

PRESS RELEASE

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TRC Declares LIME Dominant in the Provision of Fixed Broadband; Proposes Options for Regulation

17 December 2015 – The Telecommunications Regulatory Commission (the “Commission”) has today published a formal Determination of Dominance setting out that LIME is dominant in the provision of fixed line broadband service. Following the public consultation which took place from January to March earlier this year, the Commission defined the relevant markets as the market for retail fixed line broadband and wholesale broadband access and found LIME to be dominant in both markets. According to Section 26 of the Telecommunications Act, 2006 (the “Act”) once a determination of dominance has been made the Commission then has the ability to regulate the fixed broadband market.

“We have been very concerned about pricing and the level of service offered in the provision of fixed broadband products,” said Guy L. Malone, the CEO of the Commission, “and now we are in a position to put a regulatory solution in place that can help consumers get a better value and a better quality product. We have been monitoring the market for the past five years through our Market Review programme and during that time there has been no real competition in the provision of fixed broadband services and LIME has been at liberty to increase their prices. We are concerned that some consumers may not be able to afford these price increases and that in some cases the speed a customer signs up for may not match the actual speed received.

We are looking into ways of accurately measuring and reporting broadband speed performance to ensure that customers get what they pay for. For the moment, I would recommend that customers check that their router is not placed near other equipment which may be interfering with the signal. For example, make sure you move other electrical devices as well as those which emit wireless signals such as cordless phones and baby monitors away from your router and keep your router on a table or shelf rather than on the floor.” Mr Malone added that this advice was in keeping with that provided by the UK telecommunications regulator, Ofcom.

The Commission has set out options for regulation in its report, “Report on the Broadband Market Analysis and Part II: Regulatory Remedies” which is also published today on the Commission’s website (www.trc.vg). The Commission outlines options for retail price regulation and retail

quality regulation. On the subject of price regulation, Mr Malone said, “We understand that price regulation is intervention of the highest form, but in the event of LIME’s recent price increase we have to consider it.” The report sets out that the Commission could regulate LIME’s broadband pricing based on international benchmarks and pricing within the region. “We are concerned to see that BVI consumers get the best broadband speeds available and pay a reasonable price. The lack of competition in this market so far indicates that regulatory intervention is required. We are seeking input from all stakeholders, the public and the providers, to ensure that we design the appropriate form of regulation which both helps consumers get a better value and quality product and also incentivizes competition in the future.”

The report and consultation document is available at www.trc.vg. Responses to this consultation are sought from the public by 22 January 2016.

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Note to Editors:

The Telecommunications Regulatory Commission (the “Commission”) is a statutory body responsible for regulating the telecommunications sector of the Virgin Islands, protecting interests of users of telecommunications services, ensuring fair competition among operators of telecommunications networks and providers of telecommunications services, promoting the development of telecommunications throughout the Virgin Islands and advising the Minister of Communications and Works on telecommunications policies.