

**GOVERNMENT
OF THE
TURKS AND CAICOS ISLANDS**



**TELECOMMUNICATION'S COMMISSION
SELF-FINANCING**

**TCI TELECOMMUNICATIONS COMMISSION
JUSTIFICATION FOR ESTIMATES
BUDGET 2019-2020**

ACCOUNT DESCRIPTION

1100 REVENUE

1101 Network Fees

The Network Fees from carriers are paid base on (7% of gross revenue or whichever is greater) as prescribed in the Fee Structure Regulations 2016. The Network Fees are not included in the Commission's budget because the Network Fees are paid directly to Turks and Caicos Islands Government (TCIG) Treasury as instructed by the Ministry of Finance. The Commission forecast Network Fees for FY 2019/20 to be about \$3.7 Million.

1102 Regulatory Fees

Regulatory Fees from carriers are paid base on (1.8% of gross revenue or whichever is greater) as prescribed in the Fee Structure Regulations 2016. The Commission forecast Regulatory Fees for FY 2019/20 to be about 1.3 Million.

1103 Spectrum Fees

Spectrum Fees as prescribed in the Fee Structure Regulations 2016. Due to the number of Spectrum Licenses already issued, the Commission forecast Spectrum Fees for FY 2019-2020 to be 1.1 Million.

1104 Other License Fees

Miscellaneous License Fees for (Type Approval Certificates, Aircraft & Handheld Radio Licenses). As prescribed in Fee Structure Regulations 2016, the Commission forecast Miscellaneous License Fees for FY 2019-2020 to be about 95K.

1105 Miscellaneous Fees

Miscellaneous Fees for (Application fees, etc.) as prescribed in Fee Structure Regulations 2016. The Commission forecast Miscellaneous Fees for FY 2019-2020 to be about 20K.

1106 Interest

The Commission estimate for interest earn on funds held in our Money Master Account.

OPERATING EXPENDITURE:

1200 COMMISSIONER'S EXPENSES

1201 Commission Meetings

This expense covers the Commissioner's monthly allowances at a reasonable fixed monthly stipend (Chairman \$1,500 and other Members at \$1,000.00) irrespective of the number of meetings held each month.

1202 Commission Meeting Cost (Meals and Entertainment)

This expense covers meals/refreshments for monthly board meetings/ meetings with industry stakeholders.

1203 Commission Travel & Others (Overseas)

This expense covers the costs for travel, accommodation and registration fees for annual Conferences/Workshops/Seminars (i.e. Public Utility Research Centre, CANTO, CTU, CTO, OOCUR, GSR, GSMA).

1204 Commission Travel & Others (Local)

This expense covers the cost for travel and accommodations for Commissioner's who must travel to Providenciales to attend monthly meetings, and various conference/workshop held throughout the year.

1300 STAFF SALARIES

1301 Director General

The Director General is responsible for the overall management of the Commission. The contract is negotiated, and salary is set by the terms of the contractual arrangement.

1302 Director, Technology

The Director of Technology is responsible for all technical telecommunications matters of the Commission. This staff is currently on contract with the Commission, and salary is set by the terms of that contractual arrangement.

1303 Attorney (In-house Legal Advisor)

This staff member is responsible for advising the Commission on all telecommunications and competition law issues; drafting legal documents, including primary and secondary legislation; Inter-operator dispute resolution; Consumer complaints; Enforcement procedures; Training staff on telecommunications and/or competition law; Support in internal administrative processes; and other functions as required to achieve objectives of the TC.

1304 Finance Manager (New post)

A Finance Manager is essential for enhancing functions of the Commission. The role of the Finance Manager will be to research and analyse economic issues; conduct surveys and collect data; analyse data; prepare reports, tables, and charts that present research results; interpret and forecast market trends; advise governments; and design policies or make recommendations for solving economic problems. A business case will be submitted for approval.

1305 Manager, Operations

This staff member is the administrative "head" of the office, dealing with such matters with regards to overall faction of the Commission.

1306 Telecommunications Engineer

This staff member is responsible for Spectrum management and to support the Director of Technology in his duties and has the responsibilities for management/maintenance of all the Commission's internal/external communications network and management systems.

1307 Administrative Officer

This Staff member is responsible for the bookkeeping work of the Commission, and supports the Manager of Operations.

1308 Complaints Officer

This staff member handles complaints from the public and businesses relating to their telecommunications services on such matters as quality, billing and other problems.

1309 Commissioner's Assistant/Secretary

This staff member is the assistant of the Director General and the Commissioners, which include but are not limited to organizing and keeping minutes of Board meetings and also provide administrative assistance to the leadership of Telecommunications Sector.

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1400 STAFF BENEFITS

1401 Health/Medical Insurance(Directors)

To satisfy the terms of the Directors contracts.

1402 National Health Insurance - NHIB Contributions

By law the Commission must pay National Health Insurance contributions (NHIB) for all its employees at a rate of 6%.

1403 National Insurance Contributions -NIB

By law the Commission must pay NIB contributions for all its employees at the rate 8%.

1404 Allowances

This expense cover all employees allowances (i.e. telephone, island, housing, acting and responsibility) are captured under this heading.

1405 Pension and Gratuities

This expense is being budgeted, to cover the pending policy for regular employees pension plan and gratuities for fix term contracted employees.

1500 OFFICE RENT, SERVICES, EQUIPMENT, SUPPLIES & INSURANCE

1501 Office Rent

This expense covers the three (3) year rental agreement with Business Solutions which expires July 31st, 2020.

1502 Telephone, Fax & Internet Communications

This expense covers the Commission's cost for telephone, fax, internet and cable with agreements with the following (Cable & Wireless, Digicel and Digicel Play).

1503 Utilities

This expense covers the three (3) year rental agreement with Business Solutions which expires July 31st, 2020 which includes the following utilities (Electricity and water).

1504 Office Expense

The expense covers the cost for office supplies, staff uniforms, security contract, small equipment's, etc.

1505 Repairs and Maintenance (Janitorial Services)

Due to our lease arrangement, there are no repairs and maintenance services included in the lease agreement. Therefore, it is essential that the TCI Telecommunications Commission have reliable janitorial services for a healthy environment to work in daily. These services include all cleaning products. Currently, this service is contracted.

1506 Insurance (Office furniture and Equipment, etc.)

The Commission office has a requirement for standard computer, copying and facsimile equipment. Also, we have acquired very expensive Spectrum Management and Monitoring equipment that must be insured.

1507 Bank Service Charges

Our bank requires the Commission to pay fees for the maintenance and transactions on our accounts.

1508 Depreciation

The Commission operates its business on the accrual method of accounting, therefore an amount must be set aside for depreciation for its business assets.

1600 TRANSPORTATION & TRAVEL

1601 Overseas Travel, Allowances & Other

The Commission participates in various conferences, seminars and workshops throughout the region, internationally and locally. Attendance and participation in such events are of vital importance as we seek to address issues related to telecommunications developments in TCI, and remain abreast with new developments within the international telecommunications arena. We estimate, based on a projection for attendance of the following conferences, seminars and workshops overseas: (OOCUR, CANTO, PURC, CTO, CTU, GSR, GSMA etc.) with cost for (i.e. registration, flight, accommodation, meals and other travel related expenses).

1602 Overseas Travel, Allowances (Minister of Communications)

This expense covers the cost for the Minister for Communications to travel on Commission's behalf. Commission participates in various conferences, seminars, and workshops throughout the region, internationally and locally. Attendance and participation in such events are of vital importance as we seek to address issues related to telecommunications developments in TCI, and remain abreast with new developments within the international telecommunications arena. We estimate, based on a projection for attendance of the following conferences, seminars and workshops overseas: (OOCUR, CANTO, PURC, CTO, CTU, GSR, GSMA etc.) with cost for (i.e. event registration, flight, accommodation, meals and other travel related expenses).

1603 Local Travel, Allowances & Other

In order for the Commission to achieve its objectives and fulfil its directives of TCIG, the Ordinance, and Regulations, from time to time inter-island travel is required. The Directors and travel to Grand Turk for meetings and our Engineering department also travel to conduct spectrum audit during the year. The Commission Budget for airfares, transportation and accommodation to cover these expenses.

1604 Automobile - Repairs & Maintenance /Licenses & Insurance

This expense covers the cost for regular servicing, repairs, cleaning, fuel and insurance for the Commission's four (4) vehicles.

**TCI TELECOMMUNICATIONS COMMISSION
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BUDGET 2019-2020**

1700 TRAINING, HOSPITALITY, DUES & SUBSCRIPTION

1701 Staff Training

This expense covers staff proposal for funds to complete a degree or certification at universities or community college.

1702 Hospitality/Entertainment

This expense cover the cost for (i.e. food and beverages) at industry stakeholders meeting, staff quarterly empowerment lunch and annual Christmas functions.

1703 Dues and Subscriptions

This expense covers the cost for the Commission to a member of several organizations (i.e. CANTO, CTU, OOCUR, TCIG Publishing, and other advertising agencies).

1800 PROFESSIONAL SERVICES

1801 Accountancy Services

This expense covers the cost of a contractual agreement for a certified accountant to complete the Commissioner's monthly financial reports.

1802 Audit Services

This expense covers the cost for the Commission contract an External Auditor to complete the Commission's Annual Audited Financial Reports in accordance with the International Financial Reporting Standards.

1803 Consulting Support & Services

This expense covers contractual agreement with Local and International organizations to assistance the Commission. (i.e. legal, technical, economic and financial despites, and other services) when necessary, due to convergence of technologies, regulatory issues such as Net Neutrality where the Laws have limited guidelines.

1900 Miscellaneous Contingency Expenses

This expense covers the cost for unexpected contingencies that may arise during the year.

2000 CAPITAL EXPENDITURE

2001 Furniture & Equipment

To cover the cost for the replacement of damaged Furniture and Equipment (i.e. printers, desk, chairs and storage cabinet etc.) as these items are depreciated.

2002 Equipment

To cover the cost of the Commission Specialist Spectrum Monitoring Equipment.

2003 Computer Software & Hardware

To cover the cost for upgrading the Commission's existing Computers Software & Hardware to facilitate new technology and services.

GOVERNMENT OF THE TURKS AND CAICOS ISLANDS

Programme and Performance Indicators for April 2019 - March 2020

TELECOMMUNICATIONS COMMISSION

STATUTORY BODY SUMMARY							
MISSION:							
Our mission is to ensure that all consumers and businesses in the Turks and Caicos Islands have access to quality telecommunications services, at reasonable rates, in a full competitive marketplace. We will continue to work at improving the sector performance so that the economy will achieve growth, increased employment opportunities, revenue inflows and a vibrant telecommunication industry.							
STRATEGIC PRIORITIES:							
Plan to revise the Telecommunications Ordinance to include Broadcasting Services within the FY 2019/20. This initiative will be coordinated with the industry stakeholders and the Government for approval							
Plan to resolve and stabilize the TCI country code top level domain (ccTLD) within the FY 2019/20. This initiative will be coordinated with the Government for approval							
Plan to implement Number portability to improve quality of service within the FY 2019/20. The project was consulted on in July of 2016, but was deferred in 2017 due to hurricane Erma and Maria, because of the financial impact to carriers. This initiative will be coordinated with the industry stakeholders and the Government for approval.							
Plan to review the current fee structure for tariffs, to reflect the change in technology platform from fix line services to VOIP services. The initiative will be coordinated with the industry stakeholders and the Government for approval.							
The Commission endeavors to construct of a office building. The Commission bought the property and draw a plan in 2012. This building is necessary for the expansion of the Commission to accommodate the additional staff needed for the additional functions such as broadcasting and unregulated telecommunications services.							
MINISTRY EXPENDITURE - BY PROGRAMME							
Code	2017/18 Unaudited Actual	2018/19 Approved Budget	2018/19 Revised Budget	2018/19 Unaudited Actuals	2019/20 Budget Estimates	2020/21 Forward Estimates	2021/22 Forward Estimates
Personnel Emoluments	\$ 716,210	\$ 788,029	\$ 788,029	\$ 503,268	\$ 936,487	\$ 936,487	\$ 936,487
Operating Expenditure	\$ 870,826	\$ 915,750	\$ 915,750	\$ 636,559	\$ 921,000	\$ 921,000	\$ 921,000
Capital Expenditure	\$ -	\$ 115,000	\$ 115,000	\$ 112,990	\$ 90,000	\$ 130,000	\$ 30,000
TOTAL AGENCY BUDGET CEILING	\$ 1,587,036	\$ 1,818,779	\$ 1,818,779	\$ 1,252,816	\$ 1,947,487	\$ 1,987,487	\$ 1,887,487
STATUTORY BODY STAFFING RESOURCES – Actual Number of Staff by Category							
Executive/Managerial	3	4	4	4	5	5	5
Technical/Front Line Services	1	1	1	1	1	2	2
Administrative Support	3	3	3	3	3	3	3
Wages Staff	0	0	0	0	0	0	0
TOTAL AGENCY STAFFING	7	8	8	8	9	10	10
PROGRAMME PERFORMANCE INFORMATION							
KEY PROGRAMME STRATEGIES FOR 2018/19				ACHIEVEMENTS/PROGRESS IN 2018/19			
Enhance the competitive environment by finalizing the dominance study and the mobile and fixed line termination rates reviews by Q4 2017/18.				The Commission initiated a dominance study Aug 16, 2016 to review the market. The dominance study is still ongoing due to adding a review of the international link to the dominance study. Therefore, the dominance study deadline is now expected to be completed within Q2 FY 2019/20.			
Improve the clarity and predictability of the regulatory framework by updating Telecommunications Ordinance to include broadcasting regulations and implement a Technical and Quality of Service Regulations By 2017/18.				The Fee Structure was revised in 2016, The Commission has consulted on a regulatory regime for IPTV. The Commission intends to submit its recommend to cabinet within FY 18/19. The amendments to Telecommunications Ordinance if approved, is expected to concluded within the FY 19/20. The implementation of Consumer Protection, Technical and Quality of Service Regulations are pending with hopes of completion within the FY 2019/20.			
Ensure the efficient management of spectrum by conducting a spectrum audit, and review and update the national spectrum plan.				This initiative was deferred, due to recovery of hurricane and short staff. The Commission anticipated to start this initiative within FY 2019/20.			
Support TCI in the transition to a connected digital economy by building a Commission office Building.				This Capital Project was not approved.			
Work with the Ministry and the industry to provide sufficient broadband to all inhabited Islands to ensure all consumers experience the same broadband benefits well into the future				In 2016 the Commission consulted on the implementation of a National Fiber Ring, and submitted a report to the Ministry. The Commission is waiting Government recommendations.			
Install an Internet Exchange Switch to enable reliable internet communications nationally.				This initiative was a part of the building project which was not approved. Other alternative such as new location to host the switch is being considered for			
Implement Number Portability to improve quality of service among carriers and provide the benefit to customers to retain their existing numbers by 2017/18.				This initiative was deferred, due to industry recovery of Irma and Maria Hurricane, as it is a cost to the Carriers. The Commission plan to start the process within the FY 2018/19, and conclude in FY 2019/20			
Ratify the industry with noncompliant licensees, and recover outstanding arrears.				This initiative is pending for recommendations from the AG Chambers			

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Programme and Performance Indicators for April 2019 - March 2020

TELECOMMUNICATIONS COMMISSION

KEY PROGRAMME STRATEGIES 2019/20 (Aimed at improving programmed performance)							
Continue with the dominance study on mobile and fixed-line termination rates reviews with expectation to complete by Q2 2019/20. (The Commission added the international link to the dominance study. The dominance study is now expected to be completed within Q2 FY 2019/20.							
Start the process to revise the Telecommunications Ordinance to include broadcasting regulations and implement a Technical and Quality of Service Regulations within the FY 2019/20. The initiative is subject to cabinet approval on the IPTV consultation recommendations.							
Conduct an annual spectrum audit and review and update the national spectrum plan. This initiative is expected to be completed within FY 2019/20.							
Initiate a comprehensive Fee Structure review to reflect the change in industry trend such as network and services convergence. This initiative is expected to be completed by Q3 2019/20.							
Conduct further consultation on number portability to improve quality of service among carriers and provide the benefit to customers to retain their existing numbers. This initiative is expected to start within the FY 2018/19. The process has not begun, but this is still the Commission's plan to conclude within FY 2019/20.							
Support TCI in the transition to a connected digital economy by building a Commission office Building for better industry presence, investing in property ownership to install an Internet Exchange Switch to enable reliable internet communications nationally, host workshops on needed topics. Budgeting is expected to start in FY 2019/20 to construct a building in FY 2020/21							
Established a draft National ICT plan on behalf of TCIG in FY 2019/20.							
Plan to purchase additional Spectrum Equipment for Spectrum monitoring							
Plan to ratify noncompliant licensee, and recover outstanding arrears by FY 2019/20.							
KEY PERFORMANCE INDICATORS	2017/18 Actual	2018/19 Planned	2018/19 Revised	2018/19 Unaudited Actuals	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Output Indicators (the quantity of output or services delivered by the programmed)							
Number of Consultation on Telecommunications Services	4	7	7	1	6	3	3
Number of Telecommunications Network and Spectrum License applications received	3	3	3	4	3	3	3
Number of Complaints /Dispute received	1	3	3	1	2	2	2
Number of of Other Licenses applications received	33	33	33	108	80	80	80
Outcome Indicators (the planned or achieved outcomes or impacts of the programmed and/or effectiveness in achieving programmed)							
% of Consultation completed	25%	100%	100%	14%	100%	100%	100%
% of Number of Telecommunications Network and Spectrum License applications approved	75%	100%	100%	125%	100%	100%	100%
% of Complaints/ disputes resolved	0%	100%	100%	14%	100%	100%	100%
% of Other License applications approved	100%	100%	100%	125%	100%	100%	100%

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Estimates for Income and Expenditure for April 2019 - March 2020

TELECOMMUNICATIONS COMMISSION

	2017/18	2018/2019		2019/2020	2020/2021	2021/2022	
	Unaudited Actuals	Approved Budget	Revised Budget	Unaudited Actuals	Estimate	Forward Estimate	Forward Estimate
Regulatory Fees	947,550	1,029,186	1,029,186	1,133,566	1,328,929	1,328,929	1,328,929
Spectrum Fees	959,091	1,016,450	1,016,450	1,007,851	1,129,395	1,129,395	1,129,395
Interest	3,621	2,400	2,400	3,193	3,275	3,275	3,275
Miscellaneous Fees	70,930	36,025	36,025	112,550	20,400	20,400	20,400
Other License Fees	-	-	-	-	95,202	95,202	95,202
TOTAL INCOME	1,981,192	2,084,061	2,084,061	2,257,160	2,577,201	2,577,201	2,577,201
Salaries	623,565	644,216	644,216	404,651	714,216	714,216	714,216
Allowances	55,525	76,548	76,548	64,666	89,760	89,760	89,760
Pension and Gratuities	-	20,000	20,000	-	79,078	79,078	79,078
National Insurance Contributions	13,710	18,000	18,000	13,384	19,872	19,872	19,872
National Health Insurance Contributions	23,410	29,265	29,265	20,567	33,561	33,561	33,561
Employment Costs	716,210	788,029	788,029	503,268	936,487	936,487	936,487
Local Travel and Subsistence	4,847	5,000	5,000	5,402	7,500	7,500	7,500
International Travel and Subsistence	30,211	30,000	30,000	31,894	40,000	40,000	40,000
Minister's International Travel and Subsistence	-	30,000	30,000	22,049	30,000	30,000	30,000
Utilities	22,340	30,000	30,000	25,383	31,500	31,500	31,500
Communications Expenses	29,193	25,000	25,000	23,322	26,250	26,250	26,250
Office Expenses	21,924	20,000	20,000	18,521	21,000	21,000	21,000
Rental of Assets	78,000	78,000	78,000	78,000	78,000	78,000	78,000
Maintenance Expenses	44,733	41,200	41,200	39,542	46,200	46,200	46,200
Professional and Consultancy Services	355,684	300,000	300,000	79,850	300,000	300,000	300,000
Insurance	1,891	3,000	3,000	1,889	3,000	3,000	3,000
Hosting and Entertainment	4,184	7,000	7,000	6,549	7,000	7,000	7,000
Training	37,448	70,000	70,000	70,625	60,000	60,000	60,000
Subscriptions and Contributions	12,911	15,000	15,000	15,227	15,000	15,000	15,000
Auditing and Accounting	37,049	42,050	42,050	37,050	47,050	47,050	47,050
Board Expenses	122,035	142,000	142,000	117,679	130,000	130,000	130,000
Depreciation and Amortization	54,995	60,000	60,000	54,061	60,000	60,000	60,000
Bank Charges	2,041	2,500	2,500	1,708	3,500	3,500	3,500
Other Operating Expenses	11,340	15,000	15,000	7,807	15,000	15,000	15,000
Operating Costs	870,826	915,750	915,750	636,559	921,000	921,000	921,000
Total Expenditure	1,587,036	1,703,779	1,703,779	1,139,826	1,857,487	1,857,487	1,857,487
Operating Surplus	394,156	380,282	380,282	1,117,334	719,714	719,714	719,714
Capital Projects		115,000	115,000	112,990	90,000	130,000	30,000
Cash Funding Required to Support Operating Expenditure and Capital Projects	1,532,041	1,758,779	1,758,779	1,198,755	1,887,487	1,927,487	1,827,487
Transfer to TCIG	(2,063,290)	(475,000)	(475,000)	(861,456)	(500,000)	(500,000)	(500,000)
Transfer from Reserve Funds	1,669,134	211,718	211,718	-			
Net Surplus/Deficit	54,995	62,000	62,000	196,949	189,714	149,714	249,714

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Estimate of Human Resources for April 2019 - March 2020

TELECOMMUNICATIONS COMMISSION

	Telecommunications	2018/2019		2019/2020	
		Human Resources	Payroll Cost Estimate	Human Resources	Payroll Cost Estimate
	Director General	1	159,565	1	159,565
	Director Technology	1	124,105	1	124,105
	Attorney	1	80,000	1	80,000
	Finance Manager		-	1	70,000
	Manager Operations	1	67,198	1	67,198
	Telecommunications Engineer	1	60,000	1	60,000
	Administrative Officer	1	56,214	1	56,214
	Complaints Officer	1	48,567	1	48,567
	Commissioner Assistant/Secretary	1	48,567	1	48,567
	Salary Staff	8	644,216	9	714,216
	Waged Staff	0	-	0	-
		8	644,216	9	714,216

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Estimates for Capital Projects for April 2019- March 2020

TELECOMMUNICATIONS COMMISSION

Project Number	Funding Source	Project Title	Cost	Budget 2019/2020	Budget 2020/2021	Budget 2021/2022
2001	TCITC	Furniture & Equipment	55,000	20,000	25,000	10,000
2002	TCITC	Equipment	145,000	50,000	85,000	10,000
2003	TCITC	Computer Software & Hardware	50,000	20,000	20,000	10,000
		Total Telecommunications Commission	250,000	90,000	130,000	30,000