

REGULATORY AUTHORITY MINUTES RA/01/13

MINUTES of the First Meeting of the Board of Commissioners held on 28th day of January 2013 at 3rd Floor, Cumberland House, 1 Victoria Street, Hamilton, Bermuda.

Commissioners Present: John Cunningham
Carl Musson
Kent Stewart

Chief Executive: Philip Micallef (joined at 2c)

Acceptance and Quorum

- a) The meeting commenced at 10am. John Cunningham chaired the meeting pending the election of a Chairman.
- b) The Commissioners noted their appointment under the Regulatory Authority Act 2011 (RAA) and confirmed their acceptance of appointment as follows (by term):

| | |
|-----------------|---------|
| Kent Stewart | 2 years |
| Carl Musson | 3 years |
| John Cunningham | 4 years |

- c) All Commissioners being present, a quorum existed.
- d) The Commission unanimously agreed to discuss agenda items 2 a) and 2 b) in the absence of the Chief Executive and appointed Kent Stewart to take minutes during the discussion of those agenda items only. In the absence of an appointed Chairman the Commissioners unanimously agreed to proceed.

2. Appointment of Officers and Staff

a) Chairman

After discussion it was resolved that Commissioner Kent Stewart be and hereby is elected as the first Chairman to serve for a two year term.

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b) Chief Executive

After discussion it was resolved that Philip Micallef be and hereby is appointed Chief Executive of the Regulatory Authority (“RA”) with effect from 28th January 2013, subject to a suitable contract.

c) Chief Executive Joins the Meeting

The Chief Executive joined the meeting and it was unanimously agreed that he would take minutes for the remainder of the meeting as statutorily the Chief Executive is the Secretary to the Board.

d) Staff

The Minister of Economic Development (“Minister”) designated Ministerial secondments under §110(a) RAA and the following Department of Telecommunications officers:

Beverly Evans
Nakia Smith
Judith Welch
Michael Wells

are to become RA officers (until such time as the RA has completed its own recruitment).

The Commissioners were pleased to accept the Ministers’ appointments.

Judith Welch was appointed Acting Business Manager for the duration of her secondment to the RA.

3. Budgets and Fees

a) Pursuant to §112 RAA, the Commissioners considered a budget for the period 2 January through to 31 March 2013 (“Interim Budget”) for approval. After due consideration it was resolved that the Interim Budget be and hereby is approved subject to the requisite Government approvals.

b) Pursuant to §112 RAA, the Commissioners considered a budget for the period 1 April 2013 through to 31 March, 2014 (“2013 Budget”) for approval. After due consideration it was resolved that the 2013 Budget be and hereby is approved for publication for consultation.

c) After due consideration The Regulatory Authority has recommended a Regulatory Fee of 1.75% of the operators’ “relevant turnover” for its

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first year of operation subject to a consultation pursuant to section § 44 of the RAA. Details of the Regulatory Fee are contained in the Work Plan.

4. Appointment of Bank and Signatories

It was resolved that the RA appoint Capital G Bank Limited as the RA's primary banker in accordance with the bank's prescribed Mandate and such be and hereby is approved.

5. Administrative Rules

a) Interim Administrative Rules were considered by the Commissioners. After due consideration it was resolved that the Commissioners accept the Interim Administrative Rules and they be and hereby are approved.

b) It is the intention (pursuant to §74(2) RAA)of the Commission to conduct a public consultation and make a general determination on adopting permanent rules governing adjudications.

6. Lease for Office Space

Regulatory Authority has agreed to take space at Cumberland House, 3rd Floor for a period of five years, with a six month rent free period.

7. Corporate Seal

Commissioners resolved that the Corporate Seal of the RA shall be in the form impressed hereon below and such hereby is adopted. It shall have the words Regulatory Authority printed on the circumference of the seal and the year 2011 printed on the inside.

8. Approval of Logo

The device with the word Regulatory Authority was approved as the official logo of the Authority as below:



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9. Website
The Commission approved www.rab.bm as the official URL of the Regulatory Authority
10. Work Plans
After due consideration the Commissioners resolved that the following work plans (copies of which attached hereto) be and hereby are approved:
 - a) Work Plan 1: 28th January 2013 to 31 March 2013 as per 3a is approved; and
 - b) Work Plan 2: 1 April 2013 to 31 March 2014 as per 3b is approved for release for consultation.
11. RA Capital

Pursuant to § 111 RAA the Government shall pay the Regulatory Authority \$ 2 million as paid up capital. By letter dated 22nd January 2013 Government outlined alternate methods of payment of the \$ 2 million.
12. Advisors
After due consideration the Commissioners resolved to appoint the following advisors:
 - a) KPMG, General Advisory Consultant
 - b) Gabel Communications, Economic Consultant;
 - c) Squire Saunders, Legal Consultant; and
 - d) John Horrocks, Engineer on LNP and Numbering, subject to suitable contracts.
13. Vendor Contracts
The Commissioners hereby direct the Chief Executive, pursuant to §29(6)(e) RAA to enter into contracts for the provision of necessary services.
14. Assumption of Telecommunication Commission Matters
The Commissioners acknowledge the receipt of pending matters transferred from the Telecommunications Commission and Department of Telecommunications pursuant to §80(3) Electronic Communications Act 2011 (ECA) and direct the Chief Executive to propose procedures for their orderly identification, audit and disposition.

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15. Public Consultation

After consideration the Commissioners resolved to prepare public consultations after direction from the Minister on:

- a) Integrated Communications Operation Licences (“ICOLs”) §71(1)(a) ECA;
- b) Significant Market Participants (“SMPs”) §74 ECA; and
- c) Class Licences §74 ECA, as soon as possible.

16. Fee Investigation

After consideration the Commission resolved that they under take an investigation into fee pursuant to §74(c) ECA as soon as possible. Updates will be provided to the Board on this investigation regularly as granting of ICOLs are heavily dependent on payment of all outstanding fees.

17. Conflict of Interest and Governance Policies

After due consideration the Commissioners approved the following policies for the RA and they be and hereby adopted:

- Governance Policy
- Conflict of Interest Policy

The Commissioners stressed that these policies will be continually reviewed.

18. Any Other Business

All communications to the media will be carried out by the Chairman or by the person whom the Chairman expressly delegates.

The Commissioners have been working on the set up of the Regulatory Authority since their appointment on 19th October 2012. The Commissioners expressed their profound thanks to all those who have assisted them in the setting up of the Regulatory Authority including providers who have deferred contracts and payments in the interim. Without the help of these people the RA would not have been able to approve many of the agenda items contained in these minutes.

19. Next Meeting

The Commission agreed to next meet on 5th February 2013.