UNIVERSAL SERVICE FUND

OPERATING PLAN
2015

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1.0 INTRODUCTION

The National Telecommunications Regulatory Commission (NTRC) of St. Vincent and the Grenadines was established by the Telecommunications Act of 2001 to efficiently regulate the telecommunications sector in collaboration with the Eastern Caribbean Telecommunications Authority (ECTEL). The NTRC was also mandated to manage the Universal Service Fund (USF).

1.1 What is the Universal Service Fund?

The Universal Service Fund (USF) was established under section 42 of the Telecommunications Act 2001. The fund was set up to compensate any telecommunications provider who is required to provide or to promote Universal Service. Universal Service includes: Public voice telephony, Internet access, telecommunications services to schools, hospitals and similar institutions, and to the physically challenged. This USF will encourage efficient access to, and the use of telecommunications networks and services throughout St. Vincent and the Grenadines, with special focus on rural, underserved and maritime areas. The provision of Universal Service will provide social, educational and economic development to our nation.

The Fund will also ensure the reasonable availability and affordability of basic and advanced telecommunications services, where commercial telecommunication markets may be unable to deliver such services in a financially viable manner independently.

The USF is mainly funded by annual payments made by telecommunications providers. The Fund may also receive income from appropriations made by Parliament and official grants, donations, bequest or other contributions if the NTRC considers it consistent with

the best interest of the Fund. The annual payments received from telecommunications providers range from 0.25% of gross revenue for the first year of a license, 0.5% of gross revenue for the second year of a license and 1% of gross revenue with respect to the third year of its license and throughout the period of the license.

1.2 Regulatory Instruments of the USF

There are several regulatory instruments that govern the Universal Service Fund. They are as follows:

1.2.1   Telecommunications (Universal Service Fund) Contribution Order 2008

This was gazetted on April 22nd, 2008 and is retroactive to January 1st , 2008.
This Order sets out the method for the calculation of payments and the deadlines for payments. This document is accessible at the following link:

http://www.ntrc.vc/regulations/USF_contribution_order.pdf

1.2.2   Telecommunications (Universal Service Fund) Regulations 2008

This was gazetted on September 16th, 2008 and the aim of these regulations is to provide a broad framework for the efficient and effective management of the Fund. This document is accessible at the following link:

http://www.ntrc.vc/regulations/Universal_Service_Fund_regulations_1.pdf

1.2.3   Telecommunications (Universal Service Fund) Guidelines 2009

This document outlines specific procedures and policies for the management of the USF in St. Vincent and the Grenadines. The basis for the development and use of the Guidelines are derived from the Telecommunications (Universal Service Fund) Regulations. This document is accessible at the following link:

http://www.ntrc.vc/usf/USF_guidelines.pdf

1.2.4   Telecommunications Act 2001

Section 42 of this Act mandates the establishment of the USF. This document is accessible at the following link:

http://www.ntrc.vc/regulations/telecom_act_2001_SRO_NO_1.pdf

1.3 USF Operating Plan

The USF Operating Plan is a policy document which outlines the priority objectives of the USF within St. Vincent and the Grenadines on an annual basis. This document summarizes the state of development of telecommunications in the country and it sets forth the broad objectives, targets and types of projects that the Fund may seek to promote during the year. It also provides a financial status of the fund to stakeholders.

1.4 USF Budget

For the year ended December 31, 2014, the Universal Service Fund budgeted to receive a total of One million, two hundred and eighty-three thousand dollars ($1,283,000) from telecommunications service providers, and interest on the account was projected to be thirty-seven thousand, five hundred dollars ($37,500). The actual revenue received by the Universal Service Fund in 2014 was one million, two hundred and ninety-nine thousand, one hundred and thirty-three dollars and fifty-two cents ($1,299,133.52). A total of forty-one thousand, seven hundred and twenty-four dollars and ninety-three cents ($41,724.93) was received as interest on the account. The increased interest was mainly due to fewer project payments being made than what was originally budgeted for. Therefore, more funds remained in the account and gained interest.

Expenditure

Recurring

For the year ended December 31, 2014, the USF budgeted to spend three hundred and eight thousand, and eighty-nine dollars and fifty-six cents ($308,089.56) on recurrent expenditure. However, three hundred and twenty Thousand, four hundred and forty-two dollars and seventy-one cents ($320,442.71) was actually spent. This difference in figures was a direct result of an unexpected increase in the field work activities conducted by the USF. The Fund has recently been conducting impact assessments on the various projects in an attempt to gather feedback from the public. Secondly, the initial budgeted amounts allocated for the first annual I2 Competition were under estimated; and thirdly, the USF produced infomercial videos for the Maritime and School projects which were also not included in the initial budget.

Projects:

For the year ended December 31, 2014, the USF budgeted to spend one million, eight hundred and sixty-eight thousand, one hundred and ninety dollars and seven cents ($1,868,190.07) for payment on projects. However, one million, three hundred and seventy-four thousand, seven hundred and six dollars and eleven cents ($1,374,706.11), was actually spent. Reason being, the NTRC had hoped that two projects – the Police and Health Center Project and the Payphone Project – would have been commissioned in 2014. Noting that this did not occur, some project payments had to be deferred.

Figure 1

USF Revenues
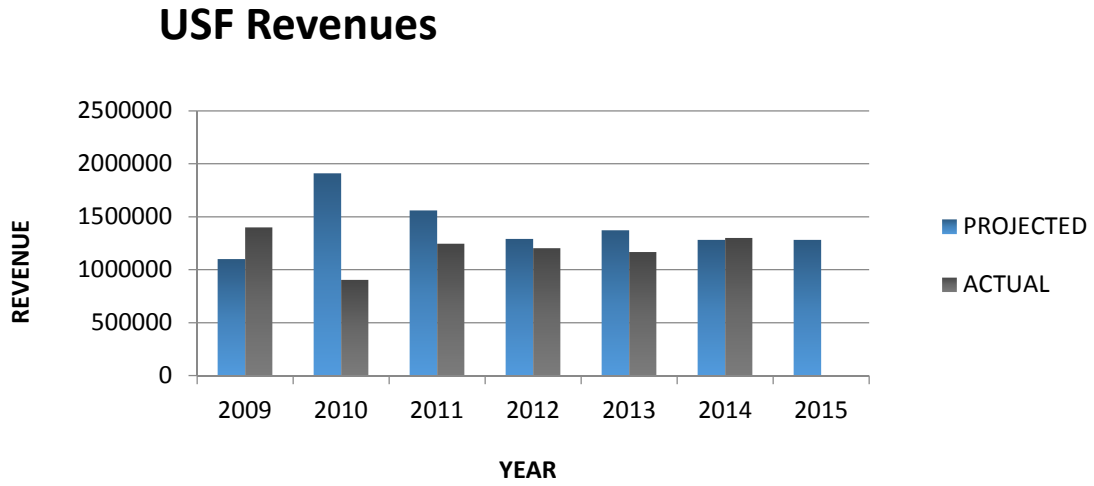
2.0 Telecommunications in St Vincent and the Grenadines

In 2014, there have been recent developments from the telecommunications projects which were implemented by the Government of St Vincent and the Grenadines, specifically, for the Caribbean Regional Communications Infrastructure Program (CARCIP) project. In relation to the USF projects, there were new developments under the SMART project. Programs on mobile application development, advanced mobile application development and cybersecurity have now been implemented at the St. Vincent and the Grenadines Community College. There has also been an increase in the number of households that have the subsidized internet connection. The following outlines the other existing USF projects and telecommunications projects by the Government of St. Vincent and the Grenadines.

2.1 Universal Service Fund (USF)

There are a total of seven projects being funded under the Universal Service Fund:

2.1.1. The first project undertaken by the USF in St. Vincent and the Grenadines was called the Internet Project and was signed with LIME for a total of Four Hundred and Twenty Seven Thousand, Six Hundred and Eight Dollars and Ninety Eight Cents ($427,608.98). It saw 28 rural locations outfitted with wireless internal and external internet access points with minimum speeds of 8Mbps. These locations included 12 Learning Resource Centers (LRCs), 9 rural schools and four community centers. This project was commissioned in 2011 and runs for a period of five years. The NTRC has since been conducting ongoing public awareness events at these locations.

2.1.2 The Payphone Project and was signed with LIME in 2011 for a total of One Million, Four Hundred Thousand, Five Hundred and Seventy Five Dollars and Forty Five Cents ($1,400,575.45). This project has seen 25 payphones installed at various locations including Tourism sites, beaches and at points along the main road. Internet access will also be provided at the Tourism sites and beaches at a minimum cost. Overt vandal proof security cameras were also installed at the Tourism sites and at the beaches to minimize the threat of vandalism to the payphones as well as to provide some security to these locations. There has been a delay in the completion of this project as two sites have had issues as it relates to the provision of electricity to the equipment. These two sites have

never had access to electricity before but a solution has been identified and equipment has already been purchased to be installed. The project will therefore be commissioned in the beginning of the second quarter of 2015.

2.1.3   The third and largest project is the School's Project which provides internet services to all 107 educational institutions via interior and exterior high-speed wireless connections with speeds of up to 20Mbps. This contract was signed in 2011 with LIME and the project was commissioned in 2012. The cost of this project is Five Million, Two Hundred and Thirty Thousand, Six Hundred and Twenty Three ($5,230,623.00) Dollars. The project also has a duration of 5 years. There is also a content filtering system established for this project to prevent access to undesirable websites. The internet service provided at the schools have seen improvements as the access points at all 26 Secondary schools has been repositioned throughout the country to improve the wireless coverage. Additionally, poles were installed and access points were placed on these poles to provide more coverage. The bandwidth at these schools were also restricted per user to ensure that each user of the internet service does not experience issues while browsing.

2.1.4   The fourth project which is the VHF Maritime Project was implemented to provide access to both emergency and non-emergency communications in the Exclusive Economic Zone (EEZ) of St. Vincent and the Grenadines. This project was done jointly with the NTRC and ECTEL. The Commission via ECTEL was able to secure part funding for the project via a grant made available by the World Bank in the amount of Two Hundred Thousand United States Dollars (USD $200,000.00). The contract for this project, as it relates to the capital cost, was signed on December 20th, 2011, after an agreement was arrived at with LIME being the only entity to submit a bid. This contract was signed for a total of One Million, One Hundred and Twenty Five Thousand, Seven Hundred and Eighty One Dollars ($1,125,781.00). The funds from the World Bank were used to purchase the equipment under this project. Additionally, a separate contract for the maintenance of the equipment for this project, for a period of five years, was signed with Cable & Wireless. This contract for the second phase of the project, which involves the provision of maintenance of the system for a period of 5 years, was entered into between the NTRC and Cable & Wireless on November 20, 2012 for a total of   Four Hundred and Forty Four Thousand Nine Hundred and Thirty Two Dollars ($444,932.00). This project will allow use of VHF channel 16 and DSC channel 70, new standard channels for maritime emergency communications. The cost of this project is One Million, One Hundred and Twenty Five Thousand, Seven Hundred and Eighty One ($1,125,781.00) Dollars and it was awarded to LIME. The project was commissioned in 2012 and maintenance services will be provided for a period of five years. The equipment under this project was installed at the St. Vincent and the Grenadines Coast Guard Base and a remote site at Mt. St. Andrews. One hundred VHF DSC handheld radios and 10 mobile VHF radios were also procured under this project

and are being sold to registered fishermen at a 50% subsidy. The services under this project are currently operational.

2.1.5   The fifth project is the Police and Health Centre Project. This project provides wireless internet access at all 29 Police stations and 42 Health Centers throughout St. Vincent and the Grenadines at a minimum speed of 8 Mbps. The cost for this project is Seven Hundred and Eleven Thousand and Fifteen Dollars ($711,015.00) and is being implemented by Karib Cable for a period of 2 years. Thirty one computers were also installed at various clinics and fourteen computers were installed at the Milton Cato Memorial Hospital. The police training school was also outfitted with 10 computers to assist the recruits and other officers in their research work. The commissioning process for this project began in December 2014 but the Commission decided to monitor the services on two Grenadine islands which are Mayreau and Canouan. The reason this was done was because Karib Cable never had any internet services on these islands before so the Commission wanted to ensure that the internet speeds were stable. During the monitoring, the speeds were identified to be fluctuating and this was brought to the attention of Karib Cable. They are in the process of reconfiguring their network to provide the service levels required and this project will be commissioned in the second quarter of 2015.

2.1.6   The sixth project implemented is the Community Centre Project. This project provides wireless internet access at 14 Community Centers in various communities throughout St. Vincent and the Grenadines at a minimum speed of 8 Mbps. The contract for this project was signed in 2012 with Karib Cable. The cost for this project is One Hundred and Nineteen Thousand, Five Hundred and Three Dollars and Twenty Nine cents ($119,503.29) and it is being implemented for a period of two years and has been commissioned. Under this project, the newly established Salvation Army Children's Home was also outfitted with six computers and internet access to assist in the development of ICT skills of the children who will be at the home. All residents from the various communities where these project sites are located have access to the wireless internet 24/7.

2.1.7   The seventh and last project that is currently being undertaken by the NTRC is the SMART project. The SMART project will facilitate the necessary infrastructure and platforms at the St. Vincent and the Grenadines Community College to enable it to offer its existing and new courses online and in real time. Another component of this project is that 340 households will benefit from subsidized internet access at a price of $10 per month for a maximum of 2 years. Additionally, a state of the art computer lab containing 35 high powered computers including 20 McIntosh computers was handed over to the Division of Technical Education. This project will be executed for a total of One Million, Six Hundred and Ninety Eight Thousand, Nine hundred and Ninety Four ($1,698,994.00) dollars and is

being implemented by LIME. All of the equipment and services have been installed and the project was commissioned on September 25, 2014.

2.2 Improvement in Education through ICT

This project was funded under the 9th EDF, it commenced in September 2008 and came to an end in 2014.

The project's overall objective was to develop human resources in the country, through the sustainable provision of learning opportunities for all persons in the State. This aims to equip them with the required values, skills, attitude and knowledge necessary for creating and maintaining a productive, innovative and harmonious society.

2.3 CARCIP

Caribbean Regional Communications Infrastructure Program (CARCIP) is another project being implemented in the country. The CARCIP is a World Bank financed initiative which seeks to increase St. Vincent and the Grenadines' access to regional broadband networks and advance the development of an ICT-enabled service industry in the Caribbean Region. The CARCIP will be structured into three components with corresponding subcomponents as follows:

Component 1 comprises of a Regional Connectivity Infrastructure (US$3.45 million):   This component will support bridging priority connectivity gaps in St. Vincent and the Grenadines and connect the country with neighboring countries and regional backbones.

 Component 2 comprises of an ICT- Led Innovation valued at US$2.0 million. The objective is to stimulate growth of the IT Enabled service industry and to position St. Vincent and the Grenadines and the rest of the region as attractive destinations for IT and IT enabled businesses.

Finally, component 3 is the Implementation Support phase worth US$0.55 million. The project was approved by the World Bank Board of Directors on December 11th, 2012. To date the project team has been fully engaged in undertaking the preliminary procurement activities. This project is expected to come to a close on February 1st, 2017.

The following objectives have been achieved to date;

1. An ICT skills and certification study has been completed. Prescribed courses were recommended and will be supported from the project.

2. Equipment for an internet exchange point has been procured and the management is working closely with the NTRC to commission and launch the IXP in May 2015.

3. There was a launch in September 2014 to implement the business incubation and training grants programme. Currently, they are in the process of evaluating expressions of interest for incubators and calls has been made for proposals from incubates in the first quarter of 2015.

4. Training proposals have been issued for businesses that are interesting in developing the skill sets of their employees and for training institutions to deliver prescribed set of training. The deadline for submission is February 6, 2015.

5. Lastly, an assessment of the broadband network in SVG is currently ongoing.

2.4 SVG-E-NET

This project was a component of the improvement in education through ICT. The project was launched on March 27th, 2012 and came to an end in 2014.

The project's purpose was to provide an internet based solution for the Ministry of Education, where stakeholders with access rights and privileges to relevant educational resources will have access anywhere and anytime. It will comprise of two major sections (i) an internal framework (intranet) for use by staff of the Ministry of Education, Principals and Teachers and (ii) A public website for access by other stakeholders (parents, students, etc). The website is being managed by the media unit in the Ministry of Education. The project was executed for a total of One Hundred and Seventy Seven Thousand, Four Hundred and Twenty Two Dollars and Two Cents ($177,422.02).

2.5 Technical Vocational Education and Training (TVET) Project

This is a project undertaken by the Ministry of Education which was launched in December 2012 and officially started in January 2013. The project is being done through a 5 Million Dollar loan from The Caribbean Development Bank and a 1.4 Million Dollar loan from the government of St. Vincent and the Grenadines. The main objective of this project is to increase the amount of skilled and employable laborers in St. Vincent and the Grenadines with certification that has national and regional acceptability as well as to enhance employment opportunities for the graduates and overall competitiveness in the country. This will be carried out by training the teaching staff on a short - term and long - term basis, improving the infrastructure of the Technical Institutes and selected secondary schools, and provide equipment and supplies for implementation of CVQ and NVQ programs, as well as introducing new services and facilities to meet the Caribbean

Vocational Qualification (CVQ) standards. The project will also train up to a maximum of 1000 youths who may be considered at risk. The project is expected to be completed by 2016.

2.6 ICT Technical Cooperation Project

The ICT Cooperation Project is being implemented through the mutual cooperation of the Government of the Republic of China (Taiwan) and the Government of St. Vincent and the Grenadines. The objective of this project is to enhance the capacity for E-Government, create digital opportunities and developed ICT-related human resources in St. Vincent and the Grenadines.

The government of St. Vincent and the Grenadines received grant funding from the Government of the Republic of China (Taiwan) equivalent to US$1.2 million dollars through special funding as well as donated funding.

The project commenced on August 22nd, 2011 to run over a three year period. However, extension of the Project was granted to 7th November, 2015.

The project involves the following main components and sub-components:

1) **Develop the National ICT Center as a focal point for National E-Government Strategy.**

(a) Assist the government of St. Vincent and the Grenadines to establish and operate a National ICT Center. The Center will function as a training institute and serve as a platform from which to plan and integrate e-government initiatives.

(b) Raise the ICT-related expertise of public servants in St. Vincent and the Grenadines, particularly in their use of technical applications, by developing and introducing e-government applications and organizing associated training courses. These activities will facilitate the formulation of a broader blueprint for the development of e-government in the country.

(c) Establish a strategic role for the Republic of China (Taiwan) as part of the development of e-government in St. Vincent and the Grenadines, and in its market for ICT applications assist in the creation of applications and databases. These activities will support the development of long-term bilateral relations and consolidate and expand the alliance between Taiwan and St. Vincent and the Grenadines, yielding a win-win situation for both sides.

*2) **Raise Efficiency of public administration and national competitiveness.***

(a) Provide assistance to the government of St. Vincent and the Grenadines to draft preliminary plans for e-government systems; develop an environment suitable for the operation of electronic applications and then introduce administrative and management application systems, thereby boosting the transparency of public information and raising administrative efficiency.

(b) Train seed instructors, who will go on to boost the understanding of ICT among government officials and the public thereby raising national competitiveness.

The National Web Portal, Intranet and Electronic Archiving System were constructed and will be launched on May 4th, 2015. For fiscal year 2015, the following activities will be carried out:

1. Procurement of equipment for the roll-out of the electronic archiving system, security equipment and additional servers and equipment for e-government centre and ITSD;
2. Develop and implement a certifiable Information Security Management System (ISMS) for the ITSD and the SVG E-Government Centre as per ISO 27001 Standards; and
3. Continue the trainer of trainers workshops to train personnel within the public services in the following areas:
   a. Red Hat System Administration, Advance PHP, Certified CISCO Network Administration and My SQL for database administrators.

3.0 Summary Market Assessment

The various projects that have been implemented by the NTRC has helped with the development of the telecommunication sector in St. Vincent and the Grenadines. With the implementation of the school project, internet access has been provided at all 107 schools in St. Vincent and the Grenadines. Therefore, students now have access to this service and can use their laptops at the schools. The laptops were given as part of the "one laptop per child initiative program" by the Government of St. Vincent and the Grenadines.

With the existence of the public Institutions Projects, Public servants at both the police stations and health centers now have increased access to the internet. Computers have also been provided under this project.

There has been an increase of internet access points across the country. To date, the USF has over one hundred and fifty access points across the country. Recently added to this group are access points at Heritage Square, SVG Port Authority and the Milton Cato Memorial Hospital.

Numerous households have also benefited from the subsidized internet access under the SMART project. Therefore individuals in these households can now use the internet to perform several activities.

In 2014, the NTRC began to engage in a USF impact assessment on the projects that the Commission has implemented to date. Questionnaires were designed to gather specific information from random individuals in different communities on the services being provided by the USF projects. This feedback will identify the deficiencies with the services currently being offered and will highlight the improvements which can be made to the services. The questionnaire was designed to capture proposed projects, therefore, this will assist the Commission to identify and

implement new projects once relevant. The Commission is near to the end of gathering information for the impact assessment for the internet project and the remaining six projects will be completed in 2015. Upon the completion of the impact assessment on the projects, the Commission will make special efforts to rectify any mishaps and ensure the smooth delivery of services provided under all USF projects.

Field work activities were also carried out by both the Universal Service Fund Administrator and USF Assistant on a regular basis to get feedback from persons living in various urban and rural areas. Field work activities are normally done on a fortnightly basis.

The following are some of the proposed projects received from the individuals who completed the questionnaire and persons that were met during the field work activities;

1. Increase in the number of households for the subsidized internet at a subsidized cost
2. Additional free access points
3. Training sessions to assist fishermen with the use of the VHF radios.
4. Implementation of computer labs at those schools where the computer labs are not currently functioning
5. Having internet access at the playing fields- the commission saw the need for the development of this project and has already finalised the tender documents for this project.
6. Internet access at additional community centers-The NTRC has in effect a Community Centers project where internet access has been provided at twenty two community centers throughout St. Vincent.

Overall, access to telecommunications services have been on the rise. The Government of St. Vincent and the Grenadines has invested heavily in this sector and has also played its role in developing projects for the telecommunications sector. The USF projects have also attributed to the increase in the telecommunications services offered in St. Vincent and the Grenadines.

3.1 Revenue of Telecom Operators

Figure 2 below shows the revenues for the telecommunications operators. The revenue generated by the telecom operators in 2014 decreased by a small margin of 3.25%. The years in the table run from April 1 to March 31 e.g.2000 runs from April 1, 1999 to March 31, 2000. This coincides with the financial years of Cable & Wireless (WI) Ltd and Digicel (SVG) Ltd. For the remaining entities whose financial years are not the same, their revenues have been apportioned to the same periods using the breakdown of revenue submitted to the NTRC. The total revenue has decreased in 2014.
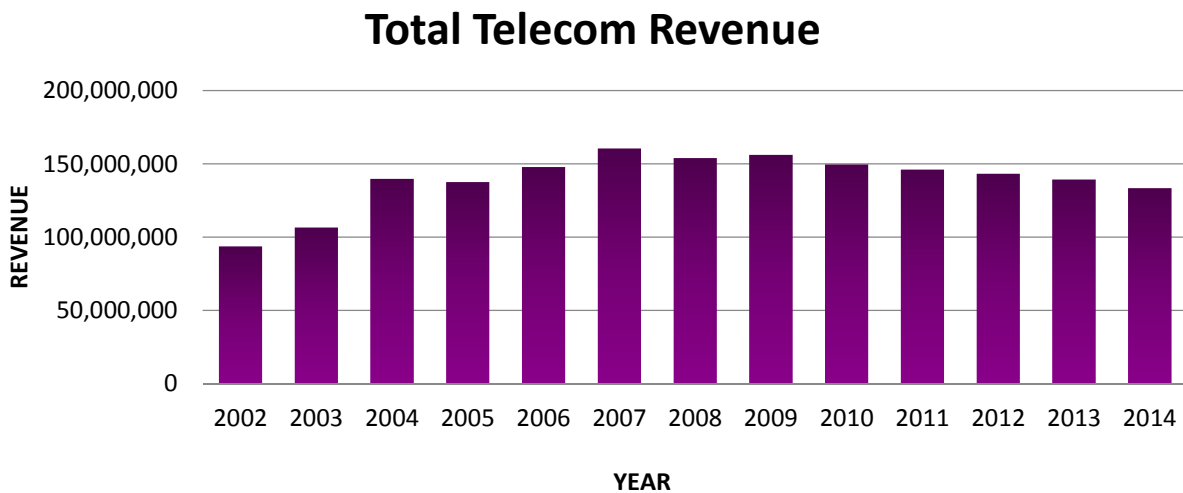
Figure 2

Total Telecom Revenue

Figure 3 below shows the fixed line subscribers over a six year period. In 2014, the total number of subscribers has increased.
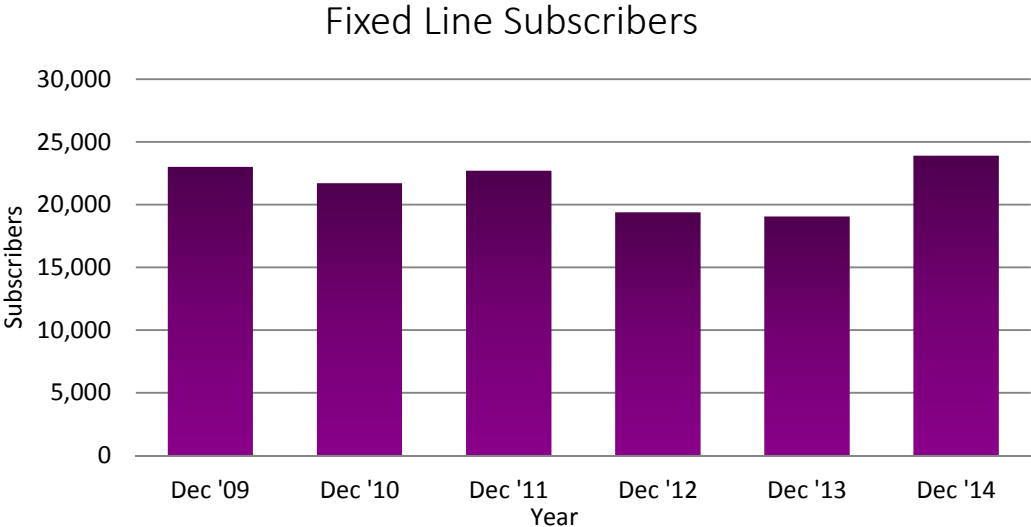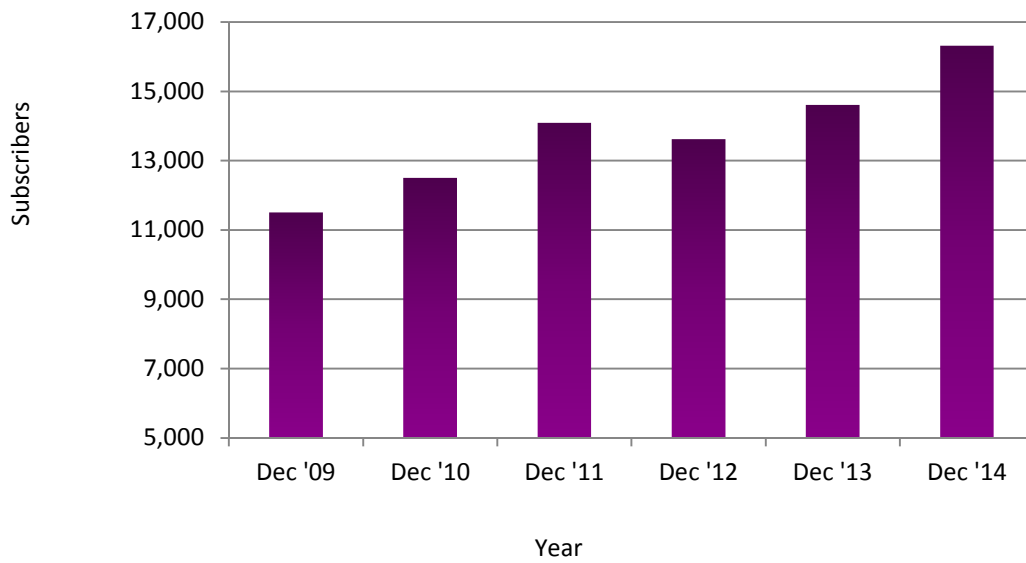
<u>Figure 3</u>

Fixed Line Subscribers

Figure 4 below shows that Broadband Internet subscribers have increased from 2013 to 2014..
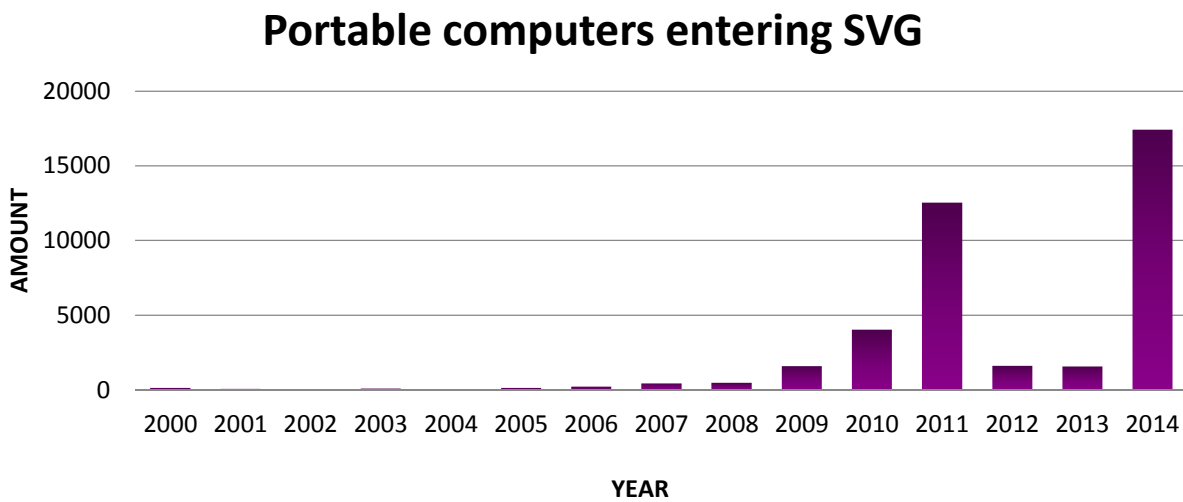
Figure 4

Broadband Internet Subscribers

3.2 Portable computers entering St Vincent

Figure 5 below indicates the number of portable computers entering St. Vincent and the Grenadines. The diagram indicates that there has been an increase in the total number of portable computers which entered the country in 2014. The figured rose from 1,564 portable computers in 2013 to 17,417 in 2014. These portable computers have increased by ten times compared to those figures of 2013.   This major increase in the imports of portable devices in 2014 can be attributed to the one laptop per child initiative for the secondary institutions throughout the country. This initiative was implemented by the Government of St. Vincent and the Grenadines in 2014.
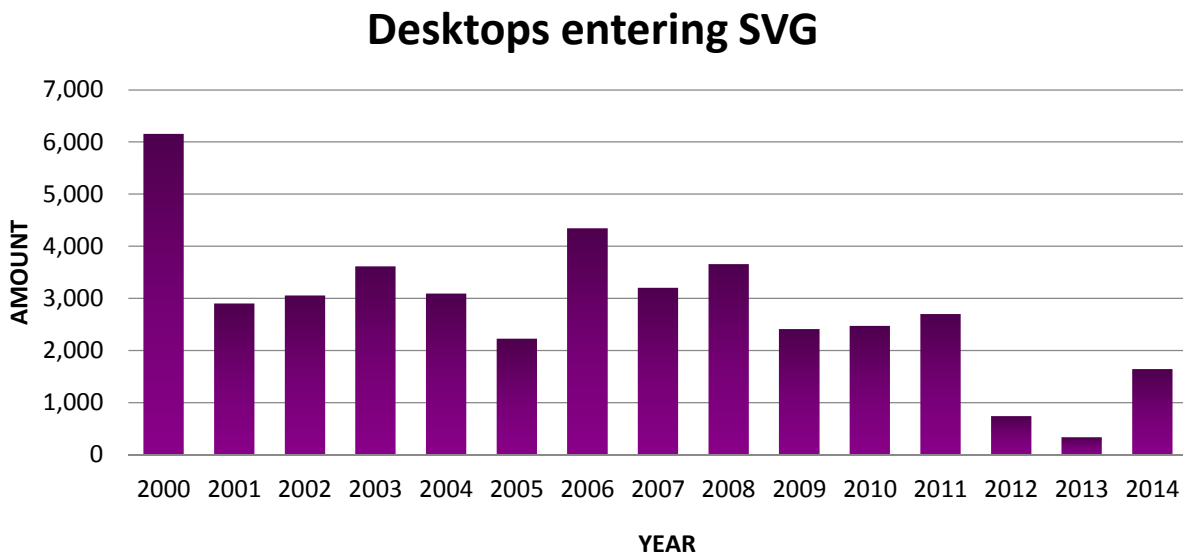
Figure 5

Portable computers entering SVG

3.3 Desktops entering St Vincent and the Grenadines

Figure 6 below shows the number of desktop computers entering the country. The graph shows that there has been an increase in the number of desktops being imported. The figured rose from 333 desktops in 2013 to 1645 in 2014. This has seen a three times rate increase. This can be due to more businesses acquiring the desktops for their company's use.

Figure 6

Desktops entering SVG

3.4 Mobile phones entering St Vincent and the Grenadines

Figure 7 below shows the number of mobile phones entering the country. The graph shows that there has been an increase in the number of mobile phones being imported. The figured rose from 8,285 mobile phones in 2013 to 32,416 in 2014. This has seen a four times rate increase. This can be due to the potential capabilities of the modern cell phones that are now available to consumers. Mobile phones are now capable of performing functions that only computers were capable of doing. This is no longer the case due to advancement of the mobile phone functions.

Figure 7

Mobile Phones entering SVG
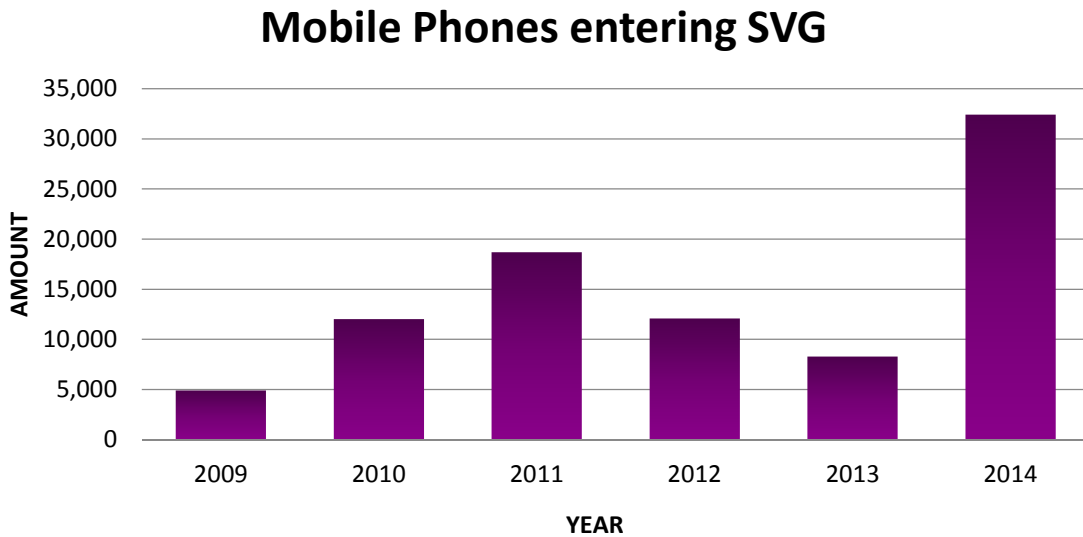
4.0 PRIORITY GOALS 2014

The operating plan for 2014 outlines a number of priority goals with the main aim of addressing a number of telecommunications deficiencies that were identified by the Commission. The priority goals and their statuses are as follows;

1. **The development of a project which will assist in emergency communication during times of natural or manmade disasters either at the national level or at the community level.**

   This priority goal was addressed in 2014 as a project was developed. The project however could not be implemented in 2014. This is due to the fact that since 2014, the Commission could not implement new projects unless the contribution rate of the telecommunications providers to the Universal Service fund was increased. Noting this, in 2014 the Commission began a process of getting approval for the increase in the USF annual contribution rate from the telecom providers. The Commission had estimated that this would have been completed in 2014 but this process is not complete as yet. This is expected to be completed in 2015. Once this process is complete, the implementation process for this project can begin.

2. **The development of a project to introduce wireless internet access and voice communications capabilities at two remote locations frequently visited by locals and tourists.**

   This priority goal was not addressed in 2014 and therefore the project could not be implemented in 2014. This is due to the fact that since 2014, the Commission could not implement new projects unless the contribution rate of the telecommunications providers to the Universal Service fund was increased. Noting this, in 2014 the Commission began a process of getting approval for the increase in the USF annual contribution rate from the telecom providers. The Commission had estimated that this would have been completed in 2014 but this process is not complete as yet. This is expected to be completed in 2015. Once this process is complete, the implementation process for this project can begin.

3. **A project to increase the amount of rural internet access points throughout the country. This project will place additional free wireless internet access points in different villages throughout the country**.

   This priority goal was not addressed in 2014 and therefore the project could not be implemented in 2014. This is due to the fact that since 2014, the Commission could not implement new projects unless the contribution rate of the telecommunications providers to the Universal Service fund was increased. Noting this, in 2014 the Commission began a process of getting approval for the increase in the USF annual contribution rate from the telecom providers. The Commission had estimated that this would have been completed in 2014 but this process is not complete as yet. This is expected to be completed in 2015. Once this process is complete, the implementation process for this project can begin.

4. **A project to provide wireless internet access at playing fields and hard courts throughout the country. This project will focus on providing wireless internet access to persons going to the various playing fields throughout the country.**

   This priority goal was not addressed in 2014 and therefore the project could not be implemented in 2014. This is due to the fact that since 2012, the actual revenues received by the USF were lower than budgeted for. This is due to the fact that since 2014, the Commission could not implement new projects unless the contribution rate of the telecommunications providers to the Universal Service fund was increased. Noting this, in 2014 the Commission began a process of getting approval for the increase in the USF annual contribution rate from the telecom providers. The Commission had estimated that this would have been completed in 2014 but this process is not complete as yet. This is expected to be completed in 2015. Once this process is complete, the implementation process for this project can begin.

5. **A project to provide basic computer training to individuals throughout St. Vincent and the Grenadines. This project will provide training to individuals of various ages who have little to no computer literacy skills.**

   This priority goal was not addressed in 2014 and therefore the project could not be implemented in 2014. This is due to the fact that since 2014, the Commission could not implement new projects unless the contribution rate of the telecommunications providers to the Universal Service fund was increased. Noting this, in 2014 the Commission began a process of getting approval for the increase in the USF annual contribution rate from the telecom providers. The Commission had estimated that this would have been completed in 2014 but this process is not complete as yet. This is expected to be completed in 2015. Once this process is complete, the implementation process for this project can begin.

6. **A project to provide computers and internet access at subsidized rates to needy individuals throughout St Vincent and the Grenadines.**

The subsidized internet component of this project has already been implemented under the SMART project. The contract for the Smart project was signed on November 20th, 2012. However, the computers component of this project has yet been implemented. This is due to the fact that since 2014, the Commission could not implement new projects unless the contribution rate of the telecommunications providers to the Universal Service fund was increased. Noting this, in 2014 the Commission began a process of getting approval for the increase in the USF annual contribution rate from the telecom providers. The Commission had estimated that this would have been completed in 2014 but this process is not complete as yet. This is expected to be completed in 2015. Once this process is complete, the implementation process for this project can begin.

7. **A project to outfit community libraries throughout the country with computers and internet access.**

This priority goal was not addressed in 2014 and therefore the project could not be implemented in 2014. This is due to the fact that since 2014, the Commission could not implement new projects unless the contribution rate of the telecommunications providers to the Universal Service fund was increased. Noting this, in 2014 the Commission began a process of getting approval for the increase in the USF annual contribution rate from the telecom providers. The Commission had estimated that this would have been completed in 2014 but this process is not complete as yet. This is expected to be completed in 2015. Once this process is complete, the implementation process for this project can begin.

8. **A second project to expand the number of payphones and security cameras available nationwide at critical locations. The scope of the first project had to be reduced due to funding constraints.**

This priority goal was not addressed in 2014 and therefore the project could not be implemented in 2014. This is due to the fact that since 2014, the Commission could not implement new projects unless the contribution rate of the telecommunications providers to the Universal Service fund was increased. Noting this, in 2014 the Commission began a process of getting approval for the increase in the USF annual contribution rate from the telecom providers. The Commission had estimated that this would have been completed in 2014 but this process is not complete as yet. This is expected to be completed in 2015. Once this process is complete, the implementation process for this project can begin.

9. **A project to facilitate the increase of the current average speeds offered by our telecommunication service providers to households. Of special importance is upload speeds. Without proper upload speeds proper two way communication is limited.**

This priority goal was not addressed in 2014 and therefore the project could not be implemented in 2014. This is due to the fact that since 2014, the Commission could not implement new projects unless the contribution rate of the telecommunications providers to the Universal Service fund was increased. Noting this, in 2014 the Commission began a process of getting approval for the increase in the USF annual contribution rate from the telecom providers. The Commission had estimated that this would have been completed in 2014 but this process is not complete as yet. This is expected to be completed in 2015. Once this process is complete, the implementation process for this project can begin.

5.0 USF Priority Goals 2015

The USF priority goals for 2015 is to source additional funding for the implementation of new projects. This will include getting the approval of the increase rate of contribution from the telecommunications providers to the USF. Also, it will involve the development of a regional project to source external funding by approaching external funding agencies. Granting the success of getting additional funds, the Commission will begin the implementation process for the proposed projects that were identified previously.

The NTRC will also be conducting increased monitoring and impact assessments activities at all locations under each of the seven projects currently being executed by the USF.

6.0 USF BUDGET ESTIMATES

The USF is funded by contributions made by telecommunications providers as specified under the Act and by the Order of the Minister, any funds that may be directly appropriated by Parliament for the purposes of the Fund, and official grants, donations, bequests or other contributions, or transfers granted by an individual or other legal entity.

For the operating year of 2015, the Fund is projected to receive just over One Million dollars in 2015. This consists of contributions from the telecom service providers of One Million, Two Hundred and Eighty Three Thousand Dollars. ($1,283,000.00) and an interest on the account of Thirty Seven Thousand, Five Hundred Dollars ($37,500.00).