79
Off Peak Outbound per minute (ECS)	\$ 0.59	\$ 0.59	\$ 0.59	\$ 0.59
Incoming per minute (ECS)	Free	Free	Free	Free

NB: *Off-Peak rates apply to evening rates between 6:00 p.m. and 8:00 a.m. weekdays; weekend calls from Midnight Friday to 8:00 a.m. Monday; and Public Holidays. Peak rates apply to all other times*

Digicel (St. Lucia) Limited

Plan	DigiSELECT 80	DigiSELECT 180	DigiSELECT 300	DigiSELECT 600
Monthly Plan (ECS)	\$ 48	\$ 99	\$ 150	\$ 285
Free Minutes per month	80	180	300	600
Rates to Own Mobile				
- Day (ECS)	\$ 0.70	\$ 0.65	\$ 0.60	\$0.55
- Evening (ECS)	\$ 0.55	\$ 0.55	\$0.55	\$ 0.55
- Weekend (ECS)	\$ 0.50	\$0.50	\$ 0.50	\$ 0.50
Rates to Fixed line & Other Mobile				
- Day (ECS)	\$ 0.80	\$ 0.75	\$ 0.70	\$0.65
- Evening (ECS)	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65
- Weekend (ECS)	\$ 0.60	\$ 0.60	\$ 0.60	\$ 0.60
Incoming per minute(ECS)	Free	Free	Free	Free

APPENDIX C

Wireless Ventures (St. Lucia) Limited

Plan	Plan 80	Plan 125	Plan 250	Plan 450	Plan 600
Monthly Plan (EC\$)	\$50	\$ 75	\$ 125	\$ 200	\$ 300
Free Minutes per month	80	120	250	450	800
Outgoing Calls (7am to 6:59pm, Mon-Fri)					
- To WV Mobiles (EC\$)	\$ 0.70	\$ 0.65	\$ 0.60	\$ 0.55	\$ 0.50
- To Fixed Line (EC\$)	\$ 0.80	\$ 0.75	\$ 0.70	\$ 0.65	\$ 0.60
- To Other Mobiles (EC\$)	\$ 0.90	\$ 0.85	\$ 0.80	\$ 0.75	\$ 0.70
Nights & Weekends (7pm to 6:59am, Mon-Fri, all hours Sat & Sun)					
- To WV Mobiles (EC\$)	\$ 0.50	\$ 0.55	\$ 0.50	\$ 0.50	\$ 0.40
- To Fixed Line (EC\$)	\$ 0.60	\$ 0.65	\$ 0.60	\$ 0.60	\$ 0.50
- To Other Mobiles (EC\$)	\$ 0.70	\$ 0.75	\$ 0.70	\$ 0.70	\$ 0.40
Incoming per minute (EC\$)		Free	Free	Free	Free

APPENDIX D:

2004/5 Work Plan Schedule

2004/5 WORK PLAN SCHEDULE

PROJECT & GENERAL TASKS	STATUS & COMMENTS
<p>Licensing of Telecommunications Users & Service Providers</p> <ul style="list-style-type: none"> • Complete outstanding licence templates and other evidence of registration • Establish linkages and procedures to manage non-compliance to the Act • Begin re-licensing exercise 	<p>In process</p> <p><i>Draft templates have been completed. Will be forwarded to ECTEL for no-objection approval. Linkages with agencies such as the Police critical in order to establish enforcement and compliance measures</i></p>
<p>Office Procedures</p> <ul style="list-style-type: none"> • Identify contractor and finalise contract • Contractor prepare draft Manual • Commission review and approves draft Manual • Manual finalised and published 	<p>In process</p> <p><i>Possible contractor identified. Terms of Reference being negotiated. Critical to the success of this initiative is the development of administrative procedures to support processes outlined in the Sector Procedures Manual. Possible constraint to this activity might be funding</i></p>
<p>Sector Procedures Manual</p> <ul style="list-style-type: none"> • Consultant prepares draft Manual • Commission reviews draft • Comments from ECTEL • Draft revised for Public Consultations • Public Consultation • Publication of approved Manual 	<p>In process</p> <p><i>Drafts are being reviewed and revised. It is hoped that public consultation process can begin before the end of 2004, with the Manual finalised within the second quarter of 2005.</i></p>
<p>Public Education</p> <ul style="list-style-type: none"> • Overhaul website • Identify and select other public education medium, if necessary • Prepare material, if necessary 	<p>In process</p> <p><i>Work on website underway. Publication of a newspaper column has been cancelled until further notice due to the existence of column published by ECTEL in the Weekend Voice Newspaper. Publication of a newsletter is being investigated, which could be a vehicle for publication of assessments and surveys.</i></p>
<p>Amateur Radio Operations</p> <ul style="list-style-type: none"> • Re-license existing amateur radio operators • Develop draft framework for amateur radio 	<p>To begin</p> <p><i>Re-licensing activity has been given priority. Technical</i></p>

APPENDIX D

PROJECT & GENERAL TASKS	STATUS & COMMENTS
<p>operations in St. Lucia</p> <ul style="list-style-type: none"> • Consult with amateur radio community on draft framework • Finalise draft framework • Arrange for licensing of new amateur radio operators 	<p><i>expertise is being sourced for development of framework.</i></p>
<p>Establishing Effective Liaisons</p> <ul style="list-style-type: none"> • Ministry of Communications, Works, Transport & Public Utilities • Inland Revenue Department • Customs & Excise Department • Police Force • St. Lucia Bureau of Standards • National Emergency Management Office • St. Lucia Air & Sea Ports Authority 	<p>In process</p> <p><i>Discussions have begun with some agencies.</i></p>
<p>Spectrum Monitoring</p> <ul style="list-style-type: none"> • Start monitoring exercise • Revise database • Determine and execute follow-up action to be taken for identified breaches 	<p>To begin</p> <p><i>Start date will be dependent on arrangements for spectrum monitoring vehicle being finalised.</i></p>
<p>Assessments & Surveys</p> <ul style="list-style-type: none"> • Identify performance indicators for NTRC • Identify performance indicators for licensees • Identify performance indicators and target groups among the public • Determine frequency of assessment and methods of administering surveys • Implement approved assessment processes 	<p>In process</p> <p><i>Possible performance indicators have been identified. Methods of administration are being finalised. Proposal being prepared for approval before implementation.</i></p>

THE NATIONAL TELECOMMUNICATIONS REGULATORY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2005

4. CONTRIBUTED FUNDS

These funds have been provided by the Government of St.Lucia as a contribution towards the purchase of Assets for the Commission. The funds are being amortized over a period of five years commencing 2003.

5. COMPARATIVE FIGURES

Where changes have been made in the presentation of the current year's figures, comparative amounts have been restated.