



National Telecommunications Regulatory  
Commission



**ANNUAL REPORT**  
**2008**



*Creating a Competitive Environment*

## Secretariat Information

### National Telecommunication Regulatory Commission (NTRC)

P. O. Box 854  
Grand Anse Shopping Centre, Suite #8  
Grand Anse, St. George's  
Grenada, West Indies.  
Telephone: 1 (473) 435-6872 / 2646  
Fax: 1 (473) 435-2132

[gntrc@ectel.int](mailto:gntrc@ectel.int)

[www.ntrc.gd](http://www.ntrc.gd) / [www.ectel.int/grd](http://www.ectel.int/grd)

### Eastern Caribbean Telecommunications Authority (ECTEL)

P.O. Box 1886  
Vide Bouteille, Castries  
St. Lucia, West Indies  
Telephone: 1 (758) 458-1701/2  
Fax: 1(758) 458-1698

[ectel@ectel.int](mailto:ectel@ectel.int)

[www.ectel.int](http://www.ectel.int)

# ANNUAL REPORT 2008

## Contents

<b>Commissioners</b>	<b>1</b>
<b>Secretariat</b>	<b>1</b>
<b>Mission Statement</b>	<b>2</b>
<b>1. Chairman's remarks</b>	<b>3</b>
<b>2. Mandate &amp; Background</b>	<b>4</b>
<b>3. Operations</b>	<b>5</b>
<b>4. Financial Report</b>	<b>21</b>
<b>5. Status of Telecommunications</b>	<b>26</b>

## Commissioners



Left to right: Mr. Bryan Scott; Mr. George Lashley; Dr. Spencer Thomas, Chairman;  
Mr. Vincent Roberts, Mr. Ruggles Ferguson

## Secretariat



Left to right: Ms. Cassandra Whiteman, Mr. Timothy Scott, Mrs. Lucille Sullivan,  
Mr. Aldwyn Ferguson, Mrs. Hazel Ann Lewis-Mitchell, Mr. Sean Francis

## **MISSION STATEMENT**

The mission of the National Telecommunications Regulatory Commission is to regulate the liberalized Telecommunications sector in Grenada so as to ensure fair competitive practices by Telecommunications providers and to promote and maintain high quality Telecommunications services at fair and competitive prices for consumers.

## **1. Chairman's Remarks**

Despite the impact of the global economic slowdown, the year 2008 was marked by continuing progress towards achieving the broad objectives of telecommunications development and enhanced growth in Grenada.

Telecommunications technologies and information and communications technologies are central to national economic and social development through the direct linkages to innovative development strategies and solutions, natural disaster management, adaptation to climate change, environmental sustainability, improvement in livelihoods and national capacity and for providing impetus for growth in other sectors.

Mobile penetration continues to grow albeit at a slower rate as the mobile market approaches maturity. Grenada's mobile penetration rate of approximately ninety (90) percent compares well globally. The most critical concern is the deployment of broadband applications and services for productive purposes. Grenada's internet penetration rate for example measures about nine (9) percent hence there is dire need for targeted investments in this area.

Advanced technologies such as 3G Mobile Services, VOIP, WIMAX and Next Generation Networks based on the internet protocol must be embraced for enhanced national productivity.

Looking ahead for 2009, much work remains to be done as we seek to bridge the digital divide through the application of universal service regulations; to promote the use of broadband applications and services for voice and data communication through the creation enabling environment for the deployment of a network of broadband infrastructure throughout the country; to monitor and respond to the global crisis through the promotion of innovative technological processes and solutions, to encourage the deployment of ICT applications such as e-government, e-commerce online education and e-health and to promote deepening of information and communication technology solutions into national planning frameworks.

The National Telecommunications Regulatory Commission (NTRC) remains committed to plays its path towards enhanced connectivity for all.

*Spencer Thomas Ph. D, Chairman*

## 2. MANDATE & BACKGROUND

The National Telecommunications Regulatory Commission (NTRC) was established on 21<sup>st</sup> September 2000 pursuant to the Telecommunications Act 31 of 2000 to provide for the regulation of telecommunications. The specific mandate of the NTRC includes the following:

- *To co-ordinate, facilitate and generally promote the purposes of the Agreement (Treaty Establishing the Eastern Caribbean Telecommunications Authority (ECTEL))<sup>1</sup>*
  
- *To establish an effective regulatory regime which will enhance the operations of telecommunications in the interest of the sustainable development of Grenada.*

---

<sup>1</sup> The Eastern Caribbean Telecommunications Authority (ECTEL) was established by Treaty signed by Commonwealth of Dominica, Grenada, Saint Christopher and Nevis, Saint Lucia, Saint Vincent and the Grenadines on May 4, 2000. ECTEL is a regional body with legal personality, its main function is to promote and coordinate open entry, market liberalisation and competition in telecommunications of all the regional Contracting States, as well as to harmonise and further the regional policy objectives and overall development of telecommunications in the Contracting. ECTEL is made up of a Council of Ministers, a Board of Directors, and a Directorate.

### **General Obligations**

- a. The Contracting States undertake to put in place all appropriate measures, including the enactment of an appropriate legal and regulatory framework to promote the purposes of this Treaty, the performance of their obligations under this Treaty, the implementation of the decisions of the Council and other matters for the efficient and effective operations of ECTEL.
  
- b. The Contracting States undertake to put in place in their respective jurisdictions a Telecommunications regulatory body to be known as the National Telecommunications Regulatory Commission which shall co-ordinate and liaise with ECTEL.

### 3. NTRC Operations for 2008

#### 3.1 Summary of Operations

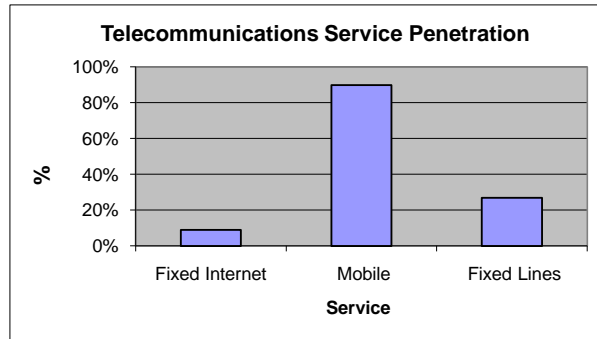
In the context of the down turn in the World Economy, the **National Telecommunication Regulatory Commission** (NTRC) is further challenged to create or at least maintain a suitable environment as it relates to the telecommunications and ICT. This is essential to attract the necessary investments to enhance competition among Telecommunication Providers, so as to achieve higher quality telecommunication services at fair and competitive prices.

Despite the turbulent occurrences in the financial market and the World's economy, the year 2008 still ended on a high note for the NTRC. With respect to internet for example, there was a constant reduction in prices along with an increase capacity through out the year, with the lowest price for internet services recorded in December 2008.

Both *Cable & Wireless Grenada Limited* and *Digicel Grenada Limited* upgraded their network facilities to provide quality internet services to mobile customers. Additionally, during 2008 *Columbus Communications Grenada Limited* made their entrance into the Telecommunications market, thus joining *Cable & Wireless Grenada Limited* and *Digicel Grenada Limited* as Telecommunications Operators offering internet services. With the increase in the number of internet providers, as well as improvements in access capacity, local and international businesses and residential users are enjoying greater capacity at lower prices.

The total number of fixed internet subscribers was estimated to have increased well over 25 percent, driving the fixed internet penetration up to approximately 9.0 percent as at December 2008.





**Figure 1: Telecommunications Service Penetration - December 2008**

During the year under review, the collaboration with the Eastern Caribbean Telecommunications Authority (ECTEL) received major support from the NTRC. The NTRC participated and contributed to several forums, training workshops and consultations organised by ECTEL.

The NTRC also collaborated with other regional and international bodies; namely CTU, CANTO, CITEL, the CARICOM Secretariat and ITU.

#### *Prospects<sup>2</sup>*

The global financial crisis and restructuring in the sector may pose some threats to the telecommunications sector in 2009. The two major players in the sector, *Cable & Wireless Grenada Limited* and *Digicel Grenada Limited* have announced a number of layoffs.

Investment in the sector and the launch of new technologies may also be compromised as the global credit crunch impacts the region. Even so, there remain significant opportunities for growth in both fixed and mobile broadband services and with the introduction of converged services.

---

<sup>2</sup> ECTEL Annual Telecommunications Sector Review, published January 2009.

### 3.2 Appointment of Commissioners

In November 2008, the Honourable Joseph Gilbert, Minister responsible for Telecommunications appointed the following persons to form the *Fourth Commission* of the National Telecommunications Regulatory Commission:-

Dr. Spencer Thomas	-	Chairman
Mr. George Lashley	-	Commissioner
Mr. Bryan Scott	-	Commissioner
Mr. Ruggles Ferguson	-	Commissioner
Mr. Vincent Roberts	-	Commissioner

The following members of the *Third Commission* all resigned from the Commission effective 1<sup>st</sup> November 2008:

#### The retired Commission in 2008

Dr. Spencer Thomas  
Mr. George Lashley  
Mrs. Avril Trotman-Joseph  
Mr. Ronald Straker  
Mr. David Lander

### 3.3 Meetings of the Commission

During the year 2008, the Commission held seven regular meetings. In addition four meetings were held with Telecommunications Providers. Two meetings were held with the GD Management Group and several other meetings were held with the ECTEL Secretariat and Consultants.

The Meetings of the Commission for 2008 is attached as **Annex 1**.

### 3.4 Staff

There was one staff change during 2008, Mr. Dwight Horsford who was the Legal Officer and Coordinator (Ag.) resigned from the Commission effective 30<sup>th</sup> August 2008.

Mr. Aldwyn Ferguson was then assigned to the post of Acting Coordinator along with his prior responsibilities for Administration/Accounts.

Staff at the Secretariat at the end of the year 2008:

Aldwyn Ferguson	-	Coordinator (Ag.)
Timothy Scott	-	Engineer
Hazel Ann Lewis- Mitchell	-	Admin Assistant/Secretary
Sean Francis	-	Operations Officer
Cassandra Whiteman	-	Secretary
Lucille Sullivan	-	Office Attendant

### 3.4 NTRC Building Project

The Commission continues to operate from Suites #6 and #8 at the Grand Anse Shopping Centre. The design drawings for the construction a regulatory building at the Botanical Gardens started in 2008 and were about 85% completed by the end of the year. The building is expected to house the NTRC's Secretariat and other regulatory bodies.

### 3.5 NTRC Website

The NTRC maintains websites at [www.ntrc.gd](http://www.ntrc.gd) and [www.ectel.int/grd](http://www.ectel.int/grd).

The NTRC has successfully upgraded its website which has a new enhanced look with more information and it is also much easier to navigate. Public information from the NTRC is published on these websites and information is updated regularly. The following information can be found on the website:

- Telecommunications licenses issued under the Telecoms Act of 2000;
- License application forms;
- Procedures and requirements for making application and payment
- Telecommunications Acts and Regulations;
- Telecommunications Fees;
- Current and past consultations;
- Agreements;
- Status of Telecommunications in Grenada;
- Information on .GD Top Level Domain, Numbering among others

### 3.6 Training (Courses/Seminars/Workshops)

The NTRC continues to place emphasis on training and **Table 1** provides a detail account of sessions and participants along with other pertinent information.

COURSE/ SEMINAR/ TRAINING	DATE	DURATION	VENUE	ATTENDEE(S)	ORGANIZED BY
23rd PURC/World Bank International Training Program on Utility Regulation and Strategy	Jan 14-25, 2008	12 days	Florida	Mr .D. Lander	ECTEL
7th ECTEL/NTRC Forum	Feb 7-8, 2008	2 days	St. Lucia	Mr. A. Ferguson Mr. D. Horsford	ECTEL
Policy on Telecommunications Convergence	Feb 8, 2008	1 day	St. Lucia	Mr. A. Ferguson Mr. D. Horsford Mr. Leo Cato	ECTEL
Ministerial Strategic Briefing Seminar	Feb 28-29, 2008	2 days	Bermuda	Dr. Spencer Thomas	CTU
Telecommunication, New Technology and Equipment Maintenance	April 15 to June 13, 2008	2 months	China	Mr. Timothy Scott	The Republic of China
Application Process for Assignment of Numbers Workshop	April 17-18, 2008	2 days	Grenada	Mr. A. Ferguson/ MrsLewis-Mitchell/ Mr. Francis/ Mrs. Trotman, Mr. Lander, Mr. Straker, Mr. Horsford	ECTEL
Advanced Negotiations Skills Training Programme	April 28, 2008	1 day	Grenada	Mr. Timothy Scott	Department of Human Resource/ Grenada

COURSE / SEMINAR / TRAINING	DATE	DURATION	VENUE	ATTENDEE(S)	ORGANIZED BY
Revised Draft Interconnection Regulations	June 11, 2008	1 day	Grenada	Staff/ Commissioners	NTRC
32nd ICANN Meeting	June 22 - 26, 2008	5 days	France	Mr. Aldwyn Ferguson	ICANN
4th Caribbean Internet Governance Forum	July 23-24, 2008	2 days	Curacao	Dr. Spencer Thomas	CTU
CompTIA A+ Training	August- September 2008	2 months	Grenada	Mr. Sean Francis	NTRC
ICT Policies, Plans and Pilot Project Workshop	Aug 21-22, 2008	2 days	Grenada	NTRC Secretariat/ Commissioners	ECTEL
8th ECTEL/NTRC Forum and Budgetary Estimates Meeting	Aug 25-26, 2008	2 days	St. Lucia	Mr. A. Ferguson Mr. Lander	ECTEL
ARIN Meeting on IP-Related Events	Sep 16-17, 2008	2 days	Bahamas	Dr. Spencer Thomas	ARIN
HIPCAR Workshop	Dec 15-16, 2008	2 days	Grenada	Coordinator (Ag.)/ Commissioners/ ICT Representatives/ Government	ITU/CTU

**Table 1: Training (Courses, Seminars, Workshops)**

### **3.7 Workshops hosted by the NTRC**

#### **Numbering Workshop**

**17-18 April 2008**

The Telecommunications Act 31 of 2000 provides for the NTRC to establish and manage a *National Plan* for the allocation of numbers among telecommunications providers in accordance with the *Regional Plan* established by ECTEL.

The *National Numbering Plan* outlines the general principles to be applied in the management of the *Numbering Resource*, the *Processes* and *Procedures* relevant to number resource management.

A *Numbering Plan* is necessary to ensure equitable distribution and management of the numbering resource, so as to ensure a competitive telecommunications environment.

In April 2008, NTRC hosted a workshop to review:-

- *The Numbering Regulations*
- *The Numbering Plans*
- *The Manual on the Application Process for the Assignment of Numbers in the ECTEL Member States*

The participants came from *ECTEL*, all the *NTRC Member States*, *Cable & Wireless Grenada Limited*, *Digicel Grenada Limited*, *Grenada Cablevision* and *21<sup>st</sup> Century*.

The workshop was sponsored by ECTEL.

After discussion and contributions pertaining to the draft documents presented by ECTEL, it was agreed upon that the consensus of the meeting would be included in the revised document to be prepared by ECTEL.

## **Workshop - Model ICT Policy and Plan 21-22 August 2008**

The NTRC also collaborated with ECTEL in the development of a *Model National Policy on Information and Telecommunications (ICT) in the ECTEL Member States*.

The NTRC hosted a workshop on 21-22 August 2008 to review *the Model ICT Policy and Plan* for its formal adoption.

Representatives from relevant stakeholders in each of the ECTEL Member States attended the workshop.

Several Pilot Projects that will encourage the extension of broadband application in *ECTEL Member States* were agreed upon.

Grenada recommended the “**LEGO MINDSTORM as a tool for IT Education**” to be piloted. The projects will be funded by the World Bank and the Governments of the ECTEL Member States.

## **HIPCAR Planning Meeting 15-16 December 2008 (Grenada)**

Enhancing Competitiveness in the Caribbean through the Harmonization of ICT Policies, Legislation and Regulatory Procedures (HIPCAR) is a project conceived by ITU, CARICOM Secretariat and CTU.

The project is in response to requests from CARICOM States and other ICT stakeholders for a more unified approach to the subject. CARICOM has recognized that ICTs have a major role to play in the development and further integration of CARICOM states, especially in the context of the CARICOM Single Market and Economy (CSME).

The project was launched in Grenada at a workshop organized and funded by the ITU and supported by regional organizations including the NTRC, the host organization. The workshop brought together Caribbean government Officials, regulators, service providers and private sector representatives from the regional and international organizations involved in ICT.

Both the Minister of Telecommunications, Honourable Joseph Gilbert and the Prime Minister of Grenada, Honourable Tillman Thomas spoke at the planning workshop and pledged Grenada's commitment to the harmonization process.

It is the hope that the project will provide guidelines for harmonized policies, legislation, technical matters and regulatory procedures and processes.



**Minister of Telecommunications, Hon. Joseph Gilbert (*4<sup>th</sup> from left, front row*)  
&  
Participants of the HIPCAR Planning Meeting**



### 3.8 Legal & Regulatory Issues

The following telecommunications regulations are pending promulgation having been approved by ECTEL before 2008:-

- *Telecommunications (Dispute Resolution) Regulations*
- *Telecommunications (Licensing and Authorisation) Regulations*
- *Telecommunications (Spectrum Management) Regulations*
- *Telecommunications (Confidentiality in Networks & Services) Regulations*
- *Telecommunications ( Private Network Licensing) Regulations*
- *Telecommunications (Terminal Equipment & Public Network) Regulations*
- *Telecommunications (Exemption) Regulations*
- *Telecommunications (Quality of Service) Regulations*
- *Telecommunications (Wholesale) Regulations*
- *Telecommunications (Numbering) Regulations*

Additionally in 2008 two more regulations were recommended by ECTEL for the adoption by Member States.

They were:-

- *Telecommunications (Interconnection) Regulations*
- *Telecommunications (Universal Service Fund) Regulations*

These regulations are essential for the efficient operation of the NTRC, for example the *Telecommunications (Quality of Service) Regulations* when promulgated and enforced will ensure that consumers get value for money.

Several public consultations were carried out in relation to proposed regulations and license documents. These consultations generated much interest and discussion among the telecommunications providers.

However no regulations were promulgated for the year 2008.

A schedule of consultations is attached as **Annex 2**.

## 3.9 Licenses

### Application for Licenses

The processing of applications for licences was a major activity of the NTRC. A total of one hundred and twenty (120) applications were reviewed.

### Licences issued

A total of one hundred and four (104) licences were issued during the year 2008. Among them, four (4) **Individual Licences** were issued:-

- *Public Mobile Telecommunications Network - Affordable Island Communications Inc. (AIsleCom)*
- *Public Mobile Telecommunications Network - 21<sup>st</sup> Century Telecom Network (Caribbean) Ltd.*
- *Internet Networks and Services - 21<sup>st</sup> Century Telecom Network (Caribbean) Ltd.*
- *Internet Networks and Services - SES Americom Inc.*

A schedule of new applications received and licences issued during 2008 is attached as **Annex 3**.

A schedule of licences granted by the Minister for Telecommunications for 2008 is attached as **Annex 4**.

### Assignment of Grenada Cablevision Ltd. Telecommunications and Broadcast Licences to Columbus Communications Grenada Limited

*Columbus Communications Grenada Limited* who acquired the former *Grenada Cablevision Limited*, started its operations on 1<sup>st</sup> March 2008. They upgraded the cable network and launched Internet Services in November 2008. They are on course to be one of the first triple play telecommunications service providers within the Eastern Caribbean States.

The following Telecommunications and Broadcast Licences which were previously issued to *Grenada Cablevision Limited*, are now assigned to *Columbus Communications Grenada Limited*:-

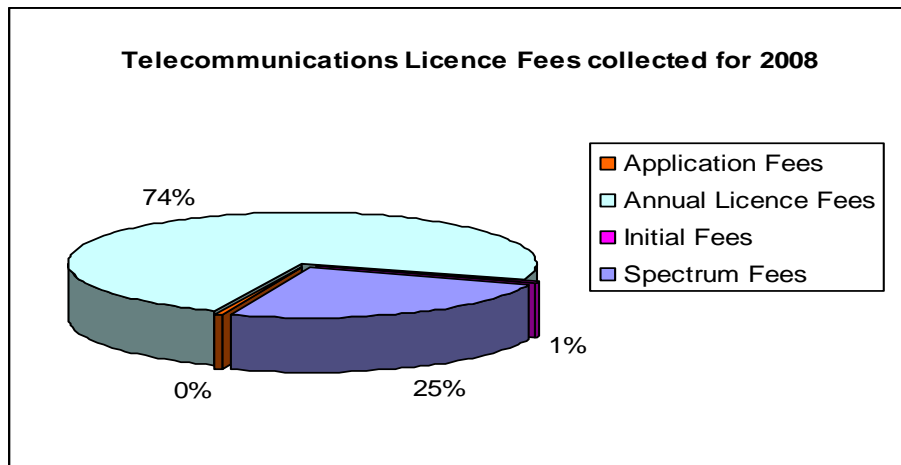
- *Telecommunications Cable Network and Provision of Telecommunications Cable Services;*
- *Subscriber Cable TV Broadcasting Facilities and Provision of Subscriber Cable TV Broadcast Services;*
- *Fixed Public Telecommunications Licence; and*
- *Internet Networks and Services Licence*

**Licence Fees Collection**

Licence Fees collected by the NTRC in the year 2008:

<b>Fees for the Government of Grenada</b>	
Application Fees	\$32,125.00
Initial Fees	\$44,550.00
Annual Licence Fee	<u>\$4,819,357.07</u>
	<b>\$4,896,032.07</b>
<b>Spectrum Fees Collected for ECTEL</b>	<b><u>\$1,605,400.00</u></b>
<b>Total Telecoms Fees Collected in 2008</b>	<b><u>\$6,501,432.07</u></b>

The application fees, initial fees and annual licences fees were paid into the consolidated fund. The spectrum fees were forwarded to ECTEL.



**Figure 2: Telecommunications Licence Fees Collected for 2008**

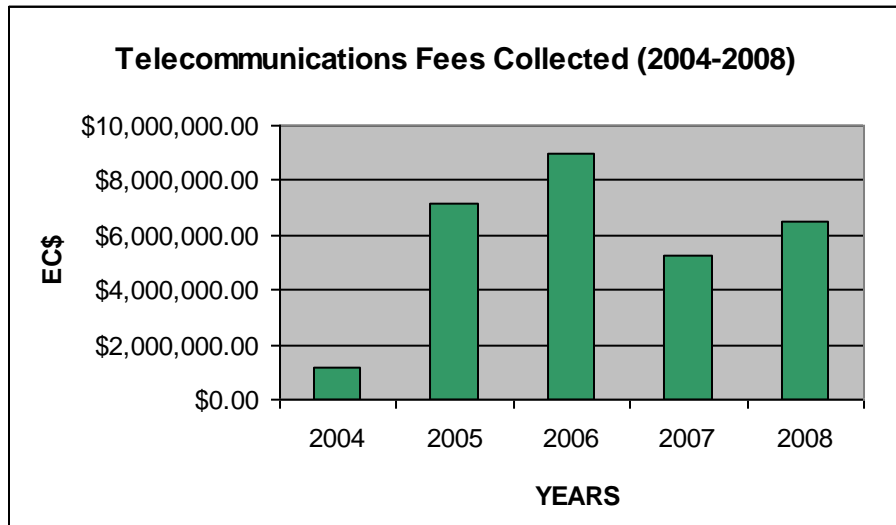


Figure 3: Telecommunications Licence Fees Collected 2004 -2008

### 3.10 Disaster Preparedness

The *National Disaster Management Agency* (NaDMA) is a body responsible for coordinating all disaster related activities and ensuring that the required preparedness and preventative measures are fully meet.

During 2008 the NTRC participated in the planning sessions organized by NaDMA, both at the *National Emergency Advisory Council* and at the *National Emergency Telecommunications Committee*.

The main function the *Emergency Telecommunications Committee* is to identify emergency telecommunications needs. Members of that Committee include NTRC, Amateur Radio Operators and Telecommunication Providers. **(In the issuing of license to Telecommunications Operators, the NTRC ensures that emergency provisions related to Telecommunications and/or Radio services are embedded in the license issued.)**

### 3.11 Spectrum Management

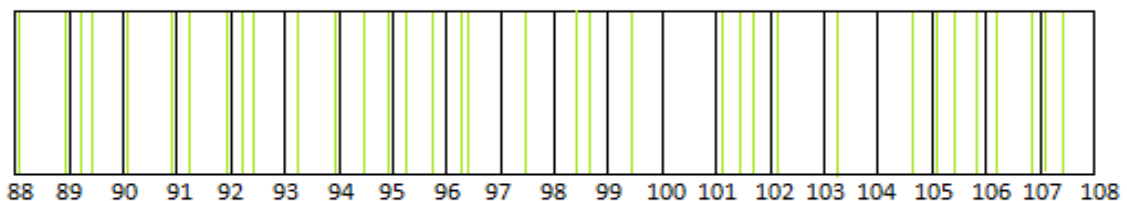
#### Spectrum Management:

The radio spectrum is an important but limited resource managed by the NTRC. It provides a useful medium for the establishment of telecommunications and broadcasting services.

Pursuant to Section 11 (d) of the Telecommunications Act No. 31 of 2000, the Commission is charged with the responsibility for the monitoring of the radio spectrum in Grenada.

The Spectrum management unit is responsible for the effective management and planning to ensure efficient use of the radio spectrum and to avoid interference among operators. The Commission is also charged with the issuing of frequency authorization and ensuring compliance with the Telecommunication Act.

In 2008, the Commission has taken the initiative to focus on the licensing and relicensing of radio and television broadcasters to comply with the telecommunication Act. NTRC was able to achieve compliance of approximately over 88% of the FM radio broadcasters occupying approximately 37% of the FM frequency allocated band. However, the Commission is in the process of pursuing the following radio spectral users (such as VSAT, Land Mobile and Maritime Mobile radio users) in order to obtain their compliance.



**Figure 4: FM Radio Band Frequency assigned**

According to the *figure 4*, the green lines represent 37% assigned FM frequency with 4.2% as new license radio broadcasters. The other 32.8% represent the total amount of existing private owned radio broadcasters in operation.

### 3.12 Radio and TV Broadcasters

In the area of Radio/TV Broadcast, significant progress has been achieved. Over 73% of the current Broadcasters were issued Licences under the Telecommunications Act 31 of 2000.

Prior to 2008, four (4) broadcast stations were licenced under the Telecommunications Act 31 of 2000. In 2008 twenty-six (26) applications were reviewed and twenty-two (22) licences were issued.

At the end of 2008 there were only four (4) on-air broadcast stations still operating without a licence under the Telecommunications Act 31 of 2000.

### 3.13 Interconnection Agreements<sup>3</sup>

In October 2008, the NTRC approved an extension of the *Interconnection Agreement between Cable & Wireless Grenada Limited and Digicel Grenada Limited*. These Telecommunications providers operating from separate networks are now required to submit a **new** Interconnection Agreement for the approval of the NTRC. The other ongoing interconnection negotiations which started in 2008 are as follows:-

- *Interconnection Agreement between Cable & Wireless Grenada Limited and Columbus Communications Limited*
- *Interconnection Agreement between Cable & Wireless Grenada Limited and Affordable Island Communications Inc. (AisleCom).*

---

<sup>3</sup> **Interconnect agreements** are necessary when different telecommunications organizations interconnect. Interconnect agreements are found both in the public switched telephone network and the Internet. In the public switched telephone network, interconnect agreements invariably involve settlement fees based on call source and destination, connection times and duration, although these fees often cancel out between operators. On the Internet, where the concept of a "call" is generally hard to define, settlement-free peering and Internet transit are the commonest forms of interconnection.

### 3.14 Domain Name Administration (GD Domain)<sup>4</sup>

There were no significant changes recorded with regard to the management of Grenada's *country code Top Level Domain* (ccTLD<sup>5</sup>). The NTRC renewed the contract with *AdamsNames* for a further one year period. *AdamsNames* will manage the domain in accordance with procedure generally accepted by the global internet community and for the benefit of the Government and People of Grenada.

*AdamsNames* remains the technical contact running the registry of gdTLD. The registry maintains the database of all the internet addresses in gdTLD.

Revenues derived from the management of the domain are recorded in the *Income Statement*.

---

<sup>4</sup> The Domain Name System (DNS) helps users find their way around the Internet. Every computer on the Internet has a unique address called its "IP address" (Internet Protocol address). Because IP addresses (which are strings of numbers) are hard to remember, the DNS allows a familiar string of letters (**the "domain name"**) to be used instead. So rather than typing "192.0.34.163," you can type "www.ntrc.gd."

<sup>5</sup> A country code top-level domain (ccTLD) is an Internet top-level domain generally used or reserved for a country or a dependent territory. All ccTLD identifiers are two letters long, and all two-letter top-level domains are ccTLDs. Creation and delegation of ccTLDs is performed by the Internet Assigned Numbers Authority (IANA).

## 4. Financial Report<sup>6</sup>

### 4.1 Financial Statements

#### 4.1.1.

#### BALANCE SHEET

At 31<sup>st</sup> December 2008

	<i>Notes</i>	<b>31-Dec-08</b>	<b>31-Dec-07</b>
<b>Assets</b>			
Cash in bank – Operational Fund	2	67,409.38	100,066.59
Cash in bank – Domain Names Fund	2	38,171.41	
Cash in bank – Contingency Fund	3	70,385.93	67,814.08
Cash in bank – Building Fund	4	1,131,725.01	926,774.38
Office Supplies		-	-
Fixed Asset	6	45,582.16	56,731.26
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b><u>1,353,273.89</u></b>	<b><u>1,151,386.31</u></b>
<b>Liabilities and Reserves</b>			
<b>Reserves</b>			
Reserves, beginning of the year		1,151,386.31	1,021,356.79
Net Gain (Loss) for the year		185,454.03	130,029.52
Capital Grant for the year		-	
		<hr/>	<hr/>
Reserves, end of year		1,336,840.34	1,151,386.31
<b>Liabilities</b>			
Accounts Payable		16,433.55	-
		<hr/>	<hr/>
<b>TOTAL LIABILITES AND RESERVES</b>		<b><u>1,353,273.89</u></b>	<b><u>1,151,386.31</u></b>

<sup>6</sup> ECTEL's Audit of the NTRC Financial Records for 2008 is scheduled to commence during the period April to May 2009.



**4.1.2.****INCOME STATEMENT***For the year ended 31<sup>ST</sup> December 2008*

	<i>NOTES</i>	
<b>Receipts</b>		
Receipts from ECTEL - 2 <sup>nd</sup> Allocation 2008		154,253.50
Receipts from ECTEL - 3 <sup>rd</sup> Allocation 2008		154,253.50
Receipts from ECTEL - 4 <sup>th</sup> Allocation 2008		154,253.50
Receipts from ECTEL - 1 <sup>st</sup> Allocation 2009		<u>173,650.00</u>
<b>Receipts from ECTEL</b>	<i>1</i>	636,410.50
Gain (loss) Foreign Exchange		420.72
Gain (loss) on Sales/Disposals of Fixed Assets		(349.06)
<b>NET INCOME</b>		<u><b>636,482.16</b></u>
<b>Less: Expenses</b>		
Pubic Notices / Public Relations		240.00
Salaries & Allowances		243,595.07
NIS Contributions		8,525.60
Commissioners' Fees		70,200.00
Meetings & Conferences / Training		21,073.56
Meetings & Conferences – Local		6,051.24
Insurance		693.15
Motor Vehicle Expenses		1,616.35
Office Rental		43,800.00
Stationery & Office Supplies		12,753.18
Copier Rental		5,520.00
Electricity		36,797.70
Postage & Courier		2,677.12
Telecommunications		21,286.49
Subscription		1,480.00
Water		1,213.31
Bank Charges		123.00
Other Office Expenses		5,964.65
NTRC Social Function		3,870.90
Repairs & Maintenance		4,627.49
Depreciation	<i>5&amp;6</i>	21,477.36
Other Staff Insurance		1,148.16
Consultancies & Professional Fees		16,500.00
<b>TOTAL EXPENSES</b>		<b>(531,234.33)</b>
<b>Sub Total</b>		<u><b>105,247.83</b></u>
<b>Add:</b> Interest on Term Deposits		42,034.79
Receipts from Domain Names Registration		38,171.03
<b>Reserves Increase (Decrease) for the period</b>		<u><b>185,454.03</b></u>

## 4.2 NOTES TO THE FINANCIAL STATEMENTS

### 1. Funding (Income)

For the year 2008, the operations of the Commission were funded by remittances from ECTEL. All Frequency Authorised (spectrum) fees collected by the Commission were assigned to ECTEL for funding the Regulatory regime. This is in keeping with the decision of the Council of Ministers of ECTEL at a Policy meeting on May 2, 2003.

The NTRC received an apportionment of the fees pooled and managed by ECTEL

<b>Funding received from ECTEL:</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Operations	\$636,410.50	\$582,391.00	\$470,587.50
Capital Grant	_____ -	_____ -	<u>\$163,937.50</u>
	<b>\$636,410.50</b>	<b>\$582,391.00</b>	<b>\$634,525.00</b>
	=====	=====	=====

### 2. Operational Account (Operations & Domain Names)

#### Bank Reconciliation

<b>Bank Balance, December 31, 2008</b>	<b>115,830.47</b>
<i>Less:</i> Outstanding Cheques	10,249.68
Adjusted Balance	<u><b>105,580.79</b></u>
Operational Fund	67,409.38
Domain Names Fund (Receipts from AdamsNames)	38,171.41
<b>Cash Book Balance, December 31, 2008</b>	<u><b>105,580.79</b></u>

### 3. Contingency Fund

Contingency Fund, beginning of the year	67,814.08
<i>Add:</i> Interest on Term Deposit 1.	2,571.85
<b>Contingency Fund, December 31, 2008</b>	<u><b>70,385.93</b></u>

#### 4. Building Fund

<b>Building Fund, beginning of the year</b>	<b>926,774.38</b>
Funds Transferred from A/C#695336	165,487.69
Capital Grant from ECTEL	-
Interest on term Deposit 2.	29,268.10
Interest on term Deposit 3.	10,194.84
<b>Building Fund – December 31, 2008</b>	<b><u>1,131,725.01</u></b>
<i>Represented by</i>	
Scotiabank (A/C # 3001276)	168,390.18
Scotiabank (Term Deposit 2.)	701,359.85
Scotiabank (Term Deposit 3.)	261,974.98
<b>TOTAL</b>	<b><u>1,131,725.01</u></b>

#### 5. Depreciation

Depreciation is provided on the straight-line method at rates designed to allocate the cost of the assets over the period of their estimated useful lives. These rates are as follows:

<i>Computer &amp; Equipments</i>	<i>33 ½%</i>
<i>Furniture &amp; Fixtures</i>	<i>10-20%</i>
<i>Appliances</i>	<i>20%</i>
<i>Motor Vehicles</i>	<i>20%</i>

**6. Fixed Assets**

The following table shows the changes to the Fixed Assets.

**Fixed Assets**

For the Year Ended December 31, 2008

	Computer Equipment	Furniture & Fixtures	Appliance	Motor Vehicle	Total
<b>COST</b>					
Balance at Dec. 31, 2007	77,971.99	50,367.58	8,335.43	-	<b>136,675.00</b>
Additions for the year	9,479.15	680.67	517.50	-	<b>10,677.32</b>
Sales/Disposals	(7,111.00)	(517.72)	(1,902.73)	-	<b>(9,531.45)</b>
Balance at Dec. 31, 2008	<b><u>80,340.14</u></b>	<b><u>50,530.53</u></b>	<b><u>6,950.20</u></b>	-	<b><u>137,820.87</u></b>
<b>ACUMMULATED DEPRECIATION</b>					
Balance at Dec. 31, 2007	50,300.84	21,856.39	7,786.50	-	<b>79,943.73</b>
Depreciation for the year	14,766.10	6,492.84	218.41	-	<b>21,477.35</b>
W/back on Sales/Disposals	(6,947.46)	(332.00)	(1,902.73)	-	<b>(9,182.19)</b>
Balance at Dec. 31, 2008	<b><u>58,119.48</u></b>	<b><u>28,017.23</u></b>	<b><u>6,102.18</u></b>	-	<b><u>92,238.89</u></b>
<b>NET BOOK VALUE 2008</b>	<b><u>22,220.66</u></b>	<b><u>22,513.30</u></b>	<b><u>848.02</u></b>	-	<b><u>45,581.98</u></b>
NET BOOK VALUE 2007	<u>27,671.15</u>	<u>28,511.19</u>	<u>548.93</u>	-	<u>56,731.27</u>

## 5. The Status of Telecommunications<sup>7</sup>

### ➤ 5.1 Economic Performance 2008

According to records from Central Statistical Office, the *Communications Sector* remained a major contributor to economic activity in the state of Grenada for the period 2008.

In 2007 the economic growth was 4.45%. However the economy is estimated to grow 1.61% in real terms. This economic position can be attributed to many factors, for example, the global economic recession with our main trading partners (USA), high price of petroleum products and food have all contributed to low growth. As a result of all these factors the following sectors recorded negative growth: construction (15.0%), whole sale and retail trade (5.0%), transportation (road, sea and air) (3.5%), hotel and restaurant (4.0%) and mining and quarrying (8.0%).

Notwithstanding the current trend, the *Communication Sector* is expected to remain on a growth path in 2008, but at a slower pace of 3.0% compared to 11.4% in 2007. This sector is estimated to have contributed EC\$81.04 million out of a total valued added of EC\$1,422.31 million representing 5.70% of total value added.

#### GROSS DOMESTIC PRODUCT FOR THE COMMUNICATION SECTOR, AT BASIC PRICES (EC\$M)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>CURRENT</b>	78.26	75.47	65.10	62.68	55.81	69.97	70.64	78.68	81.04
<b>CONSTANT</b>	98.31	94.81	84.00	85.58	71.37	89.48	94.52	105.27	108.43

Source: Central Statistical Office

**Table 2: Gross Domestic Product for the Communications Sector**

<sup>7</sup> The information contained in this section has been largely extracted from ECTEL's Annual Telecommunications Sector Review 2008, the NTRC records and the from Ministry of Finance.

ECTEL's review period; May 2007 – May 2008.

**Gross Domestic Product (GDP)**  
**Real Growth by Sectors 2003 – 2008**

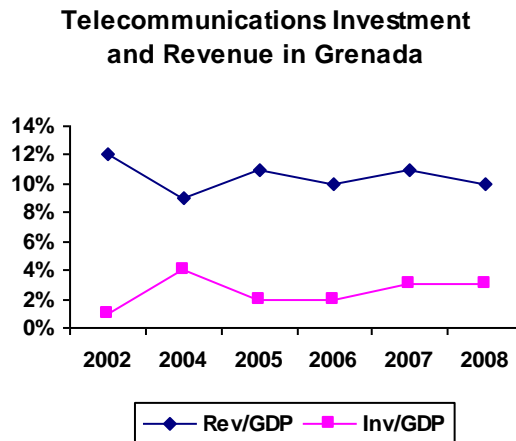
Sector	Percentage %					
	2003	2004	2005	2006	2007	2008
Agriculture	20.27	-7.50	-41.24	23.81	4.82	14.23
Crops	-1.28	-3.32	-60.66	59.65	5.14	21.17
Livestock	2.00	-10.00	23.46	5.00	12.00	2.50
Forestry	1.11	-19.41	-3.18	2.50	2.00	2.00
Fishing	13.05	-16.68	-3.46	-13.64	1.02	5.00
Mining & Quarrying	40.41	-15.28	9.02	40.85	0.13	-8.00
Manufacturing	-2.47	-16.25	16.93	-2.55	2.17	4.00
Electricity and water	6.70	-7.89	4.70	13.00	8.56	3.18
Construction	26.01	5.69	83.09	-30.04	-11.23	-15.00
Wholesale and Retail Trade	7.36	-19.85	33.29	-9.87	0.09	-5.00
Hotels and restaurants	13.85	-13.07	-42.54	50.62	6.37	-4.00
Transport	7.47	10.11	19.80	-13.82	-1.82	-3.49
Road Transport	6.36	13.35	27.63	-16.79	-2.72	-5.00
Sea Transport	8.72	7.41	13.09	-10.94	-1.16	-1.00
Air Transport	11.26	-2.71	-16.89	7.56	3.69	1.00
<b>Communications</b>	<b>1.88</b>	<b>-16.60</b>	<b>25.37</b>	<b>5.63</b>	<b>11.37</b>	<b>3.00</b>
Banks and insurance	8.00	0.97	-1.14	1.21	1.21	8.00
Real estate & Housing	1.51	-10.05	-4.31	10.00	5.00	6.00
Government services	2.93	2.46	-4.55	6.95	4.94	6.00
Other services	11.11	2.50	9.35	4.96	26.99	8.00
Less: imputed service charges	8.00	5.92	0.52	6.18	7.67	3.00
<b>Real GDP at factor cost</b>	<b>7.11</b>	<b>-5.71</b>	<b>11.03</b>	<b>-2.35</b>	<b>4.45</b>	<b>1.61</b>

Source: Central Statistical Office

**Table 3: Gross Domestic Product (GDP) – Real Growth by Sectors 2003-2008**

➤ **5.2 Overview<sup>8</sup>**

For the period ended March 2008, investment in the telecommunications sector grew by 10.2 per cent to \$44.1 million or 2 per cent of GDP. However the number of persons directly employed in the sector decreased some 5 per cent.



Source: ECTEL/ operators  
Includes estimates where ECTEL did not receive data from operators

Figure 5: Telecommunications Revenue and Investment in Grenada

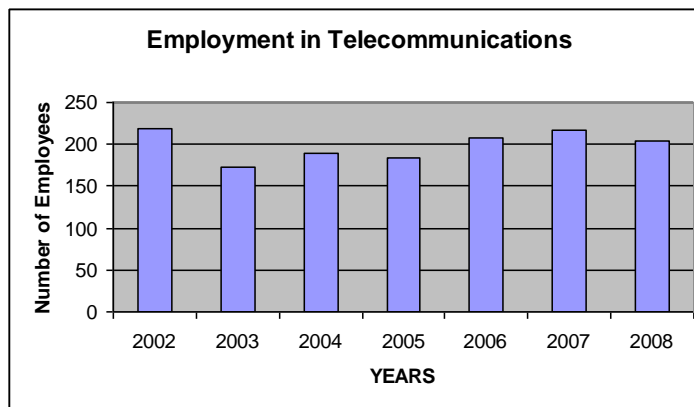


Figure 6: Employment in Telecommunications

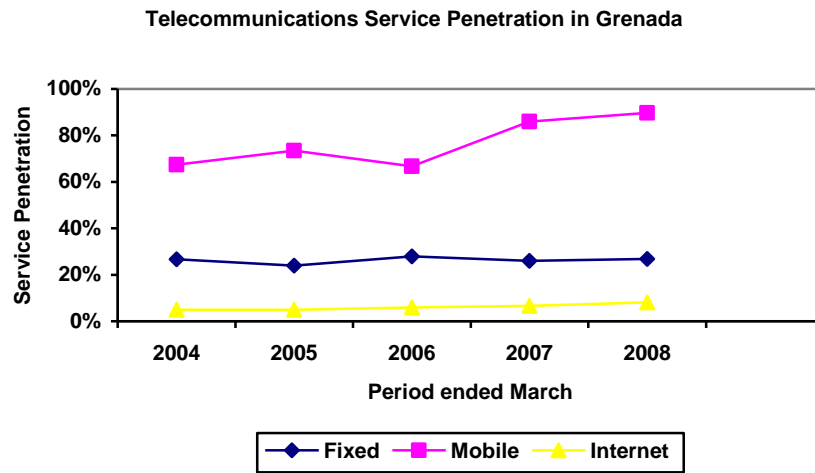
Though there was an increase in subscriptions to all telecommunications services, the total revenue declined by 6.8 per cent to an estimated \$161 million or 10 per cent of

<sup>8</sup> Period ended March 2008

GDP. Revenues from mobile services increased to 55.1 per cent of total revenue, up from 47.5 per cent in the last period. Following a similar trend, revenue from Internet access increased to 7.5 per cent of total revenue up from 6.3 per cent. Contrary to, revenue from fixed voice service continued its decline as call volumes continue to fall even as there was a slight uptick in fixed subscribers. The revenue from fixed voice services fell to 36.7 per cent of total revenue down from 46.2 per cent in the previous period.

The number of active providers remains unchanged though investors show continued interest in the sector as a number of new licence applications were submitted.

There was growth in all three markets of the telecommunications services. Fixed line penetration edged upwards by 3.5 per cent to 26.9 per cent. Growth in mobile subscribers slowed considerably as the market approaches maturity. Mobile penetration however increased 4.4 per cent to 89.8. Internet penetration recorded the most significant growth of 23.7 to 8.2 per cent at March 2008.



**Source: ECTEL/ operators**  
*Includes estimates where ECTEL did not receive data from operators*

**Figure 7: Telecommunications Service Penetration in Grenada**

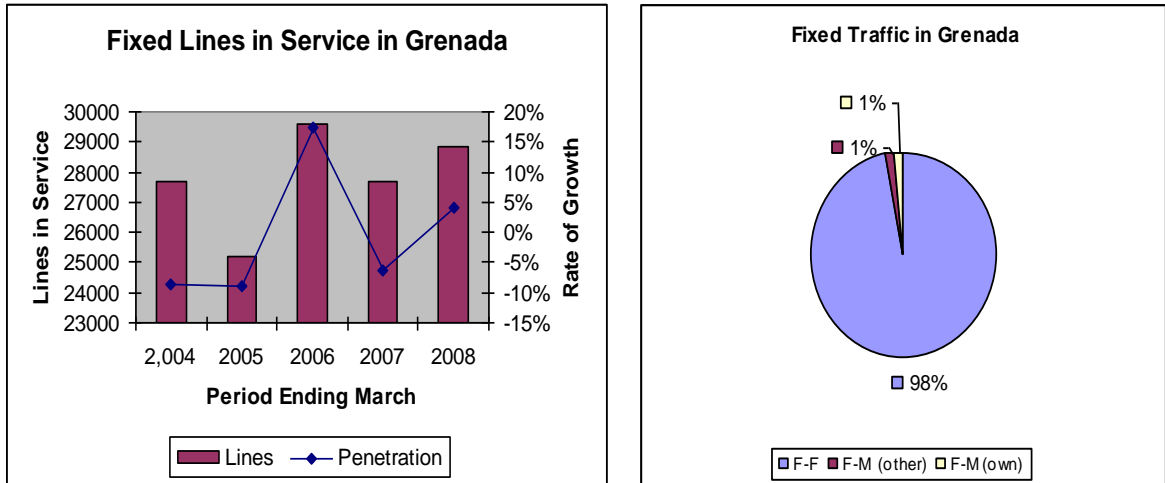


➤ **5.3 Market Trends<sup>9</sup>**

**5.3.1 Domestic Fixed Voice Service**

The total number of fixed lines in service increased by 4.2 per cent to roughly 28,860 by March 2008 and penetration rose by 0.9 of a percentage point to 26.9 per cent. Notwithstanding the growth in subscription, fixed line revenues fell by some 26 per cent.

Local fixed call volumes increased 2 per cent to an estimated 313 million minutes and accounted for 73 per cent of all local calls. Fixed to fixed calling continued to dominate local fixed traffic and accounted for 97 per cent of local calls originating from a fixed line. However, fixed to fixed traffic increased by only three per cent as compared with 15 per cent in the previous year. Fixed to mobile traffic recorded a 25 per cent decline.



Source: ECTEL/ operators

*Includes estimates where ECTEL did not receive data from operators*

**Figure 8: Fixed Line Subscribers and Traffic in Grenada**

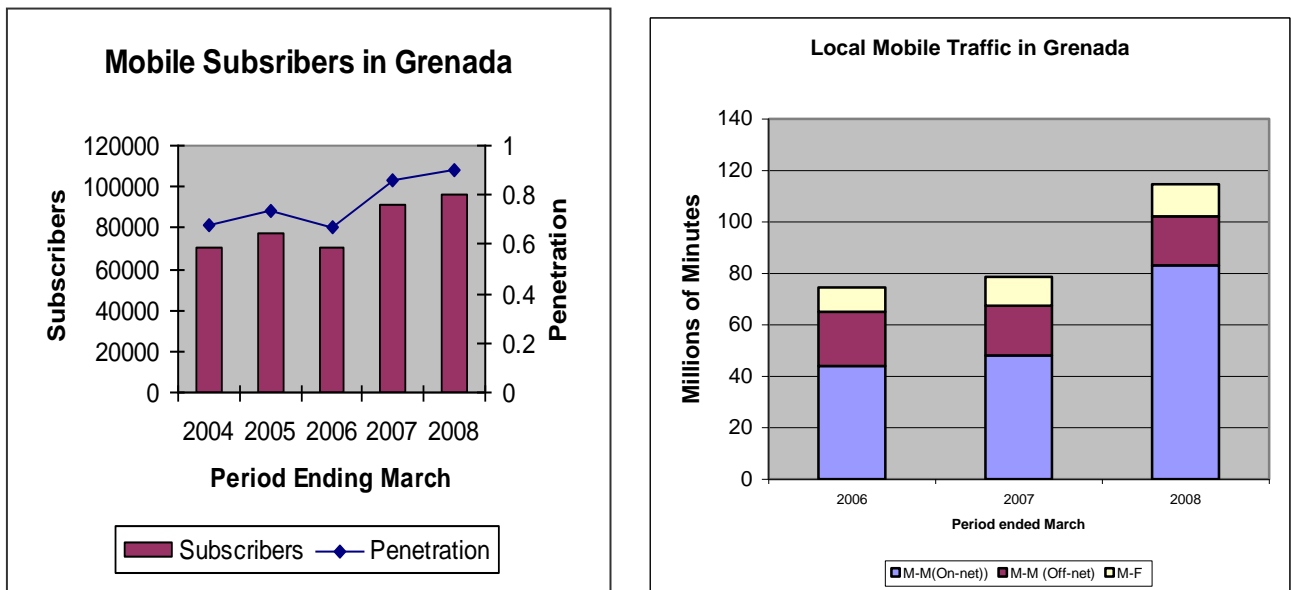
Prices of domestic fixed line calls, which are currently regulated under the Price Cap Plan, remain unchanged from the previous period with the peak rate for local fixed to fixed calling at \$0.07 and off-peak rate at \$0.04. The peak rate for fixed to mobile calling was \$0.71 and off-peak rate was \$0.69. Cable & Wireless Grenada Limited also offers unlimited fixed-to-fixed calling packages to residential consumers.

<sup>9</sup> Period ended March 2008

### 5.3.2 Domestic Mobile Service

In the review period, the accelerated demand in the mobile market continued, albeit at a greatly reduced rate. By March 2008, the number of mobile subscribers had increased by 5.1 per cent to 96,370 or an increased penetration of 3.8 percentage points to 89.8 per cent. This is a significant decline when compared to a growth rate of 30 per cent in the previous period. The slowing demand for mobile voice service is expected to continue as the market reaches maturity.

The increase in mobile penetration contributed to strong growth in local mobile call volumes. Local calls originating from a mobile phone increased an estimated 46 per cent largely on account of the more than doubling of on-net calls. Mobile to mobile traffic accounted for roughly 89 per cent of all local mobile traffic. Fuelled by increased mobile penetration and call volumes mobile, revenues grew approximately 8.2 per cent.



Source: ECTEL/ operators  
 Includes estimates where ECTEL did not receive data from operators

Figure 9: Mobile Subscribers and Traffic in Grenada

There was little movement in the rates for calls from a mobile phone in the review period. Rates for mobile to the same network ranged between 40 cents and 85 cents, while the rate for calls to other networks ranged from 79 cents and 85 cents.

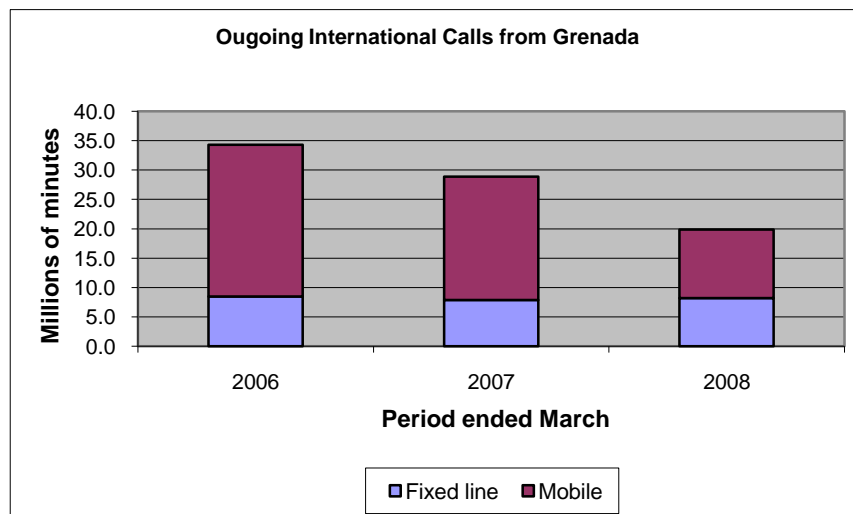
SMS text messages remain the most economical option for the low budget consumer. In comparison to a voice call, the rates for a text message can be as much as 25 cents less

than the per-minute rate for a voice call. The rate for an SMS message ranges from 10 cents on-net to 0.25 cents off-net to 40 cents for international service. An estimated 15 million SMS messages were sent over the review period. MMS messages are also available from mobile operators, but data on the number of MMS messages sent was not available for the review period. The rate for MMS messages is 50 cents per message.

### 5.3.3 International Voice Service

There has been a steady decline in outgoing international call volumes over the past three periods. Total outgoing international call volumes fell an estimated 30 per cent over the review period. This followed a similar drop in the previous period. The most significant fall was in outgoing calls from a mobile phone. A factor which may have an impact on outgoing international call volumes is the use of VOIP services such as Netspeak from Cable & Wireless Grenada Limited and other Internet based services. Over this period of reduced call volumes, the rates for outgoing international calls have remained unchanged.

Incoming international call volumes which have traditionally outpaced outgoing call volumes was estimated to have increased a very modest one per cent to in excess of 75 million minutes, with 35 per cent of calls terminating on a mobile phone.



Source: ECTEL/ operators

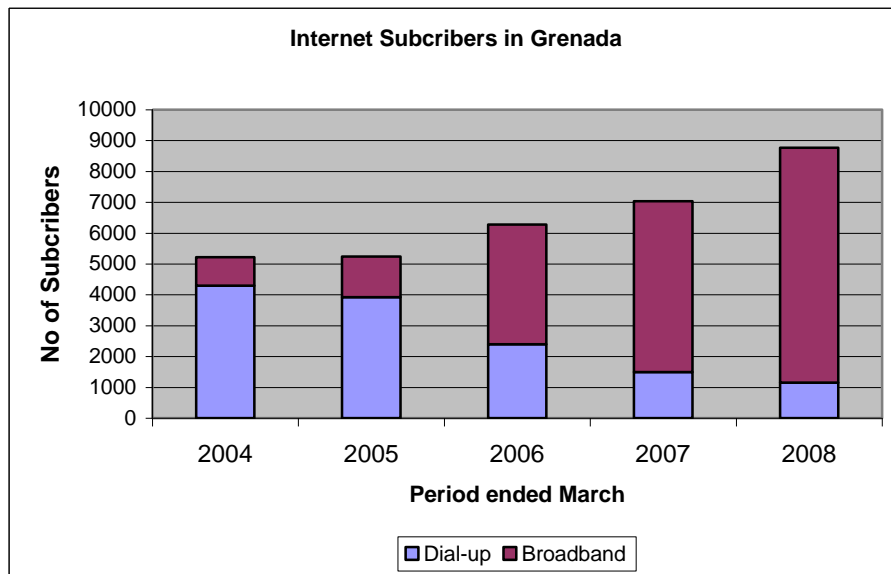
*Includes estimates where ECTEL did not receive data from operators*

**Figure 10: International Traffic in Grenada**

### 5.3.4 Internet and Broadband Services

For the period under review, the total number of fixed Internet subscribers increased some 25 per cent to approximately 8,760 of which 87 per cent were broadband subscribers up from 79 per cent in the previous period. The number of dial-up subscribers continued to decline as a result of the uptake in broadband access. Overall fixed Internet penetration edged up 1.6 percentage point to 8.2 per cent.

The significant increase in broadband subscribers was accompanied by a re-pricing of the ADSL broadband service offered by Cable & Wireless Grenada Limited. The lowest speed offered to residential consumers was increased four fold to 1Mbps while the monthly subscription price fell 20 per cent to \$79. The rates for dial-up service however remained unchanged at \$129 for unlimited access making this option less attractive to consumers.



Source: ECTEL/ operators  
 Includes estimates where ECTEL did not receive data from operators

Figure 11: Internet Subscribers in Grenada

**ANNEX 1.****Meetings of the Commission for 2008**

<b>Board Meeting</b>	<p>61<sup>st</sup> Regular Meeting; January 16, 2008</p> <p>62<sup>nd</sup> Regular Meeting; March 26, 2008</p> <p>63<sup>rd</sup> Regular Meeting; April 21, 2008</p> <p>64<sup>th</sup> Regular Meeting; July 28, 2008</p> <p>65<sup>th</sup> Regular Meeting; October 22, 2008</p> <p>66<sup>th</sup> Regular Meeting; November 20, 2008</p> <p>67<sup>th</sup> Regular Meeting; December 19, 2008</p>
<b>Meeting with Telecoms Providers</b>	<p>Meeting with Telecommunications Providers; February 1, 2008:</p> <p><i>Digicel Grenada Limited Grenada Limited Cable &amp; Wireless Grenada Limited Grenada Cablevision GRENCOMM</i></p> <p>Meeting with Cable &amp; Wireless Grenada Limited Grenada Limited; November 18, 2008</p> <p>Meeting with Columbus Communications Grenada Limited; November 18, 2008</p> <p>Meeting with Digicel Grenada Limited Grenada Limited; December 10, 2008</p>
<b>Meeting with .GD Management Group</b>	<p>March 18, 2008</p> <p>December 5, 2008</p>
<b>Meeting with ECTEL Secretariat and Consultants</b>	<p><i>Several meetings</i></p>

**ANNEX 2.****CONSULTATIONS HELD IN THE YEAR 2008**

1. Access Deficit Charge Comments on Comments
2. Access Deficit Charge - Cable & Wireless Grenada Limited Submission
3. Consultation on Access Deficit Charge
4. Long Run Incremental Cost (LRIC) Model
5. Consultation on the Conduct of Public Hearing Regulations (Comments on Comments)
6. Consultation on the draft revised Interconnection Regulations (Addendum) (Comments on Comments)
7. Consultation on the draft revised Interconnection Regulations (Comments on Comments)
8. Consultation on Conduct of Public Hearings Regulations
9. Consultation on the draft revised Interconnection Regulations
10. Universal Service Fund Guidelines Comments on Comments

**ANNEX 3.****New Applications Reviewed and Licences Issued in 2008**

<b>Class License</b>	<b>Issued</b>	<b>Applications Reviewed</b>
Type Approvals	30	31
Amateur Radio	9	10
Citizen Band Radio	1	1
FM Radio Broadcast	17	19
AM Radio Broadcast	1	2
Maritime Mobile Radio	3	3
Aeronautical Radio	-	-
Television Broadcast	3	4
Subscriber Television	1	1
International Simple Voice Resale	-	1
Private Telecoms Network	1	1
Land Mobile Radio	1	1
Internet Service Provision	1	1
<b>Total Class License</b>	<b>68</b>	<b>75</b>
<b>Individual License</b>		
	<b>Issued</b>	<b>Applications Reviewed</b>
Public Mobile Telecommunications Licenses	2	2
Internet Network and Services	2	3
Fixed Public Telecommunications License	-	-
Submarine Cable Landing	-	-
<b>Total Individual License</b>	<b>4</b>	<b>5</b>
<b>Frequency Authorisation</b>		
	<b>Issued</b>	<b>Applications Reviewed</b>
FM Radio Broadcast	19	21
AM Radio Broadcast	1	2
Television Broadcast	3	4
Subscriber Television	1	1
Land Mobile Radio	1	1
Aeronautical Radio	-	-
Public Mobile Telecoms	1	4
Internet Network and Services	2	3
Fixed Public Telecoms License	-	-
Private Telecommunications Network	1	1
Maritime Mobile Radio	3	3
<b>Total Frequency Authorisation</b>	<b>32</b>	<b>40</b>
<b>TOTAL</b>	<b>104</b>	<b>120</b>

**ANNEX 4.****Licences Granted for 2008**

<b>Class Licences</b>		
<b>Type of Service</b>	<b>Company</b>	<b>Date Granted</b>
<b>FM Radio Broadcast</b>	Sister Isle Radio Limited	1 January 2008
	Grenada Info. and Activities Ltd.	4 November 2008
	Grenada Wireless Communications Network Ltd.	5 November 2008
	Moving Target Company	5 November 2008
	Lighthouse Television	4 November 2008
	CR FM / Kampesh Production	4 November 2008
	Kayak FM	4 November 2008
	Roman Catholic Church	4 November 2008
	City Sound FM	4 November 2008
	Spice Capital Radio	4 November 2008
	St. Andrew's Connection	4 November 2008
	Grant Communications	3 December 2008
	New Generation FM	4 November 2008
	The Western Broadcasting Network	4 November 2008
	Garvey Communications	4 November 2008
BBC World Service	4 November 2008	
Thy Kingdom Deliverance Sanctuary	12 December 2008	
<b>AM Radio Broadcast</b>	Grenada Broadcasting Network	4 November 2008



Class Licences Continued		
Type of Service	Company	Date Granted
Television Broadcast	Moving Target Company	5 November 2008
	Grenada Wireless Communications Network Ltd.	5 November 2008
	Grenada Family Network	12 December 2008
Internet Service Provision	Systems Integration Solutions Inc.	4 November 2008
Private Telecoms Network	GlobeCast UK Limited	10 October 2008
Maritime Mobile Radio	Port Louis Marina	6 March 2008
	Le Phare Bleu Marina Corporation	5 November 2008
	The Grenada Yacht Club	3 December 2008
Land Mobile Radio	US Embassy Grenada	3 December 2008

Individual Licences		
Type of Service	Company	Date Granted
Public Mobile Telecoms	21 <sup>st</sup> Century Telecoms Network (Caribbean) Ltd.	10 October 2008
	Affordable Island Communications Inc. (AIsleCom)	4 November 2008
Internet Networks and Services	21st Century Telecom Network (Caribbean) Ltd.	10 October 2008
	SES Americom Inc.	4 November 2008