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BY ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.D. 20554

Re: WC Docket No. 09-82 – Comment Letter

Dear Ms. Dortch:

I submit this letter in response to the letter dated November 10, 2009 submitted by National Rural Utilities Cooperative Finance Corporation (“CFC”) and Stan Springel, as Chapter 11 Trustee for the Bankruptcy Estate of Innovative Communication Corporation (Chapter 11 Trustee,” together with CFC, “Applicants”) in their efforts to have the Commission summarily dismiss the objections and concerns raised by Atlantic Tele-Network, Inc. (“ATN”) and to have it rubber stamp an approval of the ICC transfer of control in the above referenced proceeding.

Acknowledging this proceeding before the Commission involves the same transaction for which a transfer of control proceeding is presently being held before the Virgin Islands Public Services Commission (“PSC”) in the U.S. Virgin Islands, Applicants have proffered up the approval of their application received from authorities in the British Virgin Islands for the transfer of control of BVI Cable TV Ltd. which is also involved in the same transaction pertaining to this proceeding as reason for the Commission to “not delay its resolution of the Applications simply because another regulator has not yet completed its review.”

However, the approval by the BVI authorities is irrelevant to the Commission’s consideration in this matter because it deals with the transfer of control of a telecommunications entity and its license in the British Virgin Islands and not the transfer of control of telecommunications entities and their respective franchise licenses in the U.S. Virgin Islands.

More importantly, the competitive situation and the telecommunications licenses in the British Virgin Islands are significantly different than those in the U.S. Virgin Islands. Applicants fail to point out that the telecommunication license held by BVI Cable TV in the British Virgin Islands

November 13, 2009

is one of three identical universal telecommunications licenses provided to each incumbent wireline (Cable & Wireless), wireless telephone (CCT Global Telecommunications) and cable TV (BVI Cable TV) service provider in 2007 following the BVI government's telecommunications liberalization policy established in April 2007. The BVI licenses permit each of the incumbent providers to operate a telecommunications network to provide a full array of telecommunications services including cable TV, internet, basic telephony and cellular telecommunications services (see Exhibit A for copy of BVI Cable TV license). In other words, there is full competition between the three incumbent telecommunications companies for all telecommunications services provided in the BVI. Such is not the case in the U.S. Virgin Islands and goes exactly to the thrust of ATN's argument that there should be separation of ownership of the wireline entity and the two cable TV entities and their respective franchise licenses in the U.S. Virgin Islands so as to foster greater competition of telecommunications services in the U.S. Virgin Islands.

Applicants' motives are transparent: they wish for the Commission to quickly approve the transfer of control simply to be used a means to seek expeditious approval by the PSC in the U.S. Virgin Islands. The Commission should not be hasty in its consideration in this matter.

Sincerely,

Jeffrey J. Prosser
Jeffrey J. Prosser

Attachment:

Exhibit A – BVI Cable TV License dated June 29, 2007 for the Operation of a Telecommunications Network Providing Telecommunications Services in the British Virgin Islands

Prosser Letter 11-13-2009 to FCC re Change of Control

Exhibit A

**BVI Cable TV License dated June 29, 2007 for the Operation of a
Telecommunications Network Providing Telecommunications
Services in the British Virgin Islands**

**TELECOMMUNICATIONS REGULATORY COMMISSION
OF THE
BRITISH VIRGIN ISLANDS**

**LICENCE FOR THE OPERATION OF A TELECOMMUNICATIONS NETWORK
PROVIDING TELECOMMUNICATIONS SERVICES
IN THE BRITISH VIRGIN ISLANDS**

**BVI CABLE TV LTD.
Licensee**

JLK
Dated as of 29th June, 2007

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**UNITARY TELECOMMUNICATIONS LICENCE FOR THE OPERATION OF
A TELECOMMUNICATIONS NETWORK PROVIDING
TELECOMMUNICATIONS SERVICES
IN THE BRITISH VIRGIN ISLANDS**

THIS UNITARY TELECOMMUNICATIONS LICENCE FOR THE OPERATION OF A TELECOMMUNICATIONS NETWORK PROVIDING TELECOMMUNICATIONS SERVICES IN THE BRITISH VIRGIN ISLANDS (this "**Licence**"), is dated as of 29th June, 2007 and is entered into by and between **THE TELECOMMUNICATIONS REGULATORY COMMISSION** (the "**Commission**") and **BVI CABLE TV LTD.** (the "**Licensee**", and together with the Commission, hereinafter the "**Parties**").

PREAMBLE

WHEREAS the Minister is responsible under Section 4 of the Telecommunications Act, 2006 for developing and reviewing telecommunications policies consistent with the purposes of the Act; and

WHEREAS the Commission is empowered under Section 15 of the Telecommunications Act, 2006 (the "Act") to grant licences and to prescribe the terms and conditions of licences; and

WHEREAS the Licensee is a company duly registered under the Laws of the British Virgin Islands; and

WHEREAS the Licensee has, upon invitation, made an application to the Commission for a licence; and

WHEREAS the Commission has decided to grant this Licence to the Licensee;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements contained in this Licence, and intending to be legally bound thereby, the Parties hereby agree as follows:

**ARTICLE 1.
DEFINITIONS**

1.1 As used in this Licence, each of the terms used in this Licence and defined in Annex 1 attached hereto and made a part hereof shall have the meaning set forth therein.

1.2 The Licensee's Application shall be an addendum to the Licence and form Annex 2 thereof.

**ARTICLE 2.
TELECOMMUNICATIONS NETWORK; SCOPE OF LICENSED SERVICES**

2.1 Telecommunications Network; Licensed Services.

(a) Subject to the terms and conditions of this Licence, the Licensee is hereby authorised to establish, install, operate, maintain, exploit and use within, into and from the British Virgin Islands and all territorial waters a Telecommunications Network consisting of transmission, reception, switching and related equipment, including without limitation cable (coaxial, metallic or fiber optic) and microwave, radio and satellite transmission, reception and related facilities.

(b) Subject to the Act and the terms and conditions of this Licence, the Licensee is hereby authorised to render the following Telecommunications Services within the boundaries of the British Virgin Islands, and between points within the British Virgin Islands and points outside the British Virgin Islands in conjunction with other carriers authorised by their respective national authorities to provide such services. Such Telecommunications Services, hereinafter called the "Licenced Services" are:

- (A) Cable TV Services;
- (B) Internet Services;
- (C) Wireless Video Programme Services;
- (D) Basic Telephony Services including Local, National and International Telephony Services;
- (E) Trunk Capacity Resale Services, including the provision of Leased Lines and Circuits;
- (F) Satellite Telecommunications Services;
- (G) Third Party Private Network Services.
- (H) Paging Services;
- (I) Store and Forward Messaging Services;
- (J) Telex Services;
- (K) Telegraph Services;
- (L) Value-Added Services;
- (M) Private Telecommunications Services;
- (N) the sale and maintenance of subscriber premise wiring and terminal apparatus; and
- (O) Cellular Telecommunications Services.

2.2 Licence Area.

The Licence area for the provision of the Licensed Services is the British Virgin Islands and all territorial waters.

2.3 Services of Notice.

Any notice or other document required to be served on the Commission, or the Minister, or the Licensee, or Owner or Person as defined in Annex 1, henceforth called Addressee in this Article, under the terms of this Licence, may be served by:

- (a) personal delivery to the Addressee or authorised employee;
- (b) delivery at the office or residence of the Addressee and the obtaining of evidence of receipt; or
- (c) courier delivery to the Addressee.

ARTICLE 3. LICENCE TERM

3.1 Length of the Licence Term.

The term of this Licence (the "**Licence Term**") shall be fifteen (15) calendar years, commencing on the Effective Date, 29 June 2007. This Licence shall immediately replace and cancel the "Assignment of Licence to Provide Cable Television Services" dated 22nd November 1985 and any extension thereof.

3.2 Extension of the Licence Term.

Pursuant to Section 24 of the Act, the Commission may, upon application by the Licensee, renew the Licence upon expiration of the Licence Term in accordance with the following:

Licensee may apply for a renewal of fifteen (15) years from the expiration of the Licence Term by submission of an application for same to the Commission in accordance with Sec. 24 of the Act and the Commission Regulations no later than twelve (12) calendar months prior to the end of the Licence Term.

3.3 Renewal Procedure.

(a) **Public Notice.** Within ten (10) Working Days from the date at which the application was received, the Commission shall give notice to the public by publication in the *Gazette* and at least one (1) other domestic newspaper of general circulation which notice shall state (i) that Licensee has applied for renewal of the Licence Term; (ii) the length of the renewal sought; (iii) the time within which comments or objections to the proposed application shall be made in writing by any interested third party, such time not being less than thirty (30) nor more than forty-five (45) Working Days from the date of the publication of the notice; (iv) the fact that the Commission shall send to the Licensee an evaluation report (the "**Evaluation Report**") within ninety (90) Working Days from the date of receipt of the application, which report shall be a matter of public record at the Commission; and (v) the date and the place for a hearing during which the Licensee and any third party with a legitimate interest may make comments or objections, such date being within ten (10) Working Days of the date of publication of the Evaluation Report.

(b) **Evaluation Report.** Upon receipt of an application for renewal in accordance with Article 3.2, the Commission shall prepare the Evaluation Report stating if and to what extent the Licensee has during the preceding Licence period up to the date of the application:

- (i) complied with its obligations under this Licence;
- (ii) complied with the regulations and orders adopted from time to time by the Commission; and
- (iii) generally provided the Licensed Services and conducted its business in accordance with the laws of the British Virgin Islands.

The Commission shall send its Evaluation Report to the Licensee within the deadline set forth in the Commission's notice.

(c) **Public Hearing.** On the date set forth in the Commission's notice in accordance with subparagraph 3.3(a) above, the Commission shall call a public hearing during which the Licensee and third parties with a legitimate interest that have duly filed comments or objections which the Commission deems to be relevant, shall have a right to be heard.

(d) **Decision.** The Commission shall deliver its written decision on the renewal of the Licence Term within one hundred and twenty (120) Working Days from the date of receipt of the renewal application, and notify the Licensee of such decision in writing. In the event that the Commission does not issue a decision within one hundred and twenty (120) Working Days of the Commission's receipt of a renewal application, the Commission shall notify the Licensee in writing that a decision has not been adopted and that the current Licence shall remain in effect until such time as the Commission issues a decision, but in no event shall a decision be rendered later than one (1) year from the date of receipt of the renewal application by the Commission. The Commission may approve Licence renewal with conditions based upon the same terms and conditions of this Licence or based upon new terms and conditions which reasonably reflect changed circumstances in the telecommunications sector in the British Virgin Islands at the time of the renewal application. The

Licence renewal shall be subject to the Licensee continuing to comply with the terms and conditions of the Licence for the remainder of the term of the Licence. The Commission shall have the right to assess a fee for any renewal granted as set forth in Article 5.5.

(e) **Appeals.** In the event the Commission denies the Licensee's renewal request, the Licensee shall be entitled to appeal the denial to the Court.

ARTICLE 4. ~~TRANSITION PERIOD~~

4.1 ~~Term, Scope and Objectives of the Transition Period.~~

~~**Limited Competition.** Subject to the terms and conditions set forth herein and in order to achieve the objective of a competitive market as soon as feasible in the British Virgin Islands, Telecommunications Services authorised under this Licence shall be subject to a system of limited competition as set forth in this Article 4.1 for a period of thirty six (36) calendar months, commencing on the Effective Date of this Licence (the "Transition Period"). After thirty six months, the Minister responsible for telecommunications shall conduct a market analysis to determine whether an additional entrant shall be licensed.~~

ARTICLE 5. **FEES**

5.1 Payment of Industry Levy and Royalty Fees.

In consideration for the granting of this Licence and for the Licence to be effective, the Licensee shall pay to the Commission (i) an annual Industry Levy; (ii) an annual Royalty fee in the amount of three percent (3%) of the gross revenues from services provided under this Licence collected by the Licensee, payable in US Dollars no later than 5 April of each year, commencing on 5 April, 2007. The Licensee may seek an adjustment from the Commission in the following year for payment on gross revenues not collected by the Licensee during the prior year. Any such fee not so paid by the date due shall thereafter accrue interest at a rate equal to five percent (5%) per annum in excess of the rate announced by Development Bank of the Virgin Islands from time to time as its prime lending rate.

5.2 Optional Quarterly Payments.

The Licensee may at its option pay the annual fee under Article 5.1(ii) for any calendar year in equal quarterly installments on each April 5, July 5, and October 5 of such calendar year and on the January 5 of the following calendar year. Each installment shall be in an amount equal to one quarter (1/4) of the lesser of (i) the Licensee's required annual payment for the prior calendar year and (ii) the Licensee's estimated required annual payment for the then current calendar year as established in the Licensee's estimated financial statements certified by the chief financial officer of the Licensee and delivered to the Commission on the date of the first such installment. On the April 5 following any calendar year in which the Licensee made quarterly installments under this Article 5.2, the Licensee shall pay to the Commission an amount equal to the required annual fee for such calendar year minus the sum of the installment payments made by the Licensee in respect of such calendar year.

5.3 Spectrum Fees.

The Licensee shall pay to the Commission the annual charges for use of the radio spectrum as set forth in the Commission Regulations beginning on the Effective Date of the Licence and payable in accordance with the Commission Regulations; provided, however, that such fees shall be reasonable in comparison with international standards and will be applied in a fair and equitable manner to all Operators using the radio spectrum.

5.4 Total Consideration.

The payments established in this Article 5, constitute the total fees and other consideration for the Licence granted to the Licensee under this Licence; provided, however, that all other fees and charges otherwise applicable under the Laws of the Virgin Islands shall continue to apply.

5.5 Renewal.

In the event the Licence is renewed pursuant to Article 3, fees payable for any renewal period shall be agreed upon between the Commission and the Licensee at the time the renewal is granted.

ARTICLE 6. WORKS AND ACCESS TO LAND

In fulfilling its obligations with respect to the development, operation and maintenance of a Telecommunications Network for the provision of Telecommunications Services provided in this Licence, the Licensee shall act in accordance with Part VI of the Telecommunications Act, 2006, the Physical Planning Act, 2004, and all other relevant laws of the Virgin Islands.

6.1 Right to Place and Maintain Telecommunications Lines.

(a) In connection with its operation of a public telecommunications network, an operator may install or maintain a facility in or over a road or public ground, or on the shore or bed of the sea, or remove the facility therefrom, in accordance with the provisions of the Physical Planning Act, 2004 and, for that purpose, may, in accordance with the development plan for the area and the provisions of the Road Ordinance and any other written law, carry out works.

(b) Before carrying out any works for the purposes specified in subsection (a), an operator shall

- (1) obtain from the Chief Planner plans showing all utility installations that might be affected;
- (2) submit detailed plans of the intended works to each utility installation owner likely to be affected thereby;
- (3) not commence any works that might affect a utility installation without first having requested and obtained written permission from the affected utility installation owner; and
- (4) notify the Commission of any intended works and, in the event of the failure to obtain the permission of a utility installation owner under paragraph (c), the Commission shall resolve any dispute thereof.

(c) Pursuant to the notification received by the Commission under subsection (b)(4), the Commission shall notify other operators or public utilities of the intended works and inquire of them whether they have any intention of undertaking any similar type of works.

(d) No works shall commence until the expiration of fourteen days from the date of the receipt of the permission.

(e) In the event of an emergency, the operator may dispense with the requirement set out in subsection (4).

(f) An operator may dispense with the requirement of subsection (b)(3) where the Commission certifies in writing that the intended works are necessitated by an emergency.

(g) The removal or alteration of any utility installation shall be undertaken by the affected utility installation owner, and the cost thereof shall be borne by the operator.

(h) No operator or public utility notified under subsection (c) shall carry out works within three months of the receipt of such notification except where such operator proves to the

satisfaction of the Commission the necessity of carrying out emergency works.

(i) Prior to carrying out works, an operator shall publish a description thereof in at least one newspaper published and circulated in the Virgin Islands and shall otherwise inform affected persons by such other means as the Commission may specify and for the purposes of this subsection, section 25 of the Physical Planning Act, 2004 shall not apply.

6.2 Repair and Restoration

(a) Where an operator damages any utility installation in carrying out works, it shall immediately request the utility installation owner to repair the damage to the utility installation.

(b) The operator shall compensate the utility installation owner for the full cost of repair.

(c) An operator shall, as speedily as possible, complete all works and restore any road or public grounds affected, including the removal of any debris, to the satisfaction of the Chief Planner, such satisfaction to be expressed in writing.

(d) Where an operator fails to comply with subsection (b), it shall be held liable for any expenditure that the Chief Planner incurs in such restoration and for any other loss by any other person.

(e) The liability of the operator under subsection (d) shall continue for a period of two years or until the Chief Planner expresses his satisfaction in writing pursuant to subsection (c).

6.3 Access to Lands for Inspection and Maintenance

(a) An operator duly authorised in writing by the Chief Planner may, at any reasonable time, enter upon and survey any land, other than land covered by buildings or used as a garden or pleasure ground, for the purpose of ascertaining whether the land would be suitable for use by the operator for, or in connection with, the establishment or operation of the operator's telecommunications network.

(b) Where, in an exercise of the power conferred by this section, any damage is caused to land or to chattels, the operator shall make good the damage or pay to every person interested in the land or chattels compensation in respect of the damage and where, in consequence of an exercise of that power, any person is disturbed in his enjoyment of any land or chattels, the operator shall pay to that person compensation in respect of the disturbance.

(c) In engaging in the inspection of land, installation of facilities, or maintenance of facilities, an operator shall take all reasonable steps to act in accordance with good engineering practice, to protect the environment, to protect the safety of persons and property, and to ensure that the activity interferes as little as practicable with the operations of a public utility, roads and paths, the movement of traffic, and the use of public grounds and other land.

6.4 Installation of Facilities on Private Land or Buildings

(a) Where, in connection with the operation of its telecommunications network, an operator wishes to install facilities on private land or buildings, it shall first obtain the permission of the landowner and the landowner shall be entitled to compensation therefore, except where such facilities are used to provide a telecommunications service to the landowner or his tenant.

(b) Subject to subsection (a), an operator, for the purposes of installing facilities on private land or buildings,

- (1) may lop or trim any tree that, in its opinion, is likely to damage or obstruct its facilities;
- (2) shall cause as little damage as possible and shall pay full compensation to all persons for any damage sustained by them by reason or in consequence of the exercise by such operator of such powers; and
- (3) shall be subject to the following restrictions:
 - (i) it shall not place any facilities on any private land or building in such manner as to cause interference with or obstruction of the occupier of any lands in any business or cultivation carried on upon such land or in such building;
 - (ii) it shall not place any facilities on any private land or building, or lop or trim any trees thereon, until it has given at least fourteen days notice in writing to the owner or occupier of the land or building of its intention to do so, specifying the work to be done and notifying such person of his rights to give notice of an objection thereto to the Commission pursuant to subparagraph (iii); and
 - (iii) on receipt of any notice of the intention of an operator to place any facilities on any private land or building, or to lop or trim any trees thereon, the owner or occupier, or his agent may, within fourteen days thereafter, give notice in writing of his objection to the Commission, whereupon the operator shall not proceed with the work or such part thereof as is objected to until authorised by the Commission to do so.

(c) In the event of disagreement over the quantum of any compensation to which a landowner is entitled pursuant to subsection (b) or of any other dispute relating to the installation or maintenance of facilities on or over private land or buildings, the matter shall be referred to the Court, whose decision shall be final.

(d) To minimise disruption to landowners, an operator shall, to the extent feasible, provide other operators with access to its facilities in accordance with section 27 of the Act and

shall coordinate its installation or maintenance of facilities on or over private land or buildings.

**ARTICLE 7.
OBLIGATIONS OF THE LICENSEE**

7.1 Provision of Telecommunications Services.

(a) Service Obligation. The Licensee shall provide the Licensed Services within, into and out of the British Virgin Islands in accordance with the terms of this Licence, the Telecommunications Act, 2006, the Telecommunications Code and the Commission Regulations, and the Laws of the British Virgin Islands.

(b) Continuous Service. (i) Subject to clause (ii) below, as to Licensed Services, the Licensee shall provide continuous service from the startup of service throughout the Licence Term and any Renewal Term.

(ii) In no event shall the Licensee reduce or cease to provide a Service, unless:

(A) with the permission of the Commission, it is being substituted by a Licensed Service which is more advantageous for Customers; or

(B) the provisions of Article 7.3 are applicable.

(c) Non-Discrimination. In accordance with Section 17 of the Telecommunications Act, 2006, the Licensee shall not deny access for Licensed Services to any Customer except as provided in Article 7.3.

7.2 Provision of Leased Line and Circuit Services.

At any time following the Transition Period and to the extent of available capacity in the Licensee's Telecommunications Network, the Licensee shall timely provide Leased Lines and Circuits to its Customers via Non-Service Specific Interfaces and in accordance with applicable recommendations from the International Telecommunication Union and other international entities on a non-discriminatory basis within the Maximum Response Time as defined below. The Licensee shall notify the Customer, in writing, within fifteen (15) Working Days after receipt of the Customer's application, of the month and year in which the Leased Lines or Circuits will be provided, and the length of time for which the service can be provided. In the event that (a) the time period between the Customer's application and the date set forth in the notification to be provided by the Licensee exceeds the Maximum Response Time, (b) the Customer has submitted the same application to Cable & Wireless, and (c) the time period between the submission of the Customer's application to Cable & Wireless and the date set forth in the notification to be provided by Cable & Wireless exceeds the Maximum Response Time (as defined in the Cable & Wireless licence), then the Customer shall have the right to establish, own and operate his own local Line or Circuit for the provision of Private Telecommunications Services (including, without limitation, Private Telecommunications Services that are Value-Added Services) subject to the licensing requirements of the Telecommunications Act, 2006.

If at any time following the expiration of the Transition Period (i) a Customer submits an application to the Licensee under this Article 7.2, the Licensee fails to provide or fails to provide timely within the limits set forth in this Article 7.2 the Leased Line or Circuit, the Customer shall be entitled to the indemnity or penalty under British Virgin Islands law, without prejudice to the Customer's right to install its own lines pursuant to the foregoing paragraph.

For purposes of this Article 7.2, the "Maximum Response Time" means (a) ninety (90) Working Days after receipt of any application submitted up to the second anniversary of the Effective Date, and (b) forty five (45) Working Days after receipt of any application submitted on or after the second anniversary of the Effective Date. "Available Capacity" means any network link on which utilisation is less than 80% of that link's maximum capacity. The Licensee shall not be obligated to construct new facilities to accommodate requests for Leased Lines and Circuits.

The Licensee shall set rates for Leased Lines and Circuits and shall file a rate schedule for the Leased Lines and Circuits with the Commission. The Commission shall within thirty (30) Working Days of receiving the schedule from the Licensee notify the Licensee of its response. If no response is received by the Licensee within the said thirty (30) Working Days, the schedule shall be deemed to be approved. If the Commission receives a complaint from a third party with a legitimate interest, the Licensee must file all cost and pricing information as requested by the Commission.

7.3 Interruption of Operations.

(a) **Prior Notification.** Except in the cases set forth in subparagraph (c) below, the Licensee may not interrupt operation of the Telecommunications Network or any portion thereof in the normal course of business, nor may it in the normal course of business suspend the provision of any Licensed Service without having notified the Commission in writing and having provided reasonable advance notice to affected Customers.

(b) **Emergency Interruption.** The requirements of subparagraph (a) shall not apply if the interruption or suspension is due to an emergency or to force majeure under Article 20 or to other circumstances beyond the Licensee's control. The Licensee shall maintain adequate diagnostic equipment and shall employ sufficiently trained staff locally to ensure prompt restoration of licensed services.

(c) **Suspension of Services.** The Licensee may terminate the provision of Telecommunications Services to any Subscriber if such Subscriber does not comply with the terms and conditions of its Service Agreement.

(d) **Routine Maintenance of Services.** The Licensee shall give reasonable notice to the affected public of scheduled routine maintenance on the Network which results in disruption of service exceeding 30 minutes. All routine maintenance on the Network resulting in service disruption shall be performed between the hours of 2.00 a.m. and 5.00 a.m.

7.4 Telecommunications During a Public Emergency.

(a) Where a period of public emergency has been declared, the Governor may authorise the taking of possession and control by the Government of any facilities, telecommunications equipment or service to be used

- (i) for Government service;
- (ii) for such ordinary service as the Governor may determine; or
- (iii) direct or authorise the control of telecommunications in any manner as he may direct.

(b) The Licensee may, during a period of public emergency, in which facilities are disrupted as a result of force majeure, use its service for emergency communications and in a manner other than that specified in its licence or in the applicable regulations.

(c) Emergency use permitted under this section shall be discontinued when normal telecommunication services are again available or when such special use of the facilities, equipment or service is terminated by the Governor.

(d) Where, during a period of public emergency, the Governor shall require the Licensee to give priority to communications of the Government of the Virgin Islands, such communications shall have priority over all other communications, consistent with the ITU Treaties.

(e) The Licensee shall provide an emergency alert system on all programmed channels of a cable television system or a wireless cable television system, and shall test such emergency alert system in accordance with the Telecommunications Code.

(f) The Licensee shall develop plans for operating networks and providing services during force majeure and where there is serious and substantial interruption in the provision of telecommunications services, and shall cooperate with other public suppliers in the development and implementation of any such plans.

7.5 Licensee as a Public Supplier.

The Licensee shall have the status of a Public Supplier pursuant to Section 18 of the Telecommunications Act, 2006 and this Licence shall be subject to the terms and conditions of such Section *mutatis mutandis*.

7.6 Public Pay Telephone Requirements.

(a) **Public Pay Telephone Expansion Plan.** Upon the end of the Transition Period, the Licensee shall be obligated to install and maintain Public Pay Telephones in accordance with a plan submitted to and approved by the Commission.

(b) Access to Telephony Services. The Public Pay Telephones installed by the Licensee must provide access to all other Voice Telephony Services.

7.7 Service Quality Requirements.

The Licensee shall ensure that its services meet the Commission's and International standards, and the Commission reserves the right to inspect the Licensee's premises during regular business hours to ensure that the Licensee's services meet the required standards. The Licensee shall establish and maintain an efficient repair, maintenance and servicing system for the equipment, devices and software utilised in its Services.

Upon the end of the Transition Period, the Licensee shall be obligated to provide minimum quality of service of its Telephony Services for calls carried within the Telecommunications Networks of the Licensee in accordance with: (i) the Local Call Completion Rate, (ii) the National Long Distance Call Completion Rate, and (iii) the International Call Completion Rate. For all Services at all times, the Licensee shall be obligated to provide minimum quality of service regarding: (iv) the Fault Recovery Rate, (v) the digitalisation of the network, (vi) the maximum connection time for Subscribers in urban areas, and (vii) the average connection time for Subscribers in rural areas, in each case as set forth in Annex 3 (collectively referred to as "Service Quality Requirements").

7.8 Inspection Procedures and Control Requirements.

(a) Information and Inspection. The Licensee shall comply with information requests and with inspection procedures and reporting requirements established from time to time by the Commission with regard to the fulfillment of the Provision of Telecommunication Services, Public Pay Telephone Requirements and Service Quality Requirements set forth in Articles 7.1, 7.6 and 7.7.

(b) Equipment. The Licensee shall be obligated to install only equipment and devices that meet ITU standards for measuring the quality of the Licensed Services.

(c) Rights of the Commission. Pursuant to Sections 47, 48, 70, and 71 of the Telecommunications Act, 2006, the Commission may appoint one or more inspectors who shall have the right to inspect the Licensee's equipment and devices for measuring service quality, to inspect the Licensee's files, records and other data relating to the measuring of service quality and to request the Licensee to submit such reports, statistics and other data and to conduct such measurements as the Commission deems necessary in order to determine compliance with applicable Service Quality Requirements. If the Licensee fails to comply with any information or reporting requirement or the Commission has reason to believe that Service Quality Requirements are not fulfilled (in which case the Commission shall follow the procedures set forth in Article 19.3 before imposing any penalties on the Licensee for its failure to fulfill such requirements) or that measuring equipment, devices or methods do not meet state-of-the-art standards, the Commission shall have the right to attach its own state-of-the-art equipment and devices for measuring service quality at such facilities of the Licensee's Telecommunications Network as the Commission deems appropriate. The cost of any such equipment, devices or methods (including, without limitation, the implementation and installation costs thereof) shall be for the account of the Licensee.

7.9 Confidentiality.

(a) Obligation to Maintain Confidentiality. The Licensee shall maintain the confidentiality of the content of all communications over its network from interference, eavesdropping or recording by Licensee or any of its employees or agents. The Licensee shall institute reasonable measures and procedures to safeguard the confidentiality of business secrets and personal data concerning its Subscribers which it acquires in the course of its business. The Licensee shall appoint one of its officers to be in charge of the implementation, compliance and supervision of such measures and procedures. On the 15th of February of each calendar year starting with the first calendar year following the Effective Date, the Licensee shall submit to the Commission an annual report for the preceding calendar year, or portion thereof, setting forth such measures and procedures which have been established by the Licensee and describing the effectiveness thereof and any necessary changes and improvements thereto.

(b) Enforcement Measures. The Licensee shall comply with reasonable inspection procedures and reporting requirements established or to be established by the Commission relating to the measures set forth in subparagraph (a) above. If the Commission deems that the Licensee is not complying with its obligations under subparagraph (a) the Commission may establish (without prejudice to its other rights under British Virgin Islands law) measures and procedures which it deems appropriate.

(c) Lawful Intercept. Notwithstanding subparagraphs (a) and (b) above, the Licensee shall comply with any written request or order of the Governor to intercept communications for law enforcement purposes or to provide information in aid of his authority under Article 90 of the Act. The methodology for providing lawful intercept shall be specified by the Commission and shall be implemented by the Licensee within twenty four (24) months of the Effective Date.

7.10 Customer and Subscriber Assistance Requirements

(d) Non-Discrimination. The Licensee shall establish and maintain efficient information and assistance services to assist Subscribers and Customers in resolving questions regarding installation, services, directory assistance and all other questions relating to the Licensed Services. In the provision of such Licensed Services and pursuant to Section 17(c) of the Telecommunications Act, 2006, the Licensee shall provide equal opportunity for access to the same type and quality of Licensed Services to all Subscribers and Customers in a given area at substantially the same tariff, limiting variations to those allowed by the Telecommunications Act, 2006.

(e) Conflict Resolution. The Licensee shall, no later than six (6) months after the Effective Date, establish an efficient procedure for the resolution of conflicts with Subscribers and Customers in accordance with the regulations adopted or to be adopted by the Commission.

(f) Emergency Assistance Requirements. The Licensee shall provide, at a minimum, during the Licence Term the following emergency assistance services to Customers and Subscribers:

(i) Access to local public emergency services, free of charge, from all wireline and wireless telephones, including Public Pay Telephones, under uniform national emergency

numbers 999 and 911. Licensee shall continue to offer such national emergency numbers as of the Effective Date, and the Licensee shall cooperate with the Commission and other operators or such other entity as designated by the Commission. Licensee's obligation shall include provision of the network facilities which are necessary to implement a national emergency service.

(ii) Operator-assisted Voice Telephony Service, in circumstances where telephone numbers cannot be dialed directly, to assist officials of Emergency Organisations to send priority communications anywhere in the British Virgin Islands over the Telecommunications Network.

(g) **Directory Assistance Requirements.** The Licensee shall comply during the Licence Term with the following directory assistance requirements for Subscribers:

(i) The Licensee shall set up, operate and maintain a directory database. This information shall be made publicly accessible on cost based terms either manually or electronically. Additionally, Licensee shall create and update annually a printed directory which it shall distribute to Subscribers at no cost. The Printed directory shall list all Subscribers in the British Virgin Islands, including those Subscribers who are serviced by other Operators whose Subscriber base exceeds one thousand (1,000) subscribers and whose Subscriber information has been duly notified to the Licensee, but except for those Subscribers who have specifically requested not to be included. The Licensee shall be obligated to provide such Subscriber information as necessary to compile and print a Directory to Other Operators. Government policy shall be to require all Operators to provide such information to each other in the best interest of the British Virgin Islands Subscribers. Such information supplied for the purpose of printing a Directory shall be used solely for that purpose. The directory shall include, as a minimum, the names of the Subscribers in alphabetical order, their addresses and Basic Telephony Service telephone number; a list of interurban and international area codes and a list of emergency numbers. The Licensee shall be obligated to provide an updated printed directory to each of its Subscribers annually free of charge beginning six (6) months from the Effective Date. The minimum Subscriber information in the Directory shall be published free of charge; provided, however, that the Licensee shall have the right to charge other Operators a reasonable service fee based on cost of the publication of their Subscriber information. Additionally, Licensee shall have the right to charge for commercial advertising; enhanced directory listings; and the exclusion of unpublished numbers.

(ii) In the directory referred to in Article 7.12(d)(i) or through a separate directory, the form and content of which shall be agreed between the Licensee and the Commission, the Licensee shall provide or make available to Subscribers, free of charge, providing a listing of national, provincial and local governmental authorities, institutions, and offices. The Commission shall coordinate with Licensee and such governmental entities so that the Licensee is provided with the information necessary to compile and update such directories on a regular basis.

(iii) The directory information services provided by the Licensee shall include a service or information, as the case may be, whereby directory information is made available in a form which is appropriate to meet the needs of persons who are blind or otherwise disabled as to be

unable to use a telephone directory in a form which it is generally available to persons to whom the Licensee provides Basic Telephony Service. The service so provided to such persons shall, from a date agreed to between the Licensee and the Commission, be provided free of charge or, if the Commission is satisfied that is not practicable, the Licensee may be permitted by the Commission to levy a reasonable charge related to the cost of such service.

(iv) The Licensee shall cooperate with the other operators to provide a directory information service through which callers may receive information on the telephone numbers of Subscribers as well as international numbers for a reasonable charge to be approved by the Commission.

(h) **Master Service Agreement.** Within three (3) calendar months following the Effective Date, the Licensee shall submit to the Commission for its approval a form of service agreement (the "**Master Service Agreement**") containing the terms and conditions for the provision of Licensed Services uniformly to prospective Subscribers and Customers. Within thirty (30) Working Days of receipt of the Master Service Agreement, the Commission shall either (i) approve such agreement, in the event the Commission has determined that such agreement adequately protects the interests of the Subscriber, or (ii) notify the Licensee that the Commission disapproves of such agreement. The Commission shall not unreasonably withhold its approval of the Master Service Agreement. In the event the Commission disapproves of the Master Service Agreement, such notice shall include specific recommendations for change. Within thirty (30) Working Days of receipt of the Commission's notice of disapproval, the Licensee shall submit a revised Master Service Agreement incorporating the Commission's specific recommendations.

(i) **Implementation of Master Service Agreement.** Promptly upon receipt of the Commission's approval of the Master Service Agreement, the Licensee shall notify all Customers and Subscribers of its terms and conditions and shall thereafter provide Licensed Services based upon such Master Service Agreement.

(j) **Amendments to Master Service Agreement.** The Licensee may from time to time modify the Master Service Agreement by giving not less than thirty (30) Working Days prior written notice to the Commission and all Subscribers and Customers. If the Commission does not object to the proposed modification within thirty (30) Working Days of receipt of notice, the modification shall then become effective as set forth in such notice.

7.11 Assistance for Disabled Persons.

The Licensee shall provide the following equipment or services during the Licence Term for disabled Customers and Subscribers:

(a) **In General.** The Licensee shall at the request of the Commission arrange for:

(i) the supply of, and the provision of maintenance services for telecommunications apparatus designed or adapted to meet the reasonable demands of disabled people;

(ii) the connection to the Telecommunications Networks of telecommunications apparatus referred to in paragraph (i); and

(iii) Licensee's participation in any advisory group established to address the needs of persons who are disabled.

(b) Customer Premises Equipment. The Licensee shall use its reasonable endeavours to ensure that there are available for supply in such a way as to meet all reasonable demands for customer premises equipment of the following items:

(i) customer premises equipment capable of being inductively coupled to hearing aids which have been designed to be so coupled to Customer Premises Equipment; and

(ii) customer premises equipment incorporating sound amplification facilities, provided that this condition shall be deemed to be satisfied if the Licensee uses its reasonable endeavours to ensure that there is available for supply either one type of customer premises equipment which meets both descriptions or two types of customer premises equipment each of which meets one of the requirements set forth in paragraphs (a) or (b).

(c) Hearing Apparatus for Public Pay Telephone Service. The Licensee shall take all reasonable steps to install, and keep installed in at least fifty percent (50%) of Public Pay Telephone Service, apparatus enabling persons using hearing aids designed for use in conjunction with Public Pay Telephones to use such hearing aids in connection with Voice Telephony Services. The target specified in the immediately preceding sentence shall be achieved as soon as practicable but in any event no later than the fifth (5th) anniversary of the Effective Date. On the fifth (5th) anniversary of the Effective Date the percentage of such Public Pay Telephones at which the Licensee shall be obligated to install and keep installed such apparatus shall be agreed between the Licensee and the Commission.

7.12 Cooperation with other Providers of Telecommunications Services

The Licensee is obligated to cooperate with other providers of Telecommunications Services to the extent required by the Telecommunications Act, 2006, the Telecommunications Code and Commission Regulations, and the orders adopted by the Commission. In particular, and without limitation, the Licensee shall allow interconnection of other Telecommunications Services in accordance with the provisions of Article 9 below.

7.13 Accounting Requirements

(a) Establishment of Accounting System. The Licensee shall submit to the Commission within six (6) months after the Effective Date a proposal for an accounting system which allows the recording of investments, expenses and revenues in accordance with Generally Accepted Accounting Principles ("GAAP").

The Commission shall approve or disapprove the proposed accounting system within two (2) weeks after its submission and may, in case of disapproval, propose modifications or order the Licensee to adopt a prescribed accounting system within a reasonable time period but in no event later than one (1) year after the Effective Date.

(b) **Separate Subsidiary.** If (i) the Licensee fails to comply with its obligations under subparagraph (a) above or if the accounting system established by the Licensee fails to achieve the objectives set forth in subparagraph (a) above and (ii) if the Commission deems it necessary and appropriate to supervise compliance with the provisions of Article 8 below, it may order the Licensee to provide certain Licensed Services through a separate division or divisions, a separate branch or branches or a separate subsidiary or subsidiaries.

7.14 Record Keeping and Reporting Requirements

The Licensee shall establish and maintain adequate records to permit the effective supervision and enforcement of the terms of this Licence. Within ninety (90) Working Days of the end of each fiscal year of Licensee, Licensee shall deliver to the Commission its year-end balance sheet and the related statements of operations, equity and cash flows of Licensee, in each case accompanied by a report thereon of independent public accountants stating that such financial statements fairly present the financial position of the Licensee at the dates indicated and were prepared in accordance with GAAP. Within ninety (90) Working Days following each anniversary of the Effective Date, the Licensee shall deliver to the Commission in accordance with Section 69 of the Telecommunications Act, 2006, a report on the operations and services of the Licensee and the extent to which the conditions of this Licence have been followed during the twelve (12) month period ending on such anniversary which report shall be certified by two directors of the Licensee and shall be substantially in the form of Annex 4 attached hereto. In addition to the foregoing, the Commission may request the Licensee to submit other periodic reports, financial statements, statistics, operating agreements, ownership agreements, business plans and other data regarding the Licensee's operations and activities. The Commission may publish such information (with the exception of confidential information, privileged information and trade secrets).

Pursuant to Sections 70 and 71 of the Telecommunications Act, 2006, the Commission shall have the right to inspect or to instruct an auditor or other personnel to review the files, records and other data of the Licensee with a view to monitor and enforce the terms of this Licence effectively.

7.15 Technical Information; Control by Telecommunications Operator(s)

(a) During the Term of the Licence, Licensee, on a royalty-free basis, shall (i) operate, maintain and exploit the Telecommunications Network using all technology, know-how, software, data bases, processes, patents, trademarks and copyrights available to the Telecommunications Operator(s) and which it uses in the operation, maintenance and exploitation of the telecommunications systems it operates outside of British Virgin Islands (collectively, the "**Technical Information**"); and (ii) cause Telecommunications Operator(s) to retain Licensee as Telecommunications Operator's sole representative in the British Virgin Islands, with the exclusive right to use such Technical Information. In addition and in furtherance of the foregoing, Licensee shall cause Telecommunication Operator(s) to provide periodic and specifically required technical consulting services to Licensee for compensation to be reasonably determined by Licensee and Telecommunications Operator(s).

(b) During the Term of the Licence, Licensee shall ensure that the Telecommunications Operator is wholly responsible for the operations of Licensee, including, without limitation, the application and use of the Technical Information.

7.16 Consortium Agreements

Licensee agrees to file its Consortium, Shareholders, Partnership or other such agreements with the Commission. It further agrees that any terms of such referred to agreement which are inconsistent with the terms of this Licence shall be null and void, and that during the period commencing on the date hereof and continuing through the expiration of the Licence, no Person shall amend or otherwise modify the terms of any Consortium Agreement without the prior written consent of the Commission. If Commission withholds consent, it shall give reasons.

ARTICLE 8. RATE REGIME

8.1 Dominant Public Supplier

Prices for telecommunications services shall be determined by providers in accordance with the principles of supply and demand in the market. Should the Licensee be designated a Dominant Public Supplier in accordance with Section 26.(4) of the Telecommunications Act, 2006, the procedures for this Article 8 shall then apply.

8.2 Rate-Regulated Services.

(c) **Categories of Rate-Regulated Services.** The Public Telecommunications Services subject to Rate Regulation ("**Rate-Regulated Services**") shall be Telephony Services offered by the Licensee of the following broad service categories and charges whether by fixed or wireless technology:

- (i) Installation and connection charges; monthly Exchange Line rental;
- (ii) Local Telephone Calls;
- (iii) National Long Distance Telephone Calls;
- (iv) International Telephone Calls; and
- (v) Cable Television Service.

A Licensee may configure service offerings within these broad categories to address specific market segments or social requirements. The latter notwithstanding, the services will continue to be subject to Rate Regulation as long as the Licensee remains a Dominant Public Supplier.

(d) **Non-Rate-Regulated Services.** Value-Added Telecommunications Services, Public Pay Telephone Services, Trunk Capacity Resale Services, Internet Services, and other

Telecommunications Services are not subject to Rate Regulation as described in this Article, but may be subject to other rules, regulations, terms and conditions established in other agreements between the Licensee and the Commission.

8.3 Rate Regulation.

(a) Price Caps. The Rates for Regulated Services shall be subject to a rate adjustment mechanism characterised by Price Caps and Price Capping Formulas set forth in Annex 5 incorporated herein.

(b) Baskets for Services during the Dominant Public Supplier Period. During the Dominant Public Supplier Period, the Price Cap Formula shall be applicable to the following Rate-Regulated Services designated as a Telephony Service and set forth in Basket 1, Basket 2, Basket 3, and Basket 4 as follows:

Basket	Basket Composition
<p>Basket 1: Local Service and Domestic Long Distance Service</p>	<p>Basket 1 includes the following services:</p> <p>Telephone service installation and connection charges (non-recurring)</p> <p>Exchange line rental charge (recurring)</p> <p>Local calling unit charges (usage-based)</p> <p>Domestic long distance switched voice and data services (usage-based)</p>
<p>Basket 2: International or Long Distance Services - Caribbean Region</p>	<p>Basket 2 includes the following international long distance services for countries in the Caribbean grouping:</p> <p>International long distance switched voice and data services (usage-based)</p> <p>This basket applies to all international long distance calls to countries in the Caribbean grouping regardless of the technology or medium used to originate the call, including traditional telephony, wireless telephony, and public telephony.</p>
<p>Basket 3: International Long Distance Services to All Other Destinations</p> <p>Basket 4: Basic and Premium Cable TV Service</p>	<p>Basket 3 includes the following international long distance services for All Other Destinations:</p> <p>International long distance switched voice and data services (usage-based)</p> <p>This basket applies to all international long distance calls to All Other Destinations regardless of the technology or medium used to originate the call, including traditional telephony, wireless telephony, and public telephony.</p> <p>Basket 4 includes the Basic Cable TV package and the various levels of Premium Cable TV packages, as well as service installation and connection charges (non-recurring)</p>

During the period commencing on the date the Rate-Regulated Services of the Licensee become subject to Rate Regulation pursuant to Article 8.1, being the first day of Dominant Public Supplier Designation and continuing through the last day of Dominant Public Supplier Designation, the Price Caps for the Licensee shall be calculated using total market revenue figures for the Regulated Services identified above.

(c) **Price Caps.** During the Dominant Public Supplier Period, the weighted average Rates actually charged for the Rate-Regulated Services included in Basket 1, Basket 2, Basket 3, and Basket

4 shall not exceed the respective Price Caps calculated as set forth in Annex 5 during any given calendar year.

8.4 Rate Regulation Procedure.

(a) Application for Rate Adjustment during the Dominant Public Supplier Period. From the first day of Dominant Public Supplier designation, the Licensee shall be bound by the Initial Rates for Services provided in its application and set out in Annex 2. From the first day of Dominant Public Supplier designation and continuing through the last day of Dominant Public Supplier designation, the Licensee shall file with the Commission, in a form to be specified by the Commission, annual applications for the adjustment of the actual weighted average Rates for the Rate-Regulated Services in the baskets defined in Article 8.3 above, in accordance with the applicable Price Caps. The application for Rate adjustment shall be in conformance with the methodology and formula defined in Annex 5. The annual rate adjustment is limited by the Consumer Price Index (CPI) less the productivity factor (X). The adjustment period shall be once a year. The adjustment of the weighted average rates determined by the Price Cap mechanism shall be effected provided that the Price Caps for each year are maintained in accordance with Annex 5.

(b) Supporting Documentation. Applications for Rate adjustment shall be filed together with such calculations, information and other documents as are necessary to support the application.

(c) Procedure. Applications and supporting documentation shall be filed at least thirty (30) Working Days before the proposed effective date of the Rate Adjustment. The Commission shall examine and verify the application and documentation in order to verify that the proposed Rates comply with the applicable Price Caps or Price Cap Formulas. Within ten (10) Working Days after receipt of the application, the Commission may request additional information from the Licensee establishing a deadline for delivery of such information of no less than five (5) and no more than ten (10) Working Days after receipt of the Commission's request for additional information. If the Commission does not approve or disapprove the application within twenty (20) Working Days after the application has been filed or within ten (10) Working Days after the due date of additional information requested from the Licensee, as the case may be, the proposed Rate shall be deemed approved. The Licensee shall notify its Customers and Subscribers of the new Rates through publication of such Rates in the *Gazette* no less than five (5) Working Days prior to their use.

(d) Information Obligations. The Licensee shall comply with information requests from the Commission. Notwithstanding this obligation of the Licensee to comply with information requests, the Commission and the Licensee shall establish appropriate consultation procedures in order (i) to design report forms that satisfy the information needs of the Commission and (ii) to minimize the costs for the Licensee relating to the compilation and provision of information. The Commission shall have the right to verify all information provided by the Licensee.

ARTICLE 9.
INTERCONNECTION AND NUMBERING

9.1 Obligation of the Licensee to Interconnect with Providers of Trunk Capacity Resale Services and Final Services.

(a) Obligation to Interconnect. If the Licensee receives a request for interconnection from another Operator of a Trunk Capacity Resale Service or a Final Service duly licensed by the Commission, then pursuant to Section 26 of the Telecommunications Act, 2006 the Licensee shall have an obligation to interconnect its Telecommunications Network with the other Operator's network in accordance with the principles of neutrality, non-discrimination and equality of access pursuant to terms and conditions negotiated in good faith between them and at a charge based upon the incremental cost of the interconnection; provided, however, that the Licensee shall be excused from any obligation to negotiate or enter into an interconnection agreement with a requesting Operator if, as determined by the Commission in its reasonable discretion, (i) such an agreement is prohibited by law; or (ii) the licence issued to the other Operator does not authorise the Telecommunications Services for which interconnection is requested; or (iii) the requested interconnection is rendered impossible as a result of technical specifications promulgated by the Commission or as a result of technical limitations; or (iv) such interconnection would endanger life or safety or result in injury or harm to the Licensee's property or hinder the quality of the Licensed Services provided by the Licensee. Licensee may agree with the Other Operator on the date to commence negotiations on an interconnection agreement or in the event of no agreement, the Commission shall have power to compel both parties to commence negotiations on an interconnection agreement on a date prescribed by the Commission.

(b) Interconnection Agreements. All interconnection agreements between the Licensee and other Operators of Trunk Capacity Resale Services and Final Services shall be in writing and shall conform to: (i) the Telecommunications Act, 2006 and the Commission Regulations, and (ii) the principles of neutrality, non-discrimination, equality of access and equal terms and conditions. Interconnection charges shall be charged for each type of Telecommunication Service and must be based on the incremental cost to the service provider plus a reasonable profit margin.

(c) Approval of Interconnection Agreements. Pursuant to Section 26 of the Telecommunications Act, 2006, the Licensee shall file with the Commission an application for the Commission's approval or re-approval, as the case may be, of (i) each proposed interconnection agreement to be entered into pursuant to subparagraph (b) at least thirty (30) Working Days before the effective date of such agreement and (ii) each interconnection agreement already approved by the Commission pursuant to this subparagraph (c) or Article 9.3(b) on the fifth anniversary of the effective date of such interconnection agreement and on each successive five (5) year anniversary thereof. The Commission may request from the Licensee and from the other Operator any additional information which the Commission deems necessary to evaluate the terms and conditions and the charges set forth in the interconnection agreement, and may request that the interconnection agreement be modified as specified by the Commission in writing. Approval or disapproval of the interconnection agreement shall be in writing. If the Commission does not request additional information or modifications or does not rule on the interconnection agreement within thirty (30) days of its receipt of the Licensee's application, then the agreement shall be deemed approved. In the event the Commission requests modifications to the interconnection agreement under this subparagraph (c), then the Licensee shall submit a revised interconnection agreement to the Commission within ten (10) Working Days of

receipt of the Commission's request. If the Commission does not request additional modifications or does not rule on the revised interconnection agreement within five (5) Working Days of its receipt then the revised agreement shall be deemed approved.

(d) Amendments to Interconnection Agreements. The parties to an interconnection agreement already approved by the Commission pursuant to Article 9.1(c) may amend or modify such agreement by giving the Commission not less than thirty (30) Working Days written notice prior to the effective date of the amendment along with a copy of the proposed amendment or modification. If the Commission has not objected to such proposed amendment or modification within the thirty (30) day period, then the amendment or modification shall be deemed approved.

(e) Interconnection Dispute. If the Licensee and the other Operator fail to agree on interconnection terms and conditions within thirty (30) Working Days from the commencement of negotiations, the Commission may require both parties to enter into the Commission's form of interconnection agreement with the rates payable thereunder to be set by the Commission. The Commission shall give the Licensee and the other Operator not less than thirty (30) Working Days prior written notice of the imposition of such interconnection agreement, during which time the Licensee and other Operator may file representations with the Commission. Notwithstanding anything in the foregoing to the contrary, the Commission may (i) on its own motion or (ii) within ninety (90) days of the submission of an application to the Commission from either party, impose its form of interconnection agreement on the parties pursuant to Section 26.(1)(c) of the Telecommunications Act, 2006 in the event the parties fail to enter into an interconnection agreement under this Article 9.1(e) or the Commission determines that the imposition of an agreement promotes fair competition.

9.2 Obligation of the Licensee to Interconnect with other Telecommunication Service Operators.

(a) Obligation to Interconnect. Pursuant to Section 26 of the Telecommunications Act, 2006, the Licensee shall be obligated to interconnect its Telecommunications Network with the Telecommunications Network or Telecommunication Services of Telecommunication Service Operators other than those mentioned in Article 9.1, in accordance with the principles of neutrality, non-discrimination and equality of access pursuant to reasonable terms and conditions negotiated in good faith between them; provided, however, that such interconnection (i) is authorised by the Telecommunications Act, 2006 and the Commission Regulations, (ii) complies with regulations and industry standards adopted or to be adopted by the Commission, (iii) is not prohibited by the terms of the requesting Operator's licence; (iv) is technically feasible as determined by the Commission; and (v) is not likely to endanger life or safety or result in injury or harm to the Licensee's property, or hinder the quality of Telecommunication Services provided by the Licensee.

(b) Interconnection Agreements. Subparagraphs 9.1(b), (c), (d) and (e) shall apply *mutatis mutandis* to interconnection agreements entered into pursuant to subparagraph 9.2(a).

9.3 Interconnection Agreements and Interconnection Charges for Telecommunication Services.

(a) Obligation to Negotiate. The Licensee shall without delay enter into negotiations with Cable & Wireless with a view to enter into an interconnection agreement prior to or simultaneously with the Effective Date. After the effective date of the interconnection agreement entered into with Cable & Wireless, the Licensee shall without delay enter into negotiations with all other Operators of Telecommunication Services with a view to enter into interconnection agreements within six (6) months following the effective date of such other Operators licence. All interconnection agreements under this subparagraph (a) shall comply with the requirements set forth in Article 9.1(b) above and shall contain such reasonable terms and conditions as negotiated in good faith between the parties.

(b) Prior Approval of Interconnection Agreements. The Licensee shall file with the Commission for the Commission's approval each interconnection agreement which it intends to enter into pursuant to subparagraph (a) above. The Commission may request from the Licensee and from the other parties to the proposed interconnection agreements any additional information which the Commission deems necessary to evaluate the proposed interconnection agreements and may request that the interconnection agreement be modified as specified by the Commission in writing. If the Commission does not adopt a resolution or request amendments or modifications to ensure compliance with the Telecommunications Act, 2006 with respect to such interconnection agreements within thirty (30) days of submission to the Commission, then the proposed agreements shall be deemed approved. Interconnection agreements approved by the Commission pursuant to this subparagraph (b), along with any amendments thereto, shall be subject to the continued approval of the Commission as set forth in Articles 9.1(c) and (d).

(c) Interconnection Disputes. Article 9.1(e) shall apply *mutatis mutandis* to interconnection agreements entered into pursuant to Article 9.3(a).

9.4 Interconnection Default Rates.

(a) Interconnection Default Rates. During the period following the Effective Date and continuing until the date an interconnection agreement between Cable & Wireless and the Licensee becomes effective, the Licensee may request that Cable & Wireless connect the Licensee System with the C&W System (defined below) at any Point of Interconnection requested by the Licensee with the interconnection default rates applicable to fixed Telecommunications Networks set forth in the Model Interconnection Agreement (along with each of the other terms and provisions of the Model Interconnection Agreement, absent agreement to the contrary between the parties) to apply during such period; provided, however, that Cable & Wireless shall be excused from any obligation to provide such interconnection services if, as determined by the Commission in its reasonable discretion, (i) the requested interconnection is rendered impossible as a result of technical specifications promulgated by the Commission or as a result of technical limitations or (ii) such interconnection would endanger life or safety or result in injury or harm to Cable & Wireless's property or diminish the quality of the licensed services provided by Cable & Wireless.

(b) Definitions. For purposes of this Article 9.4, the following words shall have the following

meanings:

"C&W System" means the Telecommunications Network established or to be established by Cable & Wireless under the licence granted under Section 15 of the Telecommunications Act, 2006 or, until such a licence is issued, under the Cable and Wireless (West Indies) Limited Telephones Act and the Telecommunications Act authorising Cable & Wireless to establish, install, operate or otherwise use a fixed Telecommunications Network or provide fixed Telecommunication within the licensed area in British Virgin Islands as stipulated in such licence.

"Licensee System" means the Telecommunications Network established by the Licensee under this Licence.

"Point of Interconnection" means a mutually agreed upon point of demarcation where the exchange of traffic between the Licensee System and the C&W System takes place.

9.5 Numbering Plan.

In accordance with Section 40 of the Telecommunications Act, 2006, the Commission shall be responsible for administering, amending, revising and coordinating the Numbering plan in accordance with the requirements of the North American Numbering Plan Administration, international laws and recommendations from the International Telecommunication Union and other international entities, and in accordance with the principles of free and fair competition.

In accordance with Section 41 of the Act, the Commission shall be responsible for registration and management of Virgin Islands domain names in accordance with the principles of free and fair competition.

(a) Participation of Licensee. Before publishing any Numbering Plan which the Commission plans to prescribe (or any regulations regarding any Numbering Plan) or making any changes with respect to any Numbering Plan (collectively the "Numbering Proposals") the Commission shall consider recommendations and opinions from the Licensee relating to the national numbering plan so as to ensure that:

(i) the Numbering Proposals will allow sufficient Numbers to be made available to the Licensee, having regard to the expected growth and demand for telecommunications services, for a Number to be allocated without undue delay;

(ii) the Numbering Proposals will enable Numbers to include as few digits as practicable, and ensure that their allocation does not confer an undue advantage on any Operator;

(iii) the cost of changing any of the Telecommunications Networks in order to accommodate the Number Proposals is kept within reasonable limits; and

(iv) any inconvenience caused by implementation of the Numbering Proposals to the Licensee, and to persons using the Telecommunications Networks, is in the Commission's

opinion, minimised.

(b) **Regulatory Compliance.** The Licensee shall comply with the Commission Regulations concerning the implementation of the Numbering Plan and domain name management.

9.6 Roaming Agreements.

(a) The Licensee shall enter into an agreement to provide Roaming Services on a reciprocal basis to every other Operator of Cellular Telecommunications Service within the British Virgin Islands that requests such service.

(b) An agreement to provide Roaming Services shall require the Licensee to provide cellular mobile radiotelephone service upon request to all Subscribers in good standing, including roamers, of any other Operator of Cellular Telecommunications Service, while such Subscribers are located within any portion of the Licensee's authorised geographic service area where facilities have been constructed and service to Subscribers has commenced, if such Subscribers are using mobile equipment that is technically compatible with the Licensee's base stations.

(c) If the Licensee fails to agree on fair and equitable conditions for the provision of Roaming Services with such other Operator of Cellular Telecommunications Service as may request service, the Commission shall in accordance with Section 26(1) of the Telecommunications Act, 2006 and upon application of one party or both parties concerned to the Commission and the Commission shall determine such rates, terms and conditions as it considers to be just and reasonable.

9.7 Number Portability.

The implementation of Number Portability shall be suspended ~~during the Transition Period~~ and thereafter the Licensee shall provide Number Portability in accordance with and on terms and conditions specified in the regulations in effect ~~following the expiration of the Transition Period.~~

9.8 Carrier Pre-selection.

The provision of Carrier Pre-selection shall be suspended ~~during the Transition Period~~ and thereafter the Licensee shall provide Carrier Pre-selection in accordance with and on terms and conditions specified in the regulations in effect ~~following the expiration of the Transition Period.~~

ARTICLE 10. COMPETITION RULES

10.1 Prohibition against Monopolistic Practices.

(a) **Abuse of Dominant Position.** Subject to the provisions of Section 26 and 29 of the Telecommunications Act, 2006 the Licensee shall not engage in any activities, whether by act or omission, which have, or are intended to or likely to have, the effect of unfairly preventing, restricting or distorting competition in relation to any business activity relating to Communications Services. Without limiting the generality of the foregoing, any such act or omission shall include:

(i) any abuse by the Licensee, either independently or with others, of a dominant position which unfairly excludes or limits permitted competition between the Licensee and any other party;

(ii) entering any Contract or engaging in any concerted practice with any other party, which unfairly prevents, restricts or distorts competition; or

(iii) the effectuation of anti-competitive changes in the market structure, and in particular, anti-competitive mergers and acquisitions in the communications sector.

(b) General Prohibition against Cross-Ownership Between the Licensee and Cable & Wireless or Caribbean Cellular Telephone Ltd. Pursuant to Section 17(c) of the Telecommunications Act, 2006, neither the Licensee nor any of its Affiliates or any of its Shareholders shall hold or acquire any ownership interest in Cable & Wireless or any of its Affiliates, Caribbean Cellular Telephone Ltd. or any of its Affiliates, or any other licensee of Telephony Services; and neither Cable & Wireless nor any of its Affiliates or any of its Shareholders, nor Caribbean Cellular Telephone Ltd. or any of its Affiliates or any of its Shareholders shall hold or acquire any ownership interest in the Licensee or its Affiliates.

(c) General Prohibition against Cross-Subsidies. Subject to subparagraph (d) below, the Licensee shall not cross-subsidise its Licensed Services in such a manner as to distort fair competition.

(d) Cross-Subsidisation ~~during Transition Period.~~ ~~During the Transition Period,~~ the Licensee shall not use revenues from Cable TV Services to cross-subsidise other Telecommunications Services. ~~Upon termination of the Transition Period, subparagraph (c) above shall apply.~~

(e) Prohibition Against Exclusivity in International Agreements. The Licensee shall not enter into any Contract with an international operator which would preclude such international operator from providing international Communications Services to any other Operator in British Virgin Islands on like terms and conditions.

10.2 Non-Discriminatory Treatment.

The Rates, terms, conditions and technical standards pursuant to which the Licensee employs services utilising the Telecommunications Network or its Trunk Capacity Resale Services for its own provision of Final Services or Value-Added Services shall be identical or equivalent to those which it offers to other unaffiliated Public Suppliers.

The Licensee shall not discriminate against nor grant any preferences to other Telecommunications Service providers in the provision of Telecommunications Services.

10.3 Unbundled Provision of Equipment.

The Licensee may not unduly or unlawfully (i) make the purchase or lease of wiring or terminal equipment a condition of obtaining any Telecommunications Service; (ii) make the provision of any Value-Added Service a condition of obtaining any Voice Telephony Service; (iii) make the provision of any one service a condition to obtaining any other service; nor (iv) include the charge or fee for such equipment as part of the Rates, fees or charges for any Telecommunications Service.

10.4 Supervision and Enforcement.

In accordance with and in furtherance of Sections 69 and 70 of the Telecommunications Act, 2006, the Commission shall have the right to request the Licensee to submit periodic reports, statistics and other data and to inspect the Licensee's facilities, files, records and other data as well as request additional information with a view to supervise and enforce effectively the terms of this Article. The Commission has the right to adopt corrective measures in the form of regulations and orders in accordance with applicable laws and regulations.

10.5 Procedural Rules.

(a) **Notice.** Without limiting the generality of Article 10.4 or the provisions of Article 18.3, in the event it appears to the Commission that a breach of fair competition has been committed by the Licensee or any of its Affiliates, whether prompted by a third party complaint or the Commission's own initiative, the Commission shall, not less than five (5) Working Days before commencing a formal investigation of the alleged breach, publish a notice in the *Gazette* and at least one (1) other newspaper of general circulation in the British Virgin Islands and send a copy of the written Notice to the Licensee which Notice shall:

- (i) state that the Commission is investigating a possible breach of fair competition;
- (ii) state the reasons for the suspicion of a contravention or breach, including any matter of facts or law which are relevant to the investigation, as well as the identity of the complainant, if other than the Commission;
- (iii) specify further information required from the Licensee and its Affiliates in order to complete the investigations and the time period within which the Licensee must give such information to the Commission, such time not being less than thirty (30) days from the date of publication of the notice;
- (iv) specify the time within which comments or objections with respect to the notice can be made in writing by the Licensee or by any third party with a legitimate interest, such time not being less than thirty (30) days from the date of publication of the notice; and
- (v) if appropriate, specify the steps to be taken in order to remedy the breach.

(b) **Resolution.** The Commission shall issue a decision on the matter within (90) Working Days from the publication of the Notice. The Commission's decision shall be in writing, shall state the

reasons why it has been adopted and, in the event the Commission has determined that the Licensee or any of its Affiliates is competing unfairly, the directive may:

- (i) order the Licensee or such Affiliate to stop the unfair competition in addition to other remedies under British Virgin Islands law;
- (ii) require the Licensee to pay a fine not exceeding the equivalent of ten percent (10%) of the annual turnover of the Licensee; and/or
- (iii) declare any anti-competitive Contracts of the Licensee or any such Affiliates null and void.

(c) **Publication.** Upon adoption of the directive, the Commission shall publish a notice in the *Gazette* and at least one (1) other newspaper of general circulation in the British Virgin Islands; provided, however that the Commission shall not publish a notice under this subparagraph (c) in the event an objection or appeal has been filed with the Court.

(d) **Appeals.** The Licensee shall be entitled to appeal any resolution of the Commission adopted pursuant to subparagraph (c) above to the Court in accordance with British Virgin Islands law.

ARTICLE 11. LIMITATIONS REGARDING ASSIGNMENT; TRANSFER OF CONTROL

11.1 Assignments and Transfers.

The Licensee shall not assign, delegate, transfer or encumber in any manner the rights, interests or obligations under this Licence without the prior, express and written consent of the Commission or the Minister, as the case may be, in accordance with the provisions of Section 16 of the Telecommunications Act, 2006. For purposes of this Article 11.1, "transfer" includes the acquisition of Control of the Licensee. The Licensee, Telecommunications Operator(s), any Consortium Participant, any Shareholder or any of their respective Affiliates may only pledge or otherwise encumber capital, assets or properties of the Licensee so long as such pledge or encumbrance is not, and does not cause the Licensee, Telecommunications Operator(s), any Consortium Participant, any Shareholder or any of their respective Affiliates to be in violation of this Agreement, the Telecommunications Act, 2006 or the Commission Regulations or other Laws of the British Virgin Islands.

**ARTICLE 12.
INTERNATIONAL OBLIGATIONS**

12.1 International Qualification of the Licensee.

The Licensee shall have the status of a Recognised Private Operating Agency within the meaning of the International Telecommunication Convention. The Licensee shall negotiate and conclude all necessary international commercial and operating agreements arising directly from or required by virtue of the Licensee's status from time to time under the rules and regulations of the International Telecommunications Union subject to prior notification to or, where necessary, prior approval by the Commission or such other requirements as the Commission may establish from time to time, taking into account the legitimate commercial interests and operational requirements of the Licensee.

12.2 Authority of the Minister.

In accordance with Section 4 of the Telecommunications Act, 2006, the Minister shall be responsible for representing the British Virgin Islands in international organisations or bodies in the telecommunications sector and for appointing delegates. The Minister may designate the Licensee to serve as the signatory to agreements with international telecommunications organisations if this is convenient or necessary under the terms of the relevant treaties. Licensee shall cooperate with and supply all required information to the Minister and the Commission to assist them in fulfilling their obligations to any such international organisations.

12.3 Determination of International Telecommunications Policy.

The Minister shall, after consultation with the Commission and other relevant bodies of Government, be responsible for setting national telecommunications policy and may consider recommendations and opinions from the Licensee relating thereto.

**ARTICLE 13.
AUTHORISATIONS, PERMITS AND LICENCES**

13.1 Telecommunications Authorisations, Permits and Licences.

The Licensee shall be obligated to obtain all authorisations, permits and licences which are necessary under the Telecommunications Act, 2006, the Commission Regulations and the Laws of the British Virgin Islands for the provision of Telecommunications Services in accordance with this Licence.

13.2 Compliance of Equipment with Commission Regulations.

The Licensee shall obtain any necessary compliance certificates or licences that are required for the sale, lease, distribution, use and operation of telecommunications equipment, including without limitation, terminal equipment and apparatus in accordance with Part VIII of the Telecommunications Act, 2006 and the Commission Regulations.

13.3 Other Permits.

The Licensee shall obtain all necessary licences and permits including building permits and other non-telecommunications permits required to build, implement, modify and remove installations and buildings in accordance with pertinent laws and regulations of the British Virgin Islands.

**ARTICLE 14.
USE OF RADIO FREQUENCY SPECTRUM**

The Licensee shall have the right to apply to the Commission for, and shall be assigned frequencies and frequency bands subject to the availability of spectrum in accordance with Sections 19, 20, 21, 34, and 35 of the Act and the information contained in Annex 6, which frequencies shall correspond to the Telecommunications Services provided by Licensee on or before the Effective Date.

**ARTICLE 15.
RESALE SERVICES**

15.1 Obligation to Provide Basic Exchange Service.

(a) **CCT and Cable & Wireless.** Subject to the available capacity in the Licensee's Telecommunications Network, the Licensee shall make Basic Exchange Telecommunication Services available for resale by CCT and Cable & Wireless.

(b) **Public Pay Telephone Service.** Subject to the available capacity in the Licensee's Telecommunications Network, the Licensee shall make Basic Exchange Telecommunication Services available for resale by any Person who submits an application to the Licensee for the provision of Public Pay Telephone Service; provided, however, that the Licensee shall not be obligated to provide such resale services to any such Person unless such Person agrees in writing (i) to post clearly in writing at each Public Pay Telephone receiving such Basic Exchange Telecommunications Services from the Licensee the name of such Person and a list of applicable tariffs for calls emanating from such Public Pay Telephone and (ii) to limit the tariffs charged to its Customers for such Public Pay Telephone Services to not more than one hundred and fifty percent (150%) of the tariff charged by the Licensee to its Customers for the same service.

15.2 Charges for Provision of Basic Exchange Services.

CCT, Cable & Wireless and each Operator of Public Pay Telephone Services receiving Basic

Exchange Telecommunications Services from the Licensee shall be responsible for all applicable charges for the resold services provided by the Licensee and all charges associated with services that CCT, Cable & Wireless or such Operator resells to a Subscriber. The Licensee shall negotiate charges for resale services appropriate to the volume of circuits leased and shall bill CCT, Cable & Wireless and such Operator for such charges. These charges shall conform to any regulations made by the Commission and relevant provisions of this Licence and the licence issued to CCT, Cable & Wireless or such Operator, as applicable.

15.3 Receipt of and Charges for Basic Exchange Service.

Basic Exchange Telecommunication Services made available to the Licensee by CCT or Cable & Wireless may be resold by the Licensee only for its authorised and intended or disclosed use and only to the same class of Subscriber as to which the Licensee sells Basic Exchange Telecommunication Service (*e.g.*, residence service may not be resold to business customers). The Licensee shall be responsible for all charges associated with services that the Licensee resells to a Subscriber.

15.4 No Limitation.

Nothing in this Article 15 shall be construed to limit, impair or excuse the Licensee's obligation and ability to perform any of its other obligations under this Licence.

ARTICLE 16. CONDITIONS TO EFFECTIVENESS OF THIS LICENCE

The effectiveness of this Licence shall be conditioned upon the satisfaction or waiver of each of the following:

(a) **Payment of Industry Levy and Royalty Fee.** The Commission shall have received from the Licensee payment in Dollars by wire transfer or other mutually-agreed upon form of payment of the Industry Levy and the Royalty Fee payable pursuant to Article 5.1.

(b) **Frequencies.** The Commission shall have assigned to the Licensee those frequencies and frequency bands set out in Annex 6 in accordance with the relevant provisions of the Act and the information contained in Annex 2 for the provision of its corresponding Telecommunications Services.

(c) **Accuracy of Representations and Warranties.** The Commission shall have received from the Licensee an officer's certificate of the Licensee signed by a duly authorised officer of the Licensee and the Telecommunications Operator, as the case may be, certifying that the representations and warranties of the Licensee (on behalf of itself and the Telecommunications Operator) contained in Article 17 are true and correct in all material respects as of the Effective Date as if made on such date.

(d) **Corporate Documents.** The Licensee shall have delivered or caused to be delivered the following to the Commission: (i) copies of the Licensee's articles of association certified as of a date within ten (10) Working Days of the Effective Date by an appropriate government official of its jurisdiction of organisation and certified by its Secretary or equivalent officer as to the absence of any

amendments between the dates of certification by such official and the Effective Date; (ii) a copy of the resolutions of the board of directors of the Licensee authorising the execution, delivery and performance of this Licence certified as of the Effective Date by the Secretary or equivalent officer of the Licensee; (iii) copies of the Telecommunications Operator(s)' statement of registration certified as of a date within ten (10) Working Days of the Effective Date by an appropriate government official of its jurisdiction of organisation and certified by its Secretary or equivalent officer as to the absence of any amendments between the dates of certification by the official and the Effective Date; (iv) copies of the Telecommunications Operator(s)'s by-laws (or other constituent documents) certified as of the Effective Date by the Secretary or equivalent officer of the Telecommunications Operator(s); and (v) signature and incumbency certificates of the officers of the Licensee executing this Licence and any certificates or documents to which the Licensee is a party to be delivered hereunder on the Effective Date.

(e) **Consortium Agreements.** The Licensee shall have delivered or caused to be delivered the following to the Commission: (a) true, correct and complete copies of each Consortium Agreement; and (b) an officer's certificate of the Licensee signed by a duly authorised officer of the Licensee certifying that the Consortium Agreements are true, correct and complete, and that no other Contracts exist between or among any two or more of the Licensee, the Telecommunications Operator(s), any Consortium Participant or any Shareholder or any of their respective Affiliates or among any of them and any other Person with respect to the ownership, organisation, structure, management or operations of the Licensee.

(f) **Originals.** The Commission shall have received originals of this Licence duly executed by the Licensee and the Commission.

ARTICLE 17. REPRESENTATIONS AND WARRANTIES OF LICENSEE

Licensee hereby represents and warrants to the Minister and the Commission as follows:

17.1 Organisation and Validity.

Licensee, each Consortium Participant and each Shareholder:

(i) is a corporation or other legal person duly organised, validly existing and in good standing under the laws of its jurisdiction of organisation and has the power to own its properties and conduct its business as it presently does;

(ii) is duly qualified and in good standing in every jurisdiction in which it is required by the nature of its business or operations to so qualify;

(iii) has all material franchises, licences, permits, consents, approvals and other authorisations necessary to conduct its business as presently conducted and contemplated under this License in the country of domicile of the Telecommunications Operator;

(iv) has all material franchises, licences, permits, consents, approvals and other

authorisations necessary to conduct each business and operate each service represented in its bid in the country of domicile of the Telecommunications Operator;

(v) is not now and has not within the past five (5) years been reprimanded by any regulatory, governmental or other official body having jurisdiction over it, or is not engaged in or threatened by litigation which could materially affect the financial condition or business of the Licensee; and

(vi) has delivered to the Commission prior to the date hereof true, correct and complete copies of its corporate documents and all amendments thereto which documents, as so amended, are in effect and have not been amended since such date.

17.2 Authorisation and Execution; Binding Obligation.

(a) The Licensee warrants and represents that: the respective Board of Directors (or equivalent governing body) and shareholders of Licensee, each Consortium Participant and each Shareholder have taken all action required by law, its respective articles of association or other corporate documents, regulations or otherwise to authorise the execution, delivery and performance of this Licence and the consummation of the transactions contemplated hereby.

(b) This Licence has been validly executed and delivered by Licensee, and together with the due authorisation, execution and delivery hereof by the Commission, constitutes the legally valid and binding obligation of Licensee, enforceable against Licensee in accordance with its terms, except as such enforcement may be limited by any applicable legal provisions relating to bankruptcy, insolvency, reorganisation, moratorium or similar laws now and hereafter in effect affecting creditors' rights generally.

17.3 No Violation; Defaults.

Licensee represents and warrants that the execution, delivery and performance of this Licence and the consummation of the transactions contemplated hereby by Licensee will not: (a) violate any provision of the articles of association or regulations or by-laws (or other constituent documents) of Licensee, any Consortium Participant or any Shareholder, (b) violate, or constitute a default under, or permit the termination of any Contract or other instrument to which Licensee, any Consortium Participant, any Shareholder or any of their respective Affiliates is a party or by which it is bound; (c) violate, or constitute a default under, or permit the termination or acceleration of the maturity of any debt or obligation of Licensee, any Consortium Participant, any Shareholder or any of their respective Affiliates; (d) require the consent of any party to any Contract to which Licensee, any Consortium Participant, any Shareholder or any of their respective Affiliates is a party or by which any of them is bound; or (e) violate any statute or law or any judgment, decree, order, regulation or rule of any court or Governmental Entity or other authority to which Licensee, any Consortium Participant, any Shareholder or any of their respective Affiliates is subject.

17.4 Financial Statements.

Licensee represents and warrants that on or before the date hereof, Licensee has previously

delivered to the Commission its audited financial statements for its previous three fiscal years and any audited or unaudited monthly or quarterly financial statements for the current year. Subject to the qualifications set forth in such financial statements, since the date of such financial statements no event or change has occurred that has caused or evidences, either individually or in the aggregate, a material adverse change in the business, assets, or financial condition of any Person described therein.

**ARTICLE 18.
AMENDMENT, MODIFICATION, SUSPENSION, TERMINATION
AND EXPIRATION OF THE LICENCE**

18.1 Amendment of the Licence.

(i) The Commission and the Licensee may agree in writing to modify or amend this Licence at any time subject to all relevant laws and regulations and (ii) pursuant to Section 23 of the Telecommunications Act, 2006, the Commission may modify or amend this Licence in accordance with the Telecommunications Act, 2006 if the Commission determines that such modification or amendment is necessary to achieve the objectives of the Telecommunications Act, 2006, or is in the public interest, taking into account the reasonable interest and contractual rights of the Licensee and the principles of fair competition and equality of treatment; provided, however, that for a period of not less than thirty (30) days prior to the giving of any notice pursuant to Article 18.5(b) with respect to any modification or amendment under this clause (ii), the Commission shall negotiate in good faith with the Licensee with the goal of reaching an agreement with respect to such modification or amendment acceptable to both the Commission and the Licensee. The Commission shall compensate the Licensee for any expense incurred or damage caused as a result of an amendment or modification made under clause (ii) above. Any modification or amendments to this Licence pursuant to this Article 18.1 shall be made in accordance with the procedures set forth in Article 18.5.

18.2 Normal Termination.

This Licence shall terminate upon expiration of the Licence Term, or, if renewed in accordance with Article 3.2, upon expiration of the Extension Term.

18.3 Suspension and Termination of the Licence Prior to Expiration.

Pursuant to Section 76 of the Telecommunications Act, 2006 and subject to the procedures set forth in Article 18.5, the Commission or the Minister (upon recommendation from the Commission), as applicable, may suspend or terminate this Licence or any rights granted hereunder in their entirety or in part or with respect to Licensed Services or geographic areas, at any time pursuant to the procedures set forth in Article 18.5, under any of the following circumstances:

- (i) the Licensee violates Article 7.4 or 7.9;
- (ii) the Licensee violates material provisions of this Licence, including but not limited to the provisions set forth in Articles 7.8, 7.12, 7.13, 7.14, 7.15, Articles 8, 9, 10 and 15; provided, however, that the Commission has notified the Licensee in writing of its failure and that the Licensee has not remedied its failure within twenty (20) Working Days after

having received such notification;

(iii) the Licensee does not fulfill its obligations under Articles 7.6 and 7.7 by more than ten percent (10%) at two consecutive Due Dates; provided, however, that the Commission may not suspend or terminate this Licence pursuant to this Article 18.3(iii) if (x) the Licensee's failure to fulfill the foregoing obligations is caused solely by an event of force majeure set forth in Article 20 and (y) the Licensee shall have given the Commission written notice of such force majeure event within ten (10) Working Days of the occurrence thereof;

(iv) the Licensee does not comply with orders or directives which have been duly promulgated by the Commission;

(v) the Licensee shall not have commenced to render Licensed Services commercially within one (1) year following the Effective Date;

(vi) the Licensee does not pay duly and punctually the fees set forth in Article 5; provided, however, that the Commission has notified the Licensee in writing of its failure to pay and that the Licensee has not paid its debt within twenty (20) Working Days of receipt of such notice;

(vii) any of the Licensee's representations or warranties contained in Article 17 or in its application for this Licence shall prove to have been incorrect or untrue when made;

(viii) the Licensee ceases to be an Eligible Person;

(ix) the Licensee or, ~~during the Transition Period only~~, the Telecommunications Operator(s), is dissolved or enters liquidation, bankruptcy or equivalent proceedings or makes a general assignment for the benefit of creditors;

(x) the Licensee or any of its Affiliates holds or acquires any interest in Cable & Wireless or any of its Affiliates; or the Licensee or any of its Affiliates holds or acquires any interest in Caribbean Cellular Telecommunications or any of its Affiliates;

(xi) Cable & Wireless or any of its Affiliates holds or acquires any interest in the Licensee or any of its Affiliates;

(xii) Caribbean Cellular Telecommunications or any of its Affiliates holds or acquires any interest in the Licensee or any of its Affiliates; or

(xiii) the Licensee violates any of the provisions of Article 11.

18.4 Consequences of Termination of the Licence.

(a) Consequences of Normal Termination. When the Licence is terminated in accordance with Article 18.2, the Commission shall, at its discretion, (i) enter into negotiations with the Licensee with a view to agree on the fair market price to be paid by the future operator of the Licensee's Telecommunications Network for those assets of the Licensee that are used to provide the Licensed Services and (ii) call for a public bid for the sale of those assets of the Licensee and for the granting of the pertinent licence and pay the sales price for the assets to the Licensee after deducting all expenses incurred in conjunction with the bidding procedure.

(b) Consequences of Early Termination. When the Licence is terminated in accordance with Article 18.3, the Commission, after determining a forced sale value of those assets of the Licensee that are used to provide the Licensed services and the granting of the pertinent Licence, shall call for a public bid for the sale of those assets of the Licensee that are used to provide the Licensed Services and upon getting a successful buyer, shall pay the sales price to the Licensee after deducting all expenses incurred in conjunction with the bidding procedure. In the event the bid procedure fails to produce a successful buyer, then the Commission, at its option, shall within a period not exceeding six (6) months purchase the Licensee's assets at the forced sale value. In the event that the Commission does not exercise its option within the six (6) months, the Licensee shall be allowed to sell its assets. The Commission shall have the right to set off any claim, including, without limitation, claims for damages and penalties against the payments to be made under this subparagraph (b).

(c) Determination of Price. If the Parties fail to agree on a fair market price in accordance with subparagraph (a) or (b), such fair market price or forced sale value, as the case may be, shall be determined by a panel of three (3) appraisers. One of these appraisers shall be selected by the Commission, one shall be selected by the Licensee and the third one shall be selected by the two appraisers that have been selected by the Commission and by the Licensee, respectively. If they fail to agree within thirty (30) Working Days from the date on which both Parties have named their appraiser, the third appraiser shall be determined by the Chief Executive Officer of the Commission.

18.5 Procedural Rules.

(a) Scope of Applicability. Amendments or modifications under Articles 18.1 above and suspensions and terminations under Article 18.3 above shall be made by directive of the Commission, as applicable, on the basis of the procedure set forth in the following subparagraphs.

(b) Notice. Before adopting a directive under subparagraph (a) above, the Commission shall publish a notice in the *Gazette* and at least one (1) other newspaper of general circulation in the British Virgin Islands and send a copy of the notice to the Licensee:

- (i) stating that it proposes to adopt a directive and setting out its scope and its effect;
- (ii) stating the reasons why the Commission proposes to adopt such directive;
- (iii) in the case of a proposed directive to terminate this Licence due to a default

under clauses (i) through (iii) of Article 18.3, specifying the directions and reasonable time period for the rectification of the defaults;

(iv) specifying the time within which comments or objections with respect to the proposed directive can be made in writing by the Licensee or by any third party with a legitimate interest, such time not being less than thirty (30) days from the date of publication of the notice;

(v) specifying the time within which the Commission shall submit to the Licensee a report and opinion on the proposed directive, such time not being less than sixty (60) days from the date of the publication of the notice;

(vi) setting forth the date and the place for a hearing during which the Licensee and any third party with a legitimate interest can make comments and objections, such date not being prior to ten (10) days from the date at which written comments or objections must be made; and

(vii) setting forth the date on which the directive shall take effect, which, absent exigent circumstances, shall not be less than ninety (90) days from the date of publication of the notice.

(c) Hearing and Resolution. On the date set forth in the notice, the Commission shall call a public hearing during which the Licensee and those third parties with a legitimate interest that have duly filed comments or objections which the Commission deems substantial and relevant, shall have a right to be heard. The Commission's directive shall be adopted no later than twenty (20) days after the public hearing and shall be in writing and shall state the reasons why it has been adopted. Any directive terminating this Licence shall specify which of the defaults set forth in the notice delivered to Licensee under Article 18.5(b), if applicable, were not cured within the time period specified in such notice. Upon the Commission's adoption of a directive under this subparagraph (c), the Commission shall publish a notice in the *Gazette* and at least one (1) other newspaper of general circulation in the British Virgin Islands; provided, however, that the Commission shall not publish a notice under this subparagraph (c) in the event an objection or appeal has been filed with the Commission or the Court or has been submitted to arbitration with respect to such resolution.

(d) Appeals. The Licensee shall be entitled to appeal any resolution of the Commission adopted pursuant to subparagraph (c) above to the Court.

ARTICLE 19.
INFRACTIONS AND SANCTIONS

19.1 General Infractions.

Except for the sanctions mentioned in the following Article 19.2 and without limiting the provisions of Article 18.3, non-compliance by the Licensee with its obligations under this Licence may be sanctioned by the Commission with a penalty that does not exceed the penalty set forth in Section 56 of the Telecommunications Act, 2006. The sanction shall be determined by the Commission taking into consideration the nature of the non-compliance and gravity of the same and shall be imposed pursuant to the procedures set forth in Article 19.3.

19.2 Non-Compliance with the Requirements Concerning Public Pay Telephone Requirements and Service Quality Requirements.

Without limiting the provisions of Article 18.3, non-compliance with any Public Pay Telephone Requirement or Service Quality Requirement set forth in Articles 7.6(a), 7.7, and Annexes 3 and 4 shall be sanctioned by the Commission with one or more of the following pursuant to the procedures set forth in Article 19.3:

- (i) the payment of an initial penalty or penalties in accordance with the schedules established in Annex 7; and
- (ii) reduction of the period for which the Licence Term shall be extended in accordance with the procedure and rules contained in Articles 3.2 and 3.3.

The sanctions set forth in this Article 19.2 shall be applied as from the first anniversary of the Effective Date.

19.3 Procedure for the Application of Sanctions.

(a) **Notice to the Licensee.** Prior to issuing a directive imposing any of the sanctions established in Articles 19.1 and 19.2, the Commission shall notify the Licensee in writing indicating (i) that it proposes to issue a directive imposing a sanction; (ii) the reasons for the imposition of the sanction; (iii) the period during which the Licensee may file its objections and explanations in writing, this period not being less than thirty (30) Working Days from the date of the notification and (iv) the date and place for a hearing during which the Licensee may make objections, such date being prior to five (5) and no later than ten (10) Working Days from the date when the period for written objections has expired. Upon expiry of such period and with or without the respective exception, the Commission shall issue the corresponding directive which shall be in writing and shall state the reasons why it has been adopted.

(b) **Hearing.** On the date set forth in the Commission's notice mentioned in subparagraph (a) above, the Commission shall hold a hearing during which the Licensee shall have a right to be heard.

(c) **Decision.** The Commission shall issue its directive with respect to the corresponding sanction within thirty (30) Working Days following the date the hearing set forth in subparagraph (b) above is held. The Licensee shall pay the amount of any sanctions set forth in any such directive within ten (10) Working Days of the issuance thereof. Any such sanction not so paid shall thereafter accrue interest at a rate equal to five percent (5%) per annum in excess of the rate announced by Development Bank of the Virgin Islands from time to time as its prime lending rate.

(d) **Appeals.** In the event the Licensee is dissatisfied with a directive issued by the Commission pursuant to this Article 19.3, the Licensee may appeal such directive to the Court.

19.4 Independence of Sanctions from any other Administrative Sanction.

The sanctions referred to in the foregoing paragraphs of this Article 19, shall be applied independently of, and in addition to, those set forth in the Telecommunications Act, 2006 and its regulations, and shall be applied without prejudice to the obligation of the Licensee to pay any damages caused by its non-compliance.

19.5 Use of Sanction Payments.

The amounts received from the imposition of sanctions for non-compliance with the Public Pay Telephone Requirements or Service Quality Requirements shall be paid to the Commission; provided, however, that, to the extent set forth on Annex 7, amounts received in connection with sanctions imposed for non-compliance with Service Quality Requirements shall be paid directly to the Customers affected by such failure.

ARTICLE 20 FORCE MAJEURE

The Licensee shall be excused from performance under this Licence including, without limitation, the payment of penalties pursuant to Article 19, only to the extent, and for so long as, such performance is hindered or prevented by an Act of God, fire, flood or other natural disaster, emergency or extraordinary act of government or state, war, civil commotion or insurrection, riots, embargo, prevention from or hindrance in obtaining any materials, energy or other supplies, unlawful labour strikes outside the control of the Licensee and any other catastrophic cause beyond the control of the Licensee. In the event that any of these circumstances causes damage to the Telecommunications Network operated by the Licensee, the Licensee shall be obligated to repair or rebuild the Telecommunications Network pursuant to a timetable and workplan to be established by the Licensee and approved by the Commission, and subject to adequate changes in the provisions of this Licence to be agreed upon between the Parties.

**ARTICLE 21
MISCELLANEOUS**

21.1 Governing Law.

This Licence, the legal relations between the Parties and any claim instituted by any Party with respect to matters arising under or in connection with or in respect of this Licence, including but not limited to the negotiation, execution, interpretation, coverage, scope, performance, breach, termination, validity, or enforceability of this Licence, shall be governed by and construed in accordance with the laws (excluding the conflicts of laws rules) of the British Virgin Islands.

21.2 Claims or Controversies Relating to Licence

Except as otherwise specifically provided in this Licence, any controversy or claim arising out of or relating to this Licence, the breach, termination, or invalidity hereof or thereof, or coverage of this provision, shall be settled by the Court.

21.3 Waiver of Diplomatic Claims.

The Licensee irrevocably and unconditionally waives any diplomatic claim in connection with this Licence. In furtherance of the foregoing, the Licensee agrees to work within the regulatory framework provided by the Telecommunications Act, 2006, the Commission Regulations and the terms of this Licence without resort to assistance from ambassadors or other officials from the home governments of any Shareholder or Consortium Participant.

21.4 Disputes Among Licensee and other Service Providers.

The Licensee agrees that any controversy with another provider of Telecommunications Services which has executed an express submission with the Commission shall be resolved by means of arbitration in accordance with the Commission Regulations.

21.5 Judgment Currency.

(a) **Determination of Judgment Currency.** Each and every one of the payments provided for in this Licence shall be effected in Dollars of the United States of America (the "Judgment Currency").

(b) **Conversion into Judgment Currency.** If for any reason an administrative or judicial authority issues an order or sentence related to this Licence, which orders payments in a currency other than the Judgment Currency, the Party benefited thereby immediately upon receipt of the total payments provided in the corresponding order or sentence and converting such payments into the Judgment Currency, shall have the right to receive the amounts, in the Judgment Currency which are necessary to compensate the loss resulting from devaluation of the currency referred to in the order or sentence towards the Judgment Currency between the date of the respective order or sentence and the effective date of payment.

(c) **Exchange Rate.** For purposes of this Article, the conversion of amounts into the Judgment Currency shall be made at the exchange rate for sale established by Citigroup Inc. New York as published on the day on which payment is effected.

21.6 Language.

This Licence has been executed in the English language which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Licence.

21.7 Successors and Assigns.

This Licence shall be binding upon the Parties hereto and their respective successors and assigns. The Licensee's rights of assignment are limited as set forth in Article 11.

21.8 Headings Plural and Singular Terms.

The headings contained in this Licence are for descriptive purposes only and shall not be considered a part hereof for purposes of determining the Parties' rights and obligations hereunder. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference.

21.9 Entire Agreement.

This Licence (including the instruments between the Parties referred to herein and any waivers delivered pursuant hereto) constitutes the entire agreement among the Parties and supersedes all other prior agreements and understandings, both written and oral, among the Parties, or any of them, with respect to the subject matter hereof. The Annexes hereto are a part of this Licence as if fully set forth herein. All references to articles, sections, subsections, paragraphs, subparagraphs, clauses and annexes shall be deemed references to such part of this Licence, unless the context shall otherwise require.

21.10 Notifications.

Unless otherwise provided in this Licence, any notifications, service of process, petitions, claims and other communications requested or permitted pursuant to this Licence, shall be made in writing and shall be considered validly made when delivered by hand or by courier, telex or facsimile once receipt is verified at the address set forth below the applicable Party's name on the signature page hereof or to such other address or persons as may have been designated in writing by the Parties.

21.11 Third Parties.

Nothing in this Licence, express or implied, is intended to confer or shall confer upon any other Person other than the Parties hereto any rights, benefits or remedies of any nature whatsoever under or by reason of this Licence.

21.12 Waivers.

The waiver of the rights derived from this Licence shall only be effective if made in a writing duly sent to the other Parties. No failure on the part of any Party to exercise, no delay in exercising, no partial exercise of, and no course of dealing with respect to, any right, power or privilege under this Licence shall operate as a waiver hereof.

21.13 Partial Invalidity.

If any provision in or obligation under this Licence is considered invalid, illegal or unenforceable by a court of competent jurisdiction, such judicial decision must, as regards such invalidity, be strictly interpreted and shall not affect or impair the validity, legality or enforceability of any other provision in or obligation under this Licence.

21.14 Originals

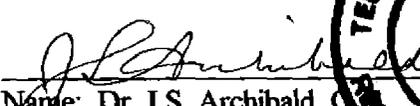
This Licence and any amendment hereto or any other agreement (or document) delivered pursuant hereto may be executed by telecopy, in one or more originals, and by different Parties in separate originals. All of such originals shall constitute one and the same agreement (or other document) and shall become effective (unless otherwise provided therein) when one or more originals have been signed by each Party and delivered to the other Parties. Any execution by telecopy shall be followed promptly by the delivery of signed originals to the Party or Parties receiving the telecopy.

IN WITNESS WHEREOF, the Parties have executed and delivered four (4) identical versions of this Licence on this 29th day of June, 2007:

**CHAIRMAN, TELECOMMUNICATIONS
REGULATORY COMMISSION OF THE
BRITISH VIRGIN ISLANDS**

**BVI CABLE TV LTD.,
Licensee**

By:


Name: Dr. J.S. Archibald,
Title: Chairman





Name: LuAnne Hodge
Title: General Manager

Notice Address:

Telecommunications Regulatory Commission
3rd Floor, LM Business Centre, Fishlock Road
P.O. Box 4401
Road Town, Tortola
British Virgin Islands VG1110

Attention: Chief Executive Officer

With a copy to:

Attention:

Notice Address:

BVI Cable TV Ltd.
Fishlock Road
P.O. Box 644
Road Town, Tortola
British Virgin Islands

Attention: General Manager

With a copy to:

Attention:

ANNEX 1

DEFINITIONS

"Affiliate" means, as used with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with, that Person. In the case where one Person owns, directly or indirectly, 50% or more of the share capital, voting rights, securities, partnership or other ownership interest of another Person, such Person shall be deemed an Affiliate.

"BVI Cable" means BVI Cable TV Ltd., a subsidiary of Innovative Communications Corp.

"Basic Exchange Telecommunications Service" means a service offered to Subscribers which provides the Subscriber with a telephonic connection to, and a unique local telephone number address on, the CCT Network, and which enables such Subscriber to place calls to, or receive calls from, other Telecommunications Stations on the CCT Network. Residence and business line services are Basic Exchange Telecommunications Services.

"Basic Telephony Service" means a service provided to the public which allows end users to transmit and receive real time voice communications, including Voice Telephony Service, Public Pay Telephone Service, operator and emergency services, and local, domestic and international long distance telephone services whether by wire or wireless means; as well as basic, non-packet switched data communications, such as facsimile transmissions. Basic Telephony Service does not include advanced or enhanced telephone services or dedicated data communications services such as Paging Services.

"Broadcasting" means the transmission of sound, video and data, intended for simultaneous reception by the public.

"CCT" means Caribbean Cellular Telephone, Ltd., trading as CCT Global Communications.

"Cable & Wireless" means Cable & Wireless (West Indies) Ltd.

"Cable TV Service" means Basic Cable TV Service and Premium Cable TV Service.

"Cellular Telecommunications Network" means a Telecommunications Network consisting of mobile service switching centres (each of which typically serves a number of "cells") which establish calls to and from mobile Subscribers in their respective call service areas, thereby generally allowing calls to be transferred from cell to cell without interruption.

"Cellular Telecommunications Service" means a Telecommunications Service that operates through a Cellular Telecommunications Network employing a network architecture in a "cell" configuration in which low-powered radio transmissions allow for the reuse of the same frequency simultaneously in multiple cells. Cellular Telecommunications Services include both Voice Telephony Services and non-Voice Telephony Services that meet the requirements of this definition. Unless otherwise expressly provided, other types of Telecommunications Services employing wireless technologies do not qualify as Cellular Telecommunications Services.

"Circuit" means a transmission means which allows Telecommunication between two points.

"Commission" means the British Virgin Islands Telecommunications Regulatory Commission established under Section 5 of the Telecommunications Act, 2006.

"Commission Regulations" means the rules and regulations promulgated from time to time by the Commission pursuant to the authority granted to it under the Telecommunications Act, 2006.

"Communications" means telecommunications and radiocommunication service (as defined in the Telecommunications Act, 2006).

"Communications Services" means services performed consisting of the dissemination or interchange of sound, video or Data content using radio or Telecommunications media, excluding Broadcasting.

"Contract" means any agreement, arrangement, bond, commitment, franchise, indemnity, indenture, instrument, lease, concession, licence or understanding, whether or not in writing.

"Control" (including, with correlative **"controlling"**, **"controlled by"** and **"under common control with"**) means, as applied to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management of that Person, whether through ownership of shares, voting, securities, partnership or other ownership interest, whether by Contract or otherwise.

"Customer" means any person who is, or has indicated a willingness to be, provided with any relevant Telecommunications Service by an Operator.

"Data" means the use of binary signals to transmit information from one computer or apparatus to another.

"Distribution Services" means Telecommunications Services using one or more Public Teleservices where the Telecommunication flows in one direction toward several reception points.

"Dollars" and **"\$"** means the lawful money of the United States of America.

"Due Date" means the date, set forth in this Licence or the Annexes hereto, at which certain requirements must be fulfilled.

"Effective Date" means the date on which this Licence document has been duly executed by the parties.

"Eligible Person" means a person with sound financial standing, who has not been subject to any criminal proceedings and who is capable of carrying out the functions of an Operator.

"Emergency Organisations" means, in respect of any locality, the relevant police, fire, ambulance and coast guard services for that locality and any other similar organisation providing assistance to the public in emergencies recognised as such by the Commission.

"Exchange" means a manually or automatically operated aggregate of traffic carrying devices, switching stages, controlling and signalling means, and other functional units at a network node that enables Subscriber Lines, Circuits and/or other functional units to be interconnected as required by individual Customers.

"Fault" means the inability of a Telecommunications Network to complete a connection or perform any other required function, excluding such inability due to preventive maintenance, lack of external resources or planned actions.

"Fault Recovery Rate" has the meaning assigned to that term in Annex 3.

"Final Service" means a type of Telecommunications Service that provides the complete capability, including terminal equipment functions, for Telecommunication using one or more Public Teleservices between Customers according to protocols established by agreement between Telecommunications Services providers.

"Global Positioning (GPS)" means a special technical application provided through a global navigation system allowing an end user with the appropriate terminal equipment to determine latitude, longitude and altitude through the reception and translation of one-way signals from a satellite-based broadcasting system.

"Governmental Entity" means any court or tribunal in any jurisdiction or any federal, state, municipal, domestic, foreign or other administrative agency, department, commission, board, bureau or other governmental authority or instrumentality.

"International Call Completion Rate" has the meaning assigned to that term in Annex 3.

"International Telephone Call" means an effective (completed) Telephone Call exchanged with a Telecommunications Station outside the country in which the calling Telecommunications Station is situated.

"Leased Line" means a Line which is made available to a Customer for his exclusive use.

"Licence Term" has the meaning assigned to that term in Article 3.1.

"Line" means the transmission medium between line terminations.

"Local Call Completion Rate" has the meaning assigned to that term in Annex 3.

"Local Telephone Call" means an effective (completed) Telephone Call exchanged with a Telecommunications Station within the local charging area in which the calling Telecommunications Station is situated.

"Master Service Agreement" has the meaning assigned to that term in Article 7.10(e).

"Minister" means the Minister to whom responsibility for telecommunications is assigned.

"National Long Distance Call Completion Rate" has the meaning assigned to that term in Annex 3.

"National Long Distance Telephone Call" means an effective (completed) Telephone Call exchanged with a Telecommunications Station outside the local charging area in which the calling Telecommunications Station is situated.

"Non-Service Specific Interfaces" means a shared boundary between two functional units which is not specific to any one Telecommunications Service.

"Operational Subscriber Line" means an operational Subscriber Line connecting the Subscriber's premises to the Exchange.

"Operator" means a person licensed under the Telecommunications Act, 2006 to operate a public telecommunications network.

"Owner" means registered proprietor of land, or any person having a registered interest in land.

"Paging Service" means the Telecommunications Services which provide Subscribers with radio messages, through portable radio equipment used in a given zone, which may be accompanied by a verbal or codified visual message.

"Person" means any individual, firm, corporation, partnership, trust, limited liability company, joint venture, Governmental Entity or other entity.

"Private Telecommunications Services" means those Telecommunications Services strictly established by an individual, corporate body or other legal entity, to satisfy its own communications needs within the territory. A service offered to third parties in exchange for compensation related to the service, whether directly or indirectly, shall be considered Third Party Private Network Services, not private service. Teleservices, Value-Added Services, broadcasting services and cable services may be Private Telecommunications Services.

"Public Pay Telephone Requirements" has the meaning assigned to that term in Article 7.6.

"Public Pay Telephone Service" means a service offered by means of a special apparatus permitting outgoing telephone calls after insertion of adequate coins, tokens or coded cards and, without payment, incoming calls and outgoing calls to an emergency services number.

"Public Pay Telephones" means any apparatus permitting outgoing telephone calls after insertion of adequate coins, tokens or coded cards and, without payment, incoming calls and outgoing calls to an emergency services number.

"Public Supplier" means an operator or a service provider.

"Public Teleservices" has the meaning assigned to that term in the Commission Regulations.

"Rate Regulation" means the system of Price Caps and Price Capping Formulas applicable to Regulated Services set forth in Article 8 and Annex 5.

"Rates" means the charges by a Telecommunications Service Operator to its Customers.

"Roaming Services" means a type of service or facility that enables the Subscriber of one Operator of Cellular Telecommunications Service to utilise the facilities of another such Operator with which the Subscriber has no direct pre-existing service or contractual relationship to place an outgoing call, to receive an incoming call, or to continue an in-progress call.

"Satellite Mobile Telecommunications Service" means a service allowing voice or data communications through the use of mobile terminal equipment capable of maintaining a direct uplink to or direct downlink from a satellite-based telecommunications network.

"Satellite Telecommunications Service" means a Telecommunications Service provided through connections from earth stations to the INTELSAT, RASCOM, INMARSAT or other public or private Telecommunications Network.

"Service Agreement" means any agreement between the Licensee and a Subscriber or Subscribers relating to the provision and use of a Telecommunications Service.

"Service Quality Requirements" has the meaning assigned to that term in Article 7.7.

"Shareholder" means each Person which owns directly or indirectly ten percent (10%) or more of the capital stock of Licensee.

"Store and Forward Messaging Service" means a service whereby messages can be exchanged between Customers using storage and retransmission devices.

"Subscriber" means a Customer who is provided Telecommunications Service by the Licensee, and who is responsible for payment of all charges and rentals therefor.

"Subscriber Line" means a configuration of installed equipment which forms part of the Telecommunications Network and which is available to be connected to a Subscriber premises.

"Tariffs" means the usage conditions, usually in the form of a contract, under which a Customer may utilise the Telecommunications Network.

"Telecommunications" means the emission, transmission or reception of signals, whether they represent speech, music, sounds, text, visual images or information of any other description, where such signals are conveyed by means of electrical, magnetic or electro-magnetic energy.

"Telecommunications Act, 2006" means The Telecommunications Act, 2006, (Act No. 10 of 2006).

"Telecommunications Apparatus" or **"Telecommunication Station"** means any apparatus, or equipment used or intended to be used in connection with the transmission of

Communications by means of electricity from one place to another place either along a line joining those two places or partly by line from each of those two places and partly by radiocommunication service (as defined in the Telecommunications Act, 2006).

"Telecommunications Code" means the rules and regulations of the Telecommunications Regulatory Commission promulgated from time to time in the *Gazette*.

"Telecommunications Line" means any wire, cable, equipment, tower, mast, antenna, pole or other structure or thing used or intended to be used in connection with a Telecommunications Network.

"Telecommunications Network" means

- (a) a system for the conveyance of telecommunications; and
- (b) apparatus used in conjunction with such a system for the emission, switching, routing or reception of signals and any software or stored data necessary for its functioning.

"Telecommunications Operator(s)" means the Person or Persons that are parent companies, affiliates, or otherwise part of the Licensee and are operators of wireline and/or wireless telecommunications services.

"Telecommunications Service" means a service consisting of, or having as a principle feature, the conveyance by means of a telecommunications network of signals for reward.

"Telegraph Services" means the services performed and facilities provided in connection with the transmission of communications by means of telegraph apparatus.

"Telephone Call" means a connection to one or more devices attached to a Telecommunications Service.

"Telephony Service" means Basic Telephony Service and Cellular Telecommunications Service.

"Telex Service" means a Telecommunications Service which provides for the interactive Telecommunication of texts between Subscribers through teleprinting devices interconnected by a telex network, via transmission of codified information.

"Third Party Private Network Service" means a service over a user-dedicated network supplied by one in the business of providing such services to the user of such services.

"Third Party With a Legitimate Interest" means any Person who stands to suffer any injury, loss or damage or realise benefit as a result of action taken or not taken by the Licensee.

~~**"Transition Period"** has the meaning assigned to that term in Article 4.1(a).~~

"Trunk Capacity Resale Service" means a type of Telecommunications Service which, using a Trunk Capacity Resale System, provides the necessary capacity to carry and route Telecommunications signals constituting the main interconnection between Telecommunications Networks and which allows the provision of Final Services, Distribution Services and Value-Added Services.

"Trunk Capacity Resale System" has the meaning assigned to that term in the Commission Regulations.

"Value-Added Services" means such services as may be available over a Telecommunications Network in addition to Voice Telephony Service, and specifically those services listed as "Value-Added Services" in the Commission Regulations, including the following:

- (a) **Videotex:** A service involving a two-way interactive computer-based information system in which a customer is linked to a database by telephone line or cable.
- (b) **Teletex:** A service whereby a customer can exchange office correspondence in the form of documents containing teletex coded information on an automatic memory to memory basis.
- (c) **Teleaction:** A service used to send short messages at very low transmission speeds between the customer and a communications network.
- (d) **Telecommand:** A service whereby a supervised system is controlled from a remote control device.
- (e) **Telealarm:** A service whereby an electric signal is sent to a remote control device each time there is a threshold change of conditions in the supervised system.
- (f) **Store and Forward Messaging Service** (as defined above).
- (g) **Teleprocessing and Data Processing:** An interactive service used for the processing of data and exchange of messages between the terminals of geographically distant customers.
- (h) **Electronic Mail Services:** A service whereby customers may send messages to one or more addressees and receive messages using a combination of data storage and retransmission techniques so that the final customer may recover the message.

This service may be used as follows:

- (i) **Electronic Mail (X.400):** a service allowing a customer to send messages instantaneously to another customer's directory or electronic "mailbox" (*i.e.*, person-to-person messaging, according to the ITU-T X.400 international standards).
- (ii) **Electronic Document Interchange (EDI):** person-to-person messaging, according to EDIFACT.
- (iii) **Electronic Fund Transfer**
- (iv) **Electronic Voice Mail:** a storage and retrieval service whereby voice messages from one customer are digitally stored in order to be received by another customer.
- (v) **Such other uses as may be approved by the Commission.**

- (i) **Voice Messaging:** A service whereby the customer transmits a brief message by calling one or more telephone numbers at a given time, or by answering the call of another customer.
- (j) **Information Services:** An interactive service that provides access to information stored in database centres. This information will be sent to the World Wide Web customer only upon request.
- (k) **Packet Switching Service:** Without using the systems network, data signals called packages are split up according to a sequence of signals arranged in a specific format, in accordance with the ITU-T X.25 and X.75 standards and such other generally recognised standards as may be approved for use over the public communications network by the Commission.
- (l) **Any other service classified as such by the Commission.**

"Voice Telephony Service" means a Telecommunications Service which provides Customers with the ability to conduct real-time two-way speech conversation via a fixed or mobile network.

"Working Day" means any day from Monday through Friday, excluding holidays.

ANNEX 2

LICENSEE'S APPLICATION

ANNEX 3

SERVICE QUALITY REQUIREMENTS

The parameters and the quantitative details of the Service Quality Requirements included in this Annex are for the years 1 through 5 of this Licence, the Due Date being each anniversary of the Effective Date commencing with the first anniversary of the Effective Date of this Licence.

The following service quality requirements parameters shall apply:

- i) improve the average successful call completion rate to 95%;
ii) improve the percentage of fault recovery to 85% within 24 hours; 90% within 72 hours;
iii) provide a national network which is at least 95% digital and supports new intelligent services; and
iv) ensure a maximum connection time for new applications in urban areas of five working days.

SERVICE QUALITY REQUIREMENTS

1. LOCAL CALL COMPLETION RATE INTERNAL TO NETWORK: The minimum percentage of Local Telephone Calls completed per total of local call attempts measured during the peak traffic hour which originate and terminate within the Licensee's network.

% of local telephone calls completed (internal) = (Successful local call attempts internal to network / Total local call attempts internal to network) x 100

Table with 2 columns: YEAR and REQUIREMENT. Rows: Year 1 (75%), Year 2 (80%), Year 3 (85%), Year 4 (90%), Year 5 (95%).

- Successful local call attempts include Local Telephone Calls internal to the network which terminate in: conversation, wrong number, busy signal of called party, no answer, mail service, or an announcement that the subscriber is unavailable.
The total of local call attempts are counted as all attempted Local Telephone Calls internal to the network (including call attempts not completed by fault of the subscriber: delay in dialing, abandoning the call, etc.).

2. LOCAL CALL COMPLETION RATE EXTERNAL TO NETWORK: The minimum percentage of Local Telephone Calls completed per total of local call attempts measured during the peak traffic hour which terminate outside the Licensee's network.

% of local telephone calls completed (external) = (Successful local call attempts terminating outside network / Total local call attempts terminating outside network) x 100

3. INTERNATIONAL CALL COMPLETION RATE: The minimum percentage of International

Telephone Calls originating within Licensee's network completed per total of international call attempts measured during the peak traffic hour.

$$\% \text{ of international telephone calls completed} = \frac{\text{Successful international calls originating on Licensee's network}}{\text{Total international calls originating on Licensee's network}} \times 100$$

<u>YEAR</u>	<u>REQUIREMENT</u>
Year 1	70%
Year 2	75%
Year 3	80%
Year 4	85%
Year 5	90%

- Successful international calls include International Telephone Calls which result in: conversation, wrong number, busy signal of called party, no answer, mail service, announcement that the subscriber is unavailable, or an "end of selection" code returned from the external network indicating a failure in that network.
- The total of international calls are all International Telephone Calls originating on Licensee's network within the British Virgin Islands (including call attempts not completed by fault of the Subscriber, delay in dialing, abandoning the call, etc.).

4. **FAULT RECOVERY RATE:** Minimum percentage of Faults cleared within 24 hours or within 72 hours for every day of the year. The figure is the aggregate of the results on a monthly basis. Fault recoveries which do not meet licence deadlines will not count against licensee in its annual and licence renewal evaluation if such failure were proved, to the satisfaction of the Commission to be due to lack of access to the equipment site.

$$\% \text{ of Faults cleared within 24 hours} = \frac{\text{Total of Day X Faults cleared within 24 hours}}{\text{Total of Faults reported during Day X}} \times 100$$

$$\% \text{ of Faults cleared within 72 hours} = \frac{\text{Total of Day X Faults cleared within 72 hours}}{\text{Total of Faults reported during Day X}} \times 100$$

<u>YEAR</u>	<u>REQUIREMENT</u>	
	<u>24 Hours</u>	<u>72 Hours</u>
Year 1	65%	70%
Year 2	70%	75%
Year 3	75%	80%
Year 4	80%	85%
Year 5	85%	90%

5. **DIGITALISATION OF NETWORK:** The minimum percentage of the total Subscriber Lines served by digital telephone central offices will be as follows:

<u>YEAR</u>	<u>REQUIREMENT</u>
Year 1	60%
Year 2	70%
Year 3	80%
Year 4	90%
Year 5	95%

6. **MAXIMUM CONNECTION TIME FOR URBAN AREAS:** The Licensee will ensure the maximum connection time (from the time the subscriber pays the connection fee to the time the subscriber has access to the network) for 98% of all new applications for Subscriber Lines in urban areas as follows:

<u>YEAR</u>	<u>REQUIREMENT</u>
Year 1	3 weeks
Year 2	2 weeks
Year 3	2 weeks
Year 4	1 week
Year 5	1 week

Urban areas are identified to be Road Town, Tortola; The Valley, Virgin Gorda.

7. **AVERAGE CONNECTION TIME FOR RURAL AREAS:** The Licensee will ensure the average connection time (from the time the subscriber pays the connection fee to the time the subscriber has access to the network) for all new applications for Subscriber Lines in rural areas as follows:

<u>YEAR</u>	<u>REQUIREMENT</u>
Year 1	1 month
Year 2	3 weeks
Year 3	3 weeks
Year 4	2 weeks
Year 5	1 week

ANNEX 4

FORM OF ANNUAL COMPLIANCE REPORT

THE UNDERSIGNED HEREBY CERTIFY THAT:

We are the duly appointed [Title] and [Title] of { } ("Licensee");

We have reviewed the terms of that certain Licence for the Operation of a Telecommunications Network Providing Telecommunications Services in the British Virgin Islands dated as of _____, 2007, as amended, supplemented or otherwise modified to the date hereof (said Licence, as so amended, supplemented or otherwise modified, being the "Licence", the terms defined therein and not otherwise defined in this Certificate being used in this Certificate as therein defined) by and among the Licensee and the Telecommunications Regulatory Commission; and

We have made, or have caused to be made under our supervision, a review in reasonable detail of the operations of the Licensee and we hereby certify the following information is true, correct and complete:

A. SERVICE QUALITY REQUIREMENTS

I. Actual Local Call Completion Rate Internal to Network as of the most recent Due Date pursuant to Annex 3 of the Licence:

Actual Local Call Completion Rate Internal to Network	Target Local Call Completion Rate listed on Annex 3
___%	___%

II. Actual Local Call Completion Rate External to Network as of the most recent Due Date pursuant to Annex 3 of the Licence:

Actual Local Call Completion Rate External to Network	
___%	

III. Actual International Call Completion Rate as of the most recent Due Date pursuant to Annex 3 of the Licence:

Actual International Call Completion Rate	Target International Call Completion Rate listed on Annex 3
___%	___%

IV. Actual Fault Recovery Rate as of the most recent Due Date pursuant to Annex 3 of the Licence:

Actual Fault Recovery Rate in 24 and 72 hours	Target Fault Recovery Rates listed on Annex 3
___% ___%	___% ___%

V. Actual percentage of the total Subscriber Lines of the Licensee which are served by digital telephone central offices as of the most recent Due Date pursuant to Annex 3 of the Licence:

Actual Percentage	Target Percentage listed on Annex 3
___%	___%

VI. Actual maximum connection time for urban areas as of the most recent Due Date pursuant to Annex 3 of the Licence:

Actual Maximum Connection Time	Target Maximum Connection Time listed on Annex 3
___%	___%

C. SERVICES AND OPERATIONS OF LICENSEE

Attached hereto and forming a part hereof is a true, correct and complete detailed report on the operations and services of the Licensee.

D. OWNERSHIP OF LICENSEE

I. Set forth below is a list of each Shareholder's (i) name, jurisdiction and date of registration and principal place of business, (ii) number and class of shares of capital stock of Licensee owned by such Shareholder and (iii) percentage ownership in Licensee:

II. Set forth below is a list of each Consortium Participant's (i) name, jurisdiction and date of organisation and principal place of business, (ii) ownership interest, whether direct or indirect, in each Shareholder and, in the case of any such indirect interest, each intermediary, including, without limitation, the number, class and par value of shares of capital stock and (iii) percentage interest and the names of each such Shareholder or intermediary, as applicable:

Certified and delivered this _____ day of _____, ____ pursuant to Article 7.14 of the Licence.

[LICENSEE]

By: _____
Title: _____

By: _____
Title: _____

ANNEX 5

PRICE CAPS AND PRICE CAPPING FORMULAS

Price Caps for Services

Price Caps for the Services offered by the Licensee shall be set by the Commission in the event the Licensee is designated a Dominant Public Supplier in accordance with Section 26 of the Act, and shall conform to the baskets indicated in Article 8.2(b) or as amended by the Commission.

During the period commencing on the date the Licensee is designated a Dominant Public Supplier and becomes subject to Rate Regulation pursuant to Article 8.1 and continuing through the last day of the designation as a Dominant Public Supplier, the Price Caps for Baskets 1, 2, 3 and 4 will be adjusted annually at the beginning of the year in accordance with the following formula:

Rate Adjustment Formula

$$PC_{jn} = \sum P_{ijn-1} (\alpha_{ijn-1} * P_{ijn} / P_{ijn-1} - 1)$$

Subject to:

$$PL_{jn} = \sum [(\alpha_{ijn-1} * P_{ijn} / P_{ijn-1} - 1)] \leq F_n + EF$$

Where:

PC_{jn} = Price Cap for service basket "j" during the year "n"

PL_{jn} = Price Limit for service basket "j" during the year "n"

α_{ijn-1} = Weight of the service "i" within the basket "j" during the previous year, derived by calculating the portion of the revenue for service "i" in relation to the total revenue for basket "j".

P_{ijn} = Price for service "i" that belongs within basket "j" during the current year.

P_{ijn-1} = Price for service "i" that belongs within basket "j" during the previous year.

F_n = Control Factor for the year "n".

EF = Exogenous Factor, which is only applied if certain conditions described below exist.

With:

$$F_n = (CPI - X)$$

Where:

CPI = Consumer Price Index for the year "n-1" as reported by the Ministry of Finance.

X = Productivity Factor, expressed in annual terms which shall be five (5).

*The Exogenous Factor will be calculated to modify the allowable rate of increase, as defined by factor *PL*, for any basket whenever:

the consumer price index exceeds twenty percent (20%) annualised in any quarter of the year.

ANNEX 6
FREQUENCIES

Channels in the 850/900 cellular bands and the 1800/1900 cellular bands will be apportioned among licensed operators. The Licensee shall use:

Cable TV Channel Frequencies

	Common	EIA	STD	IRC	HRC	Band

CATV	T-7		7.00			SUB
CATV	T-8		13.00			SUB
CATV	T-9		19.00			SUB
CATV	T-10		25.00			SUB
CATV	T-11		31.00			SUB
CATV	T-12		37.00			SUB
CATV	T-13		43.00			SUB
CATV	T-14		49.00			SUB

CATV	2-1			49.25	48.00	LO
CATV	2	02	55.25	55.25	54.00	LO
CATV	3	03	61.25	61.25	60.00	LO
CATV	4	04	67.25	67.25	66.00	LO
CATV	A-8 4+	01		73.25	72.00	LO
CATV	A-7 5	05		79.25	78.00	LO
CATV	A-6 6	06		85.25	84.00	LO

CATV	A-5	95	91.25	90.00	91.25	MID
CATV	A-4	96	97.25	96.00	97.25	MID
CATV	A-3	97	103.25	102.00	103.25	MID
CATV	A-2	98	109.25	108.00	109.25	MID
CATV	A-1	99	115.25	114.00	115.25	MID

CATV	7	07	175.25	175.25	174.00	HI
CATV	8	08	181.25	181.25	180.00	HI
CATV	9	09	187.25	187.25	186.00	HI
CATV	10	10	193.25	193.25	192.00	HI
CATV	11	11	199.25	199.25	198.00	HI
CATV	12	12	205.25	205.25	204.00	HI

CATV	13	13	211.25	211.25	210.00	HI

CATV	A	14	121.25	121.25	120.00	MID
CATV	B	15	127.25	127.25	126.00	MID
CATV	C	16	133.25	133.25	132.00	MID
CATV	D	17	139.25	139.25	138.00	MID
CATV	E	18	145.25	145.25	144.00	MID
CATV	F	19	151.25	151.25	150.00	MID
CATV	G	20	157.25	157.25	156.00	MID
CATV	H	21	163.25	163.25	162.00	MID
CATV	I	22	169.25	169.25	168.00	MID

CATV	J	23	217.25	217.25	216.00	SUPER
CATV	K	24	223.25	223.25	222.00	SUPER
CATV	L	25	229.25	229.25	228.00	SUPER
CATV	M	26	235.25	235.25	234.00	SUPER
CATV	N	27	241.25	241.25	240.00	SUPER
CATV	O	28	247.25	247.25	246.00	SUPER
CATV	P	29	253.25	253.25	252.00	SUPER
CATV	Q	30	259.25	259.25	258.00	SUPER
CATV	R	31	265.25	265.25	264.00	SUPER
CATV	S	32	271.25	271.25	270.00	SUPER
CATV	T	33	277.25	277.25	276.00	SUPER
CATV	U	34	283.25	283.25	282.00	SUPER
CATV	V	35	289.25	289.25	288.00	SUPER
CATV	W	36	295.25	295.25	294.00	SUPER

CATV	AA	37	301.25	301.25	300.00	HYPERS
CATV	BB	38	307.25	307.25	306.00	HYPERS
CATV	CC	39	313.25	313.25	312.00	HYPERS
CATV	DD	40	319.25	319.25	318.00	HYPERS
CATV	EE	41	325.25	325.25	324.00	HYPERS
CATV	FF	42	331.25	331.25	330.00	HYPERS
CATV	GG	43	337.25	337.25	336.00	HYPERS
CATV	HH	44	343.25	343.25	342.00	HYPERS
CATV	II	45	349.25	349.25	348.00	HYPERS
CATV	JJ	46	355.25	355.25	354.00	HYPERS
CATV	KK	47	361.25	361.25	360.00	HYPERS
CATV	LL	48	367.25	367.25	366.00	HYPERS
CATV	MM	49	373.25	373.25	372.00	HYPERS

CATV	NN	50	379.25	379.25	378.00	HYPER
CATV	OO	51	385.25	385.25	384.00	HYPER
CATV	PP	52	391.25	391.25	390.00	HYPER
CATV	QQ	53	397.25	397.25	396.00	HYPER
CATV	RR	54	403.25	403.25	402.00	HYPER
CATV	SS	55	409.25	409.25	408.00	HYPER
CATV	TT	56	415.25	415.25	414.00	HYPER
CATV	UU	57	421.25	421.25	420.00	HYPER
CATV	VV	58	427.25	427.25	426.00	HYPER
CATV	WW	59	433.25	433.25	432.00	HYPER
CATV	XX	60	439.25	439.25	438.00	HYPER
CATV	YY	61	445.25	445.25	444.00	HYPER
CATV	ZZ	62	451.25	451.25	450.00	HYPER
CATV	AAA	63	457.25	457.25	456.00	HYPER
CATV	BBB	64	463.25	463.25	462.00	HYPER
CATV	CCC	65	469.25	469.25	468.00	HYPER
CATV	DDD	66	475.25	475.25	474.00	HYPER
CATV	EEE	67	481.25	481.25	480.00	HYPER
CATV	FFF	68	487.25	487.25	486.00	HYPER
CATV	GGG	69	493.25	493.25	492.00	HYPER
CATV	HHH	70	499.25	499.25	498.00	HYPER
CATV	III	71	505.25	505.25	504.00	HYPER
CATV	JJJ	72	511.25	511.25	510.00	HYPER
CATV	KKK	73	517.25	517.25	516.00	HYPER
CATV	LLL	74	523.25	523.25	522.00	HYPER
CATV	MMM	75	529.25	529.25	528.00	HYPER
CATV	NNN	76	535.25	535.25	534.00	HYPER
CATV	OOO	77	541.25	541.25	540.00	HYPER
CATV	PPP	78	547.25	547.25	546.00	HYPER

ANNEX 7

SCHEDULE OF PENALTIES

PENALTY

A. SERVICE QUALITY REQUIREMENTS

I. <u>Failure to achieve Local Call Completion Rates Internal to Network at Due Date</u>	
for each percentage point below target Local Call Completion Rate	US \$1,000
II. <u>Failure to achieve International Call Completion Rates at Due Date</u>	
for each percentage point below target International Call Completion Rate	US \$1,000
III. <u>Failure to achieve Fault Recovery Rate at Due Date</u>	
for each percentage point below target Fault Recovery Rate	US \$1,000
IV. <u>Failure to achieve digitalisation of network targets at Due Date</u>	
for each percentage point below target digitalisation percentage	US \$5,000
VI. <u>Failure to achieve maximum urban connection time targets at Due Date</u>	
for each week above target maximum connection time	US \$5,000
VII. <u>Failure to achieve average rural connection time targets at Due Date</u>	
for each week above target maximum connection time	US \$5,000