

Telecommunications
Authority
of Trinidad and Tobago

Annual Report

End of Year Performance Report

On

Key Deliverables for 2007/2008



Telecommunications Authority of Trinidad and Tobago
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Ref. No.1/12/3/2

January 23, 2009

Mrs. Arlene McComie
Permanent Secretary
Ministry of Public Administration
NALIS Building
Corner Hart and Abercromby Streets
Port of Spain

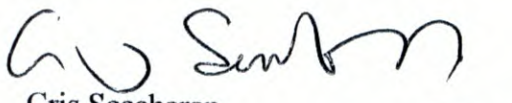
Dear Mrs. McComie,

RE: ANNUAL REPORT ON KEY DELIVERABLES AND FINANCIAL STATEMENTS 2007-08

In accordance with the Telecommunications Act 2001 please find attached:

1. In accordance with Section 56 (2) (a) - Report Identifying the Key Activities of the Authority during the period 1st October 2007 to 30th September 2008.
2. In accordance with Section 56 (2) (b) of the Telecommunications Act 2001, the Financial Statements of the Authority for the period 1st October 2007 to 30th September 2008.
3. Cheque # 4860 in the sum of \$17,832,805.00 which is the surplus for the financial year 2007/08 and is to be paid into the Consolidated Fund in accordance with Section 53 (2) (4) of the Telecommunications Act 2001.

Yours sincerely,


Cris Seecheran
Executive Director (Ag.)

Board of Directors: Mr. Khalid Hassanali (Chairman); Mr. Cagney Casimire (Deputy Chairman); Ms. Beverly Beckles; Ms. Gillian Bishop; Dr. Ronald Ramkissoon; Mr. Wayne Nakhid; Mr. Samuel Henry; Mr. Hayden Newton; Mr. Terrence Pierre



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First Citizens Bank Limited
 23-27 Eastern Main Road, San Juan

First Citizens 0004860

2009 01 23

YYYY / MM / DD

THIS CHEQUE CONTAINS: Filled Through MICR Microchip Signature Line

\$17,832,805.00

ONE SIGNATURE - LESS THAN \$2,000
 TWO SIGNATURES - MORE THAN \$2,000

AMOUNT **Seventeen Million Eight Hundred and Thirty Two Thousand Eight Hundred and Five Dollars** *****00/00x

THE
 ORDER **PERMANENT SECRETARY**
MINISTRY OF PUBLIC ADMINISTRATION
NALIS BUILDING
PORT OF SPAIN

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 Authorised Signature

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 Authorised Signature

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Telecommunications Authority of Trinidad and Tobago

0004860

PERMANENT SECRETARY
MINISTRY OF PUBLIC ADMINISTRATION
 Surplus for financial year 2007/08 to be paid into the Consolidated Fund

Inv#: -
 Date: 2009-01-23
 Amount: **17,832,805.00**

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1. BACKGROUND

In May 2007, a Strategic Plan for the period 2007 to 2010 was approved by the Board of Directors. The Strategic Plan identified seven (7) strategic objectives:

- 1. To facilitate the transformation of the telecommunications and broadcasting sectors into environments that encourage investment, pose minimal barriers to entry and that are conducive to competition via a dynamic and comprehensive regulatory framework.*
- 2. To create and implement a universality framework that promotes the expansion of the national telecommunications infrastructure and the availability, affordability, accessibility, usage and knowledge of ICTs (Information and Communication Technologies) throughout Trinidad and Tobago.*
- 3. To facilitate the creation of a competitive environment via the effective regulation of the telecommunications and broadcasting sectors in a transparent, efficient, fair and non-discriminatory manner.*
- 4. To ensure that the country's radio spectrum and number resources are efficiently managed so that the spectrum and numbering needs of the evolving telecommunications and broadcasting sectors are adequately met.*
- 5. To guide the broadcasting industry through effective regulation of broadcast content in such a manner that contributes to the economic, social and cultural development of the country while at the same time, ensuring that the freedoms as enshrined in the Constitution of Trinidad and Tobago are preserved.*

6. To ensure that the human and organisation capital of the Authority are adequate and are managed efficiently and effectively to meet key deliverables.

7. To ensure that the information resources of the Authority are efficiently managed and disseminated so that customers receive clear, accurate and easily accessible information.

An Operational Plan for the strategic planning period was developed and key deliverables for each fiscal year were proposed, with the intention of modifying the Operational Plan on an annual basis. The Board agreed that it would monitor and evaluate the Authority's performance against the key deliverables set out for any given year.

At the 66th Board Meeting of the Board, the Authority proposed the following key deliverables (Table 1) for the 2007/08 financial year.

Table 1 Key Deliverables for 2007/2008

Objective 1: To facilitate the transformation of the telecommunications and broadcasting sectors into environments that encourage investment, pose minimal barriers to entry and that are conducive to competition via a dynamic and comprehensive regulatory framework.
Development of recommendations for a Price Regulation Regime to be submitted to the Ministry
Draft Pricing Regulations to be submitted to the Ministry
Publish a Domestic Market Report for the period January – December 2007.
Draft Data Requirements Regulations to be submitted to the Ministry
Policy Recommendations on Customer Service Standards to be submitted to the Ministry
Draft Customer Service Standards Regulations to be submitted to the Ministry
Policy Recommendations on Network Quality of Service to be submitted to the Ministry
Draft Network Quality of Service Regulations to be submitted to the Ministry
Development of Account Separation Guidelines for use by Concessionaires
Complaint Handling Procedures to be developed

Enforcement and Compliance Procedures to be developed

Objective 2:

To create and implement a Universality framework that promotes the expansion of the national telecommunications infrastructure and the availability, affordability, accessibility, usage and knowledge of ICTs (Information and Communication Technologies) throughout Trinidad and Tobago.

Development of a Universality Framework and Implementation Plan
Draft Universality Regulations to be submitted to the Ministry

Objective 3:

To facilitate the creation of a competitive environment via the effective regulation of the telecommunications and broadcasting sectors in a transparent, efficient, fair and non-discriminatory manner.

Implement the new Consumer Complaints Process
Submit recommendations to the Minister in respect of the additional Free-to-Air TV concessions
Perform assessment of mobile market and make recommendations as to the need for additional service providers
Complete Initial Assessment of TSTT's Access Deficit Claim
Implement a Regulatory Monitoring System
Perform dominance assessment for domestic fixed voice telecommunications market
Implement appropriate price regulation regime while treating with TSTT's access deficit claim

Objective 4:

To ensure that the country's radio spectrum and number resources are efficiently managed so that the spectrum and numbering needs of the evolving telecommunications and broadcasting sectors are adequately met.

Review and Update the National Numbering Plan
Draft Numbering Regulations to be submitted to the Ministry
Develop a National Spectrum Plan
Complete the implementation of Phase 2 of the Advanced Automated Spectrum Management and Monitoring System (AASMMS)
Perform Rationalisation of BWA Moratorium Bands

Objective 5:

To guide the broadcasting industry through effective regulation of broadcast content in such a manner that contributes to the economic, social and cultural development of the country while at the same time, ensuring that the freedoms as enshrined in the Constitution of Trinidad and Tobago are preserved.

Complete the Draft Broadcast Code for submission to the Ministry.
Acquire and Implement a Broadcast Content Monitoring System

Objective 6:

To ensure that the human and organisation capital of the Authority are adequate and are managed efficiently and effectively to meet key deliverables.

Implement the New Organisational Structure

Relocate to new premises

Complete Land Acquisition for the Authority's Headquarters

Objective 7:

To ensure that the information resources of the Authority are efficiently managed and disseminated so that customers receive clear, accurate and easily accessible information.

Host a Seminar on International Practices in Broadcast Regulation

Host a School Quiz

Re-design the Authority's website

Develop a Disaster Preparedness Plan

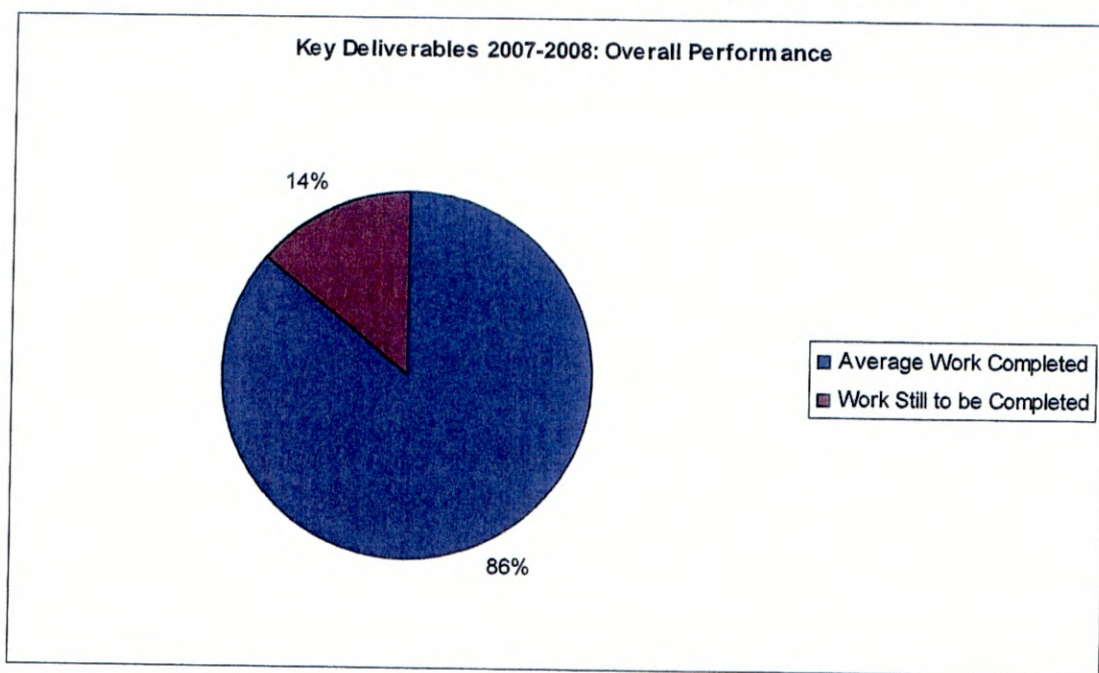
Develop an IT Security Policy

Develop a Staff Internet Usage Policy

2. SUMMARY OF PERFORMANCE BY STRATEGIC OBJECTIVE

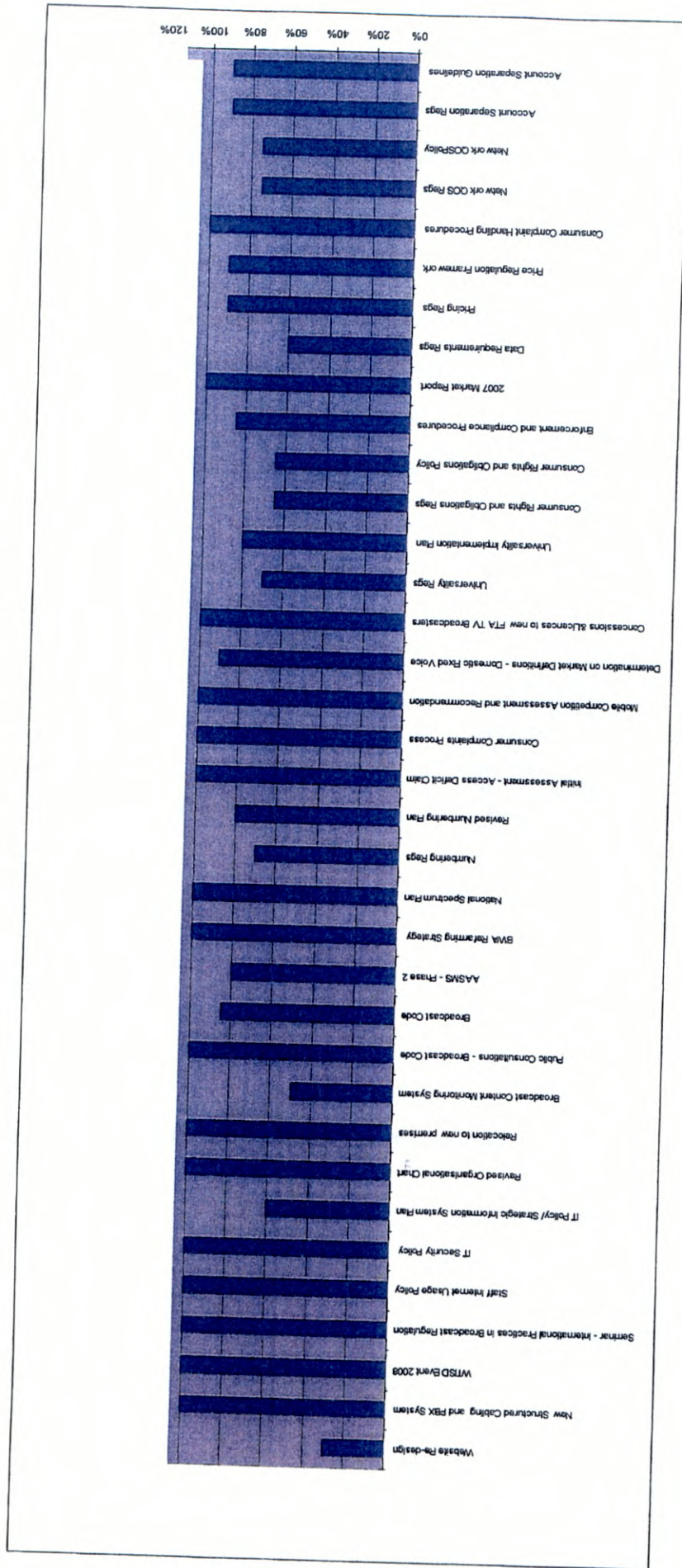
An assessment of the overall performance of the Authority (Figure 1) revealed that 86% of work on the key deliverables was completed at end of September 2008.

Figure 1 Chart Showing Overall Performance on Key Deliverables 2007-2008



A detailed presentation of the level of completion on each of the Deliverables is shown in Figure 2.

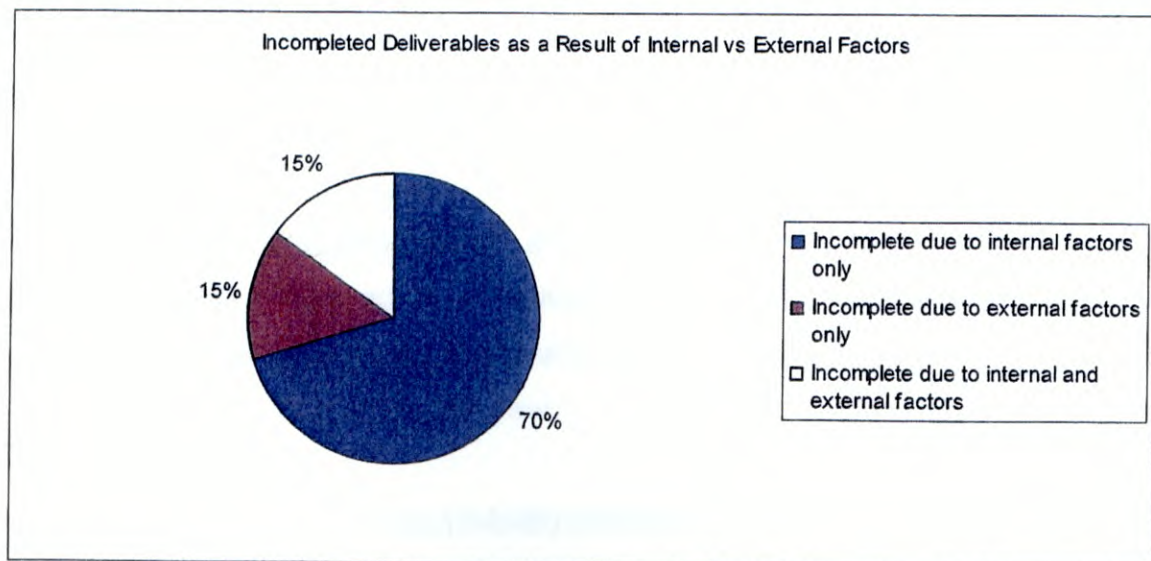
Figure 2 Chart showing Status of Key Deliverables 2007-2008



The delays which resulted in the Authority not achieving a 100% performance rate were caused by both internal and external factors.

Figure 3 shows that 15% of the incomplete key deliverables were not completed due to external factors only. The main external factor which continues to cause delay for the Authority is that stakeholders (concessionaires, consultants, vendors etc.) do not submit data or provide feedback to the Authority in a timely manner. *Most of the key deliverables (70%) were not completed as a result of one major internal factor, in that the Authority was unable to implement the revised organisational structure and begin recruiting in the new positions in order to acquire the resources required for achieving the objectives of the Strategic Plan.* The Board is reminded that when the key deliverables for 2007/2008 were identified, it was believed that the Authority would have had a higher staff complement by recruiting into the new structure within the year. The remaining 15% were not completed due to a combination of the internal and external factors described above.

Figure 3



It is to be noted that the scope of certain key deliverables were redefined based on more indepth information obtained and new key deliverables were added that took priority over some that were initially proposed.

The following sub-sections summarise in more detail the performance of the Authority in respect of each key deliverable. Attachment 1 also provides a status report in Excel format for each of the key deliverables for the period ending September 30th 2008.

Objective 1: Regulatory Framework

1. Development of a Price Regulation Framework.

Status: 90% Completed.

Significant amendments were made to this document based on comments and recommendations received in the first consultation round. The Authority completed a second consultation round and final changes are being made to the document with a view to having it completed by December 2008.

2. Draft Pricing Regulations to be submitted to the Ministry.

Status: 90% Completed

Significant amendments were made to this document based on comments and recommendations received in the first consultation round. The Authority completed a second consultation round and final changes are being made to the document with a view to submitting draft regulations to the Ministry by December 2008.

3. Development of Account Separation Guidelines

Status: 90% Completed.

The Authority revised this document based on comments and recommendations received in the first consultation round. The Authority

completed a second consultation round and final changes are being made to the document with a view to having it completed by December 2008.

**4. Draft Account Separation Regulations to be submitted to the Ministry
Status: 90% Completed.**

This deliverable was not on the original key deliverables list, since the regulations for Accounting Separation were previously included in the draft Pricing Regulations. A decision was taken to produce a separate regulation for Accounting Separation. One round of consultation was completed in respect of the *Account Separation Guidelines*. The Authority completed a second consultation round and final changes are being made to the document with a view to submitting draft regulations to the Ministry by December 2008.

**5. Develop a Network Quality of Service Policy
Status: 75% Completed.**

This deliverable is pending completion of the Network Quality of Service Regulations.

**6. Draft Network Quality of Service Regulations to be submitted to the
Ministry**

Status: 75% Completed.

This deliverable could not be completed due to insufficient resources. Available resources were utilised to ensure that higher priority deliverables were completed within the year.

**7. Consumer Complaint Handling Procedures to be developed
Status: 100% Completed**

This document was published on the Authority's website in June 2008.

- 8. Draft Data Requirements Regulations to be submitted to the Ministry**
Status: 60% Completed.
- This deliverable could not be completed due to there being insufficient resources. Available resources were utilised to ensure that higher priority deliverables could be completed within the year.
- 9. Enforcement and Compliance Procedures to be developed**
Status: 85% Completed.
- This deliverable could not be completed due to there being insufficient resources. Available resources were utilised to ensure that higher priority deliverables could be completed within the year.
- 10. Consumer Rights and Obligations Policy to be developed**
Status: 65% Completed.
- This deliverable could not be completed due to there being insufficient resources. Available resources were utilised to ensure that higher priority deliverables could be completed within the year.
- 11. Draft Consumer Rights and Obligations Regulations to be submitted to the Ministry**
Status: 65% Completed.
- This deliverable could not be completed due to there being insufficient resources. Available resources were utilised to ensure that higher priority deliverables could be completed within the year.
- 12. Publish a Domestic Market Report for the period January 2007 to December 2007**
Status: 100% Completed.

This document was published on the Authority's website in September 2008.

Objective 2: Universality

13. Develop a Universality Implementation Plan

Status: 80% Completed.

The Authority was able to complete one round of consultation on this document. However, it was determined that before the document could be published for a second round of consultation, more information was needed on the level of service provision and plans for future service provision by existing providers in underserved communities. The Authority conducted a more detailed survey among service providers; however there have been delays in getting feedback from all respondents. Additionally, the Authority embarked on collecting information from the Ministry of Social Development, the Ministry of Public Utilities and various agencies with responsibility for persons with disabilities, with a view to assessing the extent to which subsidies may, and could be provided to population groups that are unable to afford basic telecommunications services.

Revisions are currently being made to the draft Implementation Plan based on comments received in the first consultation round and other information received in preparation for a second round of consultation. It is proposed that this key deliverable be kept on the key deliverables list for 2008/2009 with a view to having it completed by May 2009.

14. Draft Universality Regulations to be submitted to the Ministry

Status: 70% Completed.

These draft regulations are ready to be published for a first round of consultation together with the revised Universality Implementation Plan.

Objective 3: Regulation and Competition

15. Implement the New Consumer Complaints Process

Status: 100% Completed.

A Consumer Complaints Committee was established in June 2008 pursuant to the Telecommunications Act. Complaints escalated to Stage 3 can now be addressed by this Committee.

16. Submit recommendations to the Minister in respect of additional Free-to-Air TV concessions.

Status: 100% Completed

Recommendations were made to the Minister, and two (2) concessions were granted in April 2008 for the provision of National Free to Air TV Broadcasting Services.

17. Perform Assessment of Mobile Market and make recommendation on the need for an additional mobile operator.

Status: 100% Completed.

A recommendation was made to the Board in May 2008, which initiated the process to authorise a third mobile operator in Trinidad and Tobago.

18. Implement a Regulatory Monitoring System

Status: Removed as a Key Deliverable.

The Authority was unable to initiate work on this deliverable, since it was dependent on hiring Regulatory Officers under the new organisational structure. As a result, this deliverable was deferred from the key deliverables list for 2007/2008 to 2008/2009.

19. Perform Dominance Assessment for Domestic Fixed Voice Telecommunications Services – Replaced with:

Determine Market Definitions for Domestic Voice Telecommunications Services

Status: 90% Completed.

In attempting to initiate the process to declare TSTT dominant in the fixed domestic market, the Authority was advised by external counsel that this deliverable had to be split into two key parts (each comprising enough work to be considered a key deliverable):

- Determine Market Definitions for Domestic Fixed Voice Telecommunications Services
- Assess Dominance in the defined market.

A draft determination on the first deliverable has been completed, however TSTT and CCTL have been asked to submit their final comments on this determination, pursuant to senior counsel advice. It is expected that this determination would be finalised by December 2008.

However, the second and original deliverable has been deferred as a key deliverable for 2008/2009.

20. Complete Initial Assessment of TSTT's Access Deficit Claim

Status: 100% Completed

Assessment completed. TSTT agreed in principle on TATT's definition on access deficit. However, the company was unable to satisfy TATT that a deficit existed based on the definition and subsequent methodology for calculating the access deficit. However, the Authority intends to establish the cost allocation mechanisms to be used for allocating costs to services in the development of its own cost model. If at that time, it is determined that some services are loss making, the appropriate regulatory steps will be taken.

21. Implement Appropriate Price Regulation Regime for Domestic Fixed Voice Market

Status: Removed as a Key Deliverable.

This deliverable could not be initiated since it is dependent on the completion of deliverables 1, 2 and 19 above. It is proposed that this deliverable be deferred to begin in the 2008/2009 fiscal year pending the acquisition of the necessary resources and that the dominance assessment for the relevant market is completed by March 2008.

Objective 4: Resource Management

22. Complete the implementation of Phase 2 of the Advanced Automated Spectrum Management and Monitoring System (AASMMS).

Status: 80% Completed.

The project has two (2) deliverables. The first deliverable which was the data population of the licensing data base, was completed.

The second deliverable was for the acquisition and the installation of two transportable monitoring stations. The Authority was only able to conclude the agreement on the acquisition of one site located at the Eric Williams Medical Sciences Complex. The design for this site was completed and a contract for its construction is currently being finalized.

The Authority was not successful in acquiring the second site at Couva as contractual agreement with the prospective landlord could not be achieved and alternative sites are currently under investigation.

23. Complete a Revised National Numbering Plan.

Status: 80% Completed

Completion of this deliverable was pending completion of the Central Office (CO) Codes Exhaust Analysis Methodology which was completed and published in October 2008.

A draft of the National Numbering Plan was completed went out for a first round of consultation. The Plan has since been revised and is being reviewed internally prior to going out to the second round of consultation.

24. Draft Numbering Regulations to be submitted to the Ministry

Status: 70% Completed.

This deliverable is pending the completion of the Revised National Numbering Plan.

25. Develop a National Spectrum Plan.

Status: 100% Completed.

This document was completed and published on the TATT website in September 2008.

26. Complete a BWA Re-farming Strategy (Rationalisation of BWA Moratorium Bands)

Status: 100% Completed.

The BWA Re-farming Strategy was completed and published on the website in September 2008.

Objective 5: Broadcast Content Regulation

27. Complete the Draft Broadcast Code for submission to the Ministry

Status: 85% Completed.

The Consultants took considerably longer than expected to deliver a first draft. Additionally, the consultation period was extended and a second round of consultation was determined to be necessary based on the feedback received in the series of consultations held. It is expected that final recommendations will be made to the Minister before the end of December 2008.

28. Implement Public Consultation Series on Draft Broadcast Code.

Status: 100% Completed.

This deliverable was not identified separately in the operational plan in October 2007. However, it was determined that the success of the consultation initiative would determine the extent to which the draft Broadcast Code would be accepted by the industry and the public at large. This activity turned out to be so time- and resource-consuming that it was determined that it should be considered as a key deliverable for the year.

29. Procure and Implement a Broadcast Content Monitoring System

Status: 50% Completed.

A contract was executed with Broadcast International Group (BIG) on November 4th, 2008 for the engineering, supply, installation, testing and commissioning of the system. Based on the Project Schedule, BIG is expected to have the system ready for service in February, 2009. The delay in the project completion date of the system was due to the protracted period of contractual negotiation.

Objective 6: Human and Organisational Capacity Building

30. Completely implement the New Organisational Structure

Replaced with:

Complete Revised Organisational Structure Proposal (Effectiveness Review and Compensation Proposal)

Status: 100% Completed

The Authority completed this activity but was unable to start recruiting in the structure because the PSNC had not yet granted the necessary approvals. This is the main reason why the scope of the original key deliverable was revised.

31. Relocation to New Premises

Status: 100% Completed

The Authority moved into its new offices in August 2008.

32. Complete Land Acquisition for Authority's Headquarters

Status: Removed as a key deliverable.

This deliverable was brought to a halt during the year, when it was determined that the Minister of Public Administration had already identified land for the Authority's permanent relocation in the vicinity of Mount Hope. The deliverable was therefore removed from the key deliverables list.

Objective 7: Information Management and Dissemination

33. Conduct a School Quiz

Replaced with:

Host a World Telecommunications and Information Society Day Event

Status: 100% Completed.

The World Telecom and Information Society Day event was very successful. The Authority held two seminars (one in Trinidad and one in Tobago) that were consistent with the ITU's annual theme: ICT Opportunities for All – Persons with Disabilities.

34. Host an International Seminar on Best Practices in Broadcast Regulation

Status: 100% Completed.

This seminar was held in April 2008 as a precursor to the series of public consultations on the draft Broadcast Code.

35. Re-design of the Authority's website

Status: 30 % Completed.

This deliverable was not completed due to unanticipated delays arising in the bid evaluation process.

36. Develop a Disaster Preparedness Plan

Replaced with:

Complete the development of a Strategic Information Systems Plan (IT Policy)

Status: 60 % Completed.

A first draft of this plan has been completed. However it still has to be reviewed internally before being approved and implemented. Delay in completion of this deliverable can be attributed to resources being diverted to attend to the IT requirements of the organisation's relocation (see new key deliverables below).

37. Develop an IT Security Policy

Status: 100 % Completed.

This has been completed and successfully implemented.

38. Develop a Staff Internet Usage Policy

Status: 100 % Completed.

This has been completed and successfully implemented.

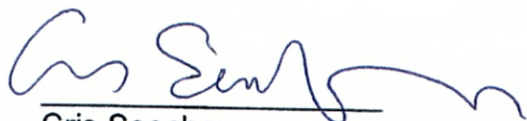
39. Install Structured Cabling and Implement PBX System for New Building

Status: 100 % Completed.

This has been completed and successfully implemented. This activity turned out to be so time- and resource-consuming that it was determined that it should be considered as a key deliverable for the year.

3. FINANCIAL PERFORMANCE

The Authority's *Actual Income and Expenditure* for the period ending September 2008 is also included at Attachment 2.



Cris Seecheran
Executive Director (Ag.)

Date: 23 Jan 09

Attachment 1: Performance against Key Deliverables

1. To facilitate the transformation of the telecommunications and broadcasting sectors into environments that encourage investment, pose minimal barriers to entry and that are conducive to competition via a dynamic and comprehensive regulatory framework.							
Accountability	Deliverables	Original Target End Date	Current Status	% Deliverable Completed	Key Issues	Factors creating delays (if any)	Project End/Actual Deliverable Target End Date
Lead: FAH Support: PPR	1.2.1.25 Accounting Separation Guidelines	Mar-08	Published for 2nd Round of consultation. Closing date 19th September 2008.	90%		Internal	Dec-08
Lead: L&R Support: FAH	Accounting Separation Regulations	Mar-08	Published for 2nd Round of consultation. Closing date 19th September 2008.	90%	Was originally a part of Pricing Regulations. Split made at 2nd consultation phase.	Internal	Dec-08
Lead: TSD Support: PPR	1.2.1.31a. Network Quality of Service Policy	Mar-08	Final Draft Completed. DOR completed. Sent to Legal along with technical schedules for regs. Ready for 2nd round consultation	75%		Internal	Mar-09

1. To facilitate the transformation of the telecommunications and broadcasting sectors into environments that encourage investment, pose minimal barriers to entry and that are conducive to competition via a dynamic and comprehensive regulatory framework.

Accountability	Deliverables	Original Target End Date	Current Status	% Deliverable Completed	Key Issues	Factors creating delays (if any)	Projected/ Actual Deliverable Target End Date
Lead: L&R Support: TSD	1.2.1.31a. Network Service Regulations	Mar-08	Internal review meeting for second draft pending.	75%		Internal	Mar-09
Lead: PPR Support: L&R, CPR&CA	1.2.1.17 Consumer Complaint Handling Procedures	Mar-08	Completed.	100%			Jun-08
Lead: PPR	1.2.1.19 Price Regulation Framework	Mar-08	Published for 2nd Round of consultation. Closing date 19th September 2008.	90%		Internal	Nov-08
Lead: L&R Support: PPR	1.2.1.20 Pricing Regulations	Mar-08	Published for 2nd Round of consultation. Closing date 19th September 2008.	90%		Internal	Nov-08
Lead: L&R Support: TSD, FAH, PPR, CPR&CA	Data Requirements Regulations	Jun-08	First draft completed. Awaiting completion of schedules.	60%		Internal	Jun-09
Lead: PPR	1.6.1.3 January to December 2007 Market Report	Jul-08	Completed and published.	100%			Sep-08

1. To facilitate the transformation of the telecommunications and broadcasting sectors into environments that encourage investment, pose minimal barriers to entry and that are conducive to competition via a dynamic and comprehensive regulatory framework.

Accountability	Deliverables	Original Target End Date	Current Status	% Deliverable Completed	Key Issues	Factors creating delays (if any)	Project End/ Actual Deliverable Target End Date
Lead: L&R	1.2.1.17 Enforcement and Compliance Procedures	Sep-08	Draft completed. Awaiting internal review meetings.	85%		Internal	Sep-08
Lead: CPR&CA Support: PPR, TSD, L&R	1.2.1.30a Consumer Rights and Obligations Policy	Sep-08	QOS indicators are being finalized in addition to the overall document for circulation and review by Mid-July 2008	65%	NQOS indication 90% completed. Overall document to be reviewed before 2nd consultation round	Internal	Sep-09
Lead: L&R Support: CPR&CA	1.2.1.30b Consumer Rights and Obligations Regulations	Sep-08	Tied to Consumer Policy	65%	Tied to Consumer Policy	Internal	Sep-09

2. To create and implement a universality framework that promotes the expansion of the national telecommunications infrastructure and the availability, affordability, accessibility, usage and knowledge of ICTs (Information and Communication Technologies) throughout Trinidad and Tobago.

Accountability	Deliverables	Original Target End Date	Current Status	% Deliverable Completed	Key Issues	Factors creating delays (if any)	Projected/ Actual Deliverable Target End Date
Lead: PPR	2.1.1.1 Universality Policy and Implementation Plan	Sep-08	Document Published for 1st consultation round.	80%		External	May-09
Lead: L&R Support: PPR	2.1.2.1 Universality Regulations	Sep-08	1st draft in progress. To be completed by June 2008	70%		Internal	Sep-09

3. To facilitate the creation of a competitive environment via the effective regulation of the telecommunications and broadcasting sectors in a transparent, efficient, fair and non-discriminatory manner.							
Accountability	Deliverables	Original Target End Date	Current Status	% Deliverable Completed	Key Issues	Factors creating delays (if any)	Projected/Actual Target End Date
Lead: L&R Support: FAH, PPR, TSD	3.1.7.2 Recommendations for Concessions and Licences granted to new Free-to-Air TV Broadcasters	Dec-07	Completed.	100%			Jan-08
Lead: PPR Support: L&R	Determination on Market Definitions - Domestic Fixed Voice	Mar-08	Completed.	90%	Waiting on go ahead from attorneys to publish.	Internal and External	Dec-08

3. To facilitate the creation of a competitive environment via the effective regulation of the telecommunications and broadcasting sectors in a transparent, efficient, fair and non-discriminatory manner.							
Accountability	Deliverables	Original Target End Date	Current Status	% Deliverable Completed	Key Issues	Factors creating delays (if any)	Projected/ Actual Deliverable Target End Date
Lead: PPR	3.1.1.1 Mobile Competition Assessment and Recommendation	Jun-08	Completed. Recommendation made to the Board for the Authorisation of an additional Mobile Provider and the process to be adopted.	100%			May-08
Lead: CPR&CA Support: L&R, FAH	Implementation of Consumer Complaints Process	Jun-08	The first meeting of the Committee was held in June 2008.	100%	Task completed. Stage 3 complaints can now be brought to the attention of the committee		Jun-08

3. To facilitate the creation of a competitive environment via the effective regulation of the telecommunications and broadcasting sectors in a transparent, efficient, fair and non-discriminatory manner.							
Accountability	Deliverables	Original Target End Date	Current Status	% Deliverable Completed	Key Issues	Factors creating delays (if any)	Projected/ Actual Deliverable Target End Date
Lead: PPR Support: FAH, TSD	Initial Assessment of TSTT's Access Deficit Claim	Dec-07	Completed. Initial Assessment submitted to TSTT in November 2007. TSTT made an informal response to assessment in April 2008 at a meeting. Formal response was submitted by TSTT in July 2008.	100%			Nov-07

4. To ensure that the country's radio spectrum and number resources are efficiently managed so that the spectrum and numbering needs of the evolving telecommunications and broadcasting sectors are adequately met.

Accountability	Deliverables	Original Target End Date	Current Status	% Completed	Key Issues	Factors creating delays (if any)	Projected / Actual Deliverable Target End Date
Lead: TSD	4.4.1.10 Revised Numbering Plan	Sep-08	Document name was revised to National Numbering Plan: Central Office (CO) Codes and Home Network Identifier (HNI). Awaiting approval of CO Code Exhaust Analysis report. First draft: Mid-July 2008	80%	Once the Exhaust Analysis report has been completed, the CO Code allocation to public telecommunications services can be finalized and the implementation of any necessary number conservation methods can be added to the Plan	Internal	Jan-09
Lead: L&R	4.4.1.11 Regulations	Sep-08	Tied to timeline of Numbering Plan: CO Codes and HNI	70%	Tied to timeline of Numbering Plan: CO Codes and HNI	Internal	Apr-09
Lead: TSD	National Spectrum Plan	Sep-08	Completed and published on website	100%			Sep-08

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

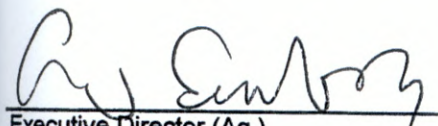
Balance Sheet

As at September 30, 2008

	Note	2008	2007
ASSETS			
Non-Current Assets			
Net fixed assets	2	14,105,650	13,102,409
Current Assets			
Receivables	3	24,543,504	39,218,840
Cash and bank balance	4	109,727,539	81,139,057
		<u>148,376,693</u>	<u>133,460,306</u>
Represented by:			
RESERVES AND LIABILITIES			
Non-Current Liabilities			
Deferred income	5	13,054,891	13,102,409
Current Liabilities			
Accounts payable and accruals	6	45,861,547	53,886,952
Reserves			
Reserves	7	89,460,255	66,470,945
		<u>148,376,693</u>	<u>133,460,306</u>

The notes on pages 6 to 13 form an integral part of these financial statements

Signed on behalf of the Board


 Executive Director (Ag.)


 Executive Manager, Finance, Accounting and HR

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

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Income and Expenditure Statement - Recurrent

For the Period Ended September 30, 2008

	Note	2008	2007
Income			
Government grant			5,070,912
Deduct: Fixed assets purchased		-	
Fees		14,692,264	14,976,196
Licences		33,499,719	109,869,850
Bank Interest		1,249,048	894,166
Other Income		1,444,505	25,251
Amortization of deferred income		4,169,738	1,749,357
Sub-total		55,055,274	132,585,733
		-	
Total Income		55,055,274	132,585,733
Expenses			
Communications, Marketing & Policy Expenses	8	3,764,182	2,210,632
Fees	9	2,547,443	3,266,128
Training	10	1,767,843	1,362,054
Utilities		578,822	486,768
Rent/Lease Expenses	11	1,097,047	798,060
Staff Costs	12	9,295,102	8,955,599
Repairs and Maintenance		158,314	76,044
Other Administrative Costs	13	3,206,907	1,956,366
Depreciation		4,262,728	1,749,357
Total Expenses		26,678,388	20,861,009
Surplus/(deficit) for the year	14	\$ 28,376,886	\$ 111,724,724

The notes on pages 6 to 13 form an integral part of these financial statements

Income and Expenditure Statement - Public Sector Investment Programme

For the Period Ended September 30, 2008

	Note	2008	2007
Income			
Government Subvention	4,000,000		
Deduct: Fixed assets purchased/commitment	<u>3,763,547</u>	\$ 236,453	\$ 1,695,645
Expenditure			
Development of IT Support Systems for the Telecommunication Sector		-	
Development of a Universal Strategy and Implementation Plan			524,155
Development of an Advanced Automated Spectrum and Mgt System			<u>108,848</u>
		-	633,003
Surplus/(Deficit) for the year		<u>\$ 236,453</u>	<u>\$ 1,062,642</u>

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

Statement of Changes in Reserves

For the Period Ended September 30, 2008

	2008	2007
Accumulated fund - beginning of year	117,888,336	5,255,721
Surplus/(deficit) for the year	28,613,339	112,787,367
Payment to Consolidated Fund	(14,665,111)	
Appropriated Reserves - Capital Projects	(10,000,000)	
Appropriated Reserves - Building Costs	(15,000,000)	(10,000,000)
Appropriated Reserves - Research and Development	(10,500,000)	(500,000)
Appropriated Reserves - Universality Fund	(22,000,000)	(20,000,000)
Appropriated - USD Account	(31,960,255)	(35,970,945)
Accumulated fund - end of year	42,376,309	51,572,143

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

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Cash Flow Statement

For the Period Ended September 30, 2008

	2008	2007
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus/(deficit) for the year	\$ 28,613,339	\$ 46,316,422
Less Payments to Consolidated Fund	(14,665,111)	
Adjustments to net cash used in operating activities	<u>13,948,228</u>	<u>46,316,422</u>
Increase in Payables (Outstanding commitments)	1,142,864	351,809
(Increase)/Decrease in Receivables	14,548,150	(39,009,677)
Depreciation	92,990	1,749,357
Depreciation	4,169,738	
Amortization of deferred income	<u>(4,169,738)</u>	<u>(1,749,357)</u>
Net cash from/(used in) operating activities	29,732,232	7,658,554
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(1,143,749)	-
Acquisition of fixed assets Govt Grant Reserves	(4,122,219)	(10,847,007)
	-	66,470,945
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Government grant	<u>4,122,219</u>	<u>10,847,007</u>
Net increase/(decrease) in cash and cash equivalents	28,588,482	74,129,499
Cash and cash equivalent at start of period	<u>81,139,057</u>	<u>7,009,558</u>
Cash and cash equivalent at end of period	<u>\$ 109,727,539</u>	<u>\$ 81,139,057</u>

The notes on pages 6 to 13 form an integral part of these financial statements

Significant Accounting Policies

For the Period Ended September 30, 2008

The principal accounting policies adopted in the preparation of these Financial Statements are set out below:

(a) Basis of Preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Financial Statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, contingent assets and contingent liabilities at the balance sheet date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

Where assumptions and estimates are significant to the financial statements they are disclosed in the Notes.

(b) Reporting Currency

These financial statements are expressed in Trinidad and Tobago dollars.

(c) Government Grants

Government grant related to fixed assets is deferred in the balance sheet and amortised over the estimated useful lives of the assets to which it relates.

Government grant related to income is included in the statement of income in the year received.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and in bank.

(e) Accounts Receivable

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of Trade receivables is established based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

(f) Reserves

In accordance with the Telecommunications Act (2001) Section 28 (3), the Board has approved the establishment of Reserves for the Universality Services. The Board also approved Reserves for the future development of the Authority.

Significant Accounting Policies (Cont'd)

For the Period Ended September 30, 2008

Significant Accounting Policies (continued)**(f) Fixed Assets**

Fixed assets are stated at cost and are depreciated on the reducing balance basis at the following rates per annum:

Fixtures and fittings	20%
Computer equipment and Software	25%
Office furniture and equipment	20%
Motor vehicles	25%
Books	10%
Telecommunication Equipment and Related Software	25%
Spectrum Monitoring Equipment and Related Software	10%

(g) Contingent Liabilities and Assets, Commitments**(a) Operating Lease Commitments**

The Authority leases its facilities which include executive and administrative offices. Substantially the lease provides that the lessee shall pay maintenance, insurance and certain other operating expenses applicable to the leased property. The lease also includes renewal options.

There were no material finance leases.

(h) Comparatives

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current year.

TELECOMMUNICATIONS AUTHORITY OF TRINIDAD AND TOBAGO

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Notes To The Financial Statements

For the Period Ended September 30, 2008

1. Incorporation and Principal Activities

The Telecommunications Authority of Trinidad and Tobago is an independent regulatory body, established by the Telecommunications Act No. 4 of 2001. The Authority is charged with the responsibility for the liberalization and regulation of the telecommunications and broadcasting sectors. These functions were previously performed by the Telecommunications Division of the Ministry of Public Administration and Information. The Authority became operational on July 1, 2004. It was located at BEN Court, 76 Boundary Road, San Juan.

The Authority relocated on August 29 2008 to 5 Eight Avenue Extension off Twelfth Street Barataria.

The Authority reports to the Ministry of Public Administration and Information.

2. Net Fixed Assets

	Fixtures & Fittings	Computer Equipment & Software	Office Furniture & Equipment	Motor Vehicles	Books	Telecommunication Equipment and Related Software	Total
Cost							
At October 1, 2006	\$ 76,555	3,791,501	952,947	451,070	1,809	10,553,000	15,826,882
Additions for the period	-	1,215,435	97,324	204,465	-	3,748,745	5,265,968
At September 30, 2007	\$ 76,555	5,006,936	1,050,271	655,535	1,809	14,301,745	21,092,850
Depreciation							
At October 1, 2006	\$ 26,989	1,282,232	313,827	164,425	442	936,557	2,724,472
Charge for the period	9,913	738,391	135,120	122,237	137	3,256,930	4,262,728
At September 30, 2007	\$ 36,902	2,020,623	448,947	286,662	579	4,193,487	6,987,200
Net Book Value							
At September 30, 2007	\$ 49,566	2,509,269	639,120	286,645	1,367	9,616,443	13,102,409
At September 30, 2007	\$ 39,653	2,986,312	601,324	368,873	1,230	10,108,258	14,105,650

Additions for the period include purchase commitments of Fixed Assets.

Notes To The Financial Statements (Cont'd)

For the Period Ended September 30, 2008

3. Trade and Other Receivables

	2008	2007
Trade Receivables	23,934,807	38,481,597
Less Provision for Impairment	(795,799)	-
Trade Receivables-Net	<u>23,139,008</u>	<u>38,481,597.00</u>
Staff Loan		
Staff Loan (M. Vehicle)	41,776	8,231
VAT Receivable	725,310	-
Other Receivables/Prepayments	615,312	601,826
	22,099	127,187
	<u>24,543,504</u>	<u>39,218,840</u>

Bad debt expenses have been included under Expenses-Other Administrative Costs in the income and Expenditure Statement. See Note 13.

4. Cash and Bank Balance

	2008	2007
Cash at Bank (TT\$ Account)	57,735,637	45,165,111
Cash at Bank (US\$ Account)	31,960,255	35,970,945
Universal Fund (TT\$ Account)	20,028,647	-
Cash on Hand (TT\$ Account)	3,000	3,001
	<u>109,727,539</u>	<u>81,139,057</u>

5a. Deferred income

	2008	2007
Government grant relating to fixed asset	19,949,101	15,826,882
Amortization	(6,894,210)	(2,724,472)
	<u>13,054,891</u>	<u>13,102,409</u>

6. Payables

	2008	2007
Deferred Revenue	114,843	459,737
Outstanding commitments	3,370,395	1,882,638
Consolidated Fund	42,376,309	51,417,391
Total	<u>45,861,547</u>	<u>53,759,766</u>

The amount due to the Consolidated Fund for the period ended September 30, 2008 is comprised of surplus for the periods ended September 30 2007 and 2008 for \$36,907,032 and \$5,469,277 respectively.

Notes To The Financial Statements

(Cont'd)

For the Period Ended September 30, 2008

7. Appropriation of Reserves

In accordance with Section 53(d) of The Telecommunications Act, 2001, the Board has approved the amount of TT\$57,500,000 and US\$5,057,002.37 as Appropriation of Reserves for the following purposes:

	2008	2007
Capital Projects	10,000,000	
Building Cost	15,000,000	10,000,000
Research and Development	10,500,000	500,000
Universality Fund	22,000,000	20,000,000
	<u>57,500,000</u>	<u>30,500,000</u>
USD Fund US\$5,057,002.37	31,960,255	35,970,945
	<u>89,460,255</u>	<u>66,470,945</u>

8. Communications, Marketing and Policy Expenses

	2008	2007
Promotions, Publicity and Printing	2,163,820	1,590,602
Official Overseas Travel	62,090	80,561
Remuneration to Board Members	450,730	365,106
Hosting Conferences/ Seminars	1,087,542	138,833
	<u>3,764,182</u>	<u>2,175,102</u>

9. Fees

These fees comprise mainly of legal fees incurred in compliance and enforcement, opinions from Senior Counsel and Judicial review from The Authority's providers.

Notes To The Financial Statements (Cont'd)

For the Period Ended September 30, 2008

10. Training

In accordance with Section 18(n) of the Act, the Authority is committed to continuous training of its personnel to ensure that the industry standards are in compliance with:

- (1) International standards of the Telecommunications Union Convention
- (2) Testing and certifying of telecommunications equipment
- (3) Other relevant training necessary to achieve the objectives of the Act as outlined in Section 3 of the Act.

11. Rent/Lease Expenses

	2008	2007
Office Accomodation	1,059,536	759,744
Vehicle & Equipment	37,511	38,316
Total	<u>1,097,047</u>	<u>798,060</u>

12. Staff Costs

	2008	2007
Salaries	9,245,411	8,494,588
Short Term Employment	-	436,753
Other Personnel Expenses	49,691	29,839
Total	<u>9,295,102</u>	<u>8,936,599</u>

Total number of employees as at 30th September 2008 was 45. The comparative figure for 2007 was 42.

13. Other Administrative Costs

	2008	2007
Security	485,119	452,444
Janitorial Services	117,723	78,110
Supplies	425,083	369,722
Other Contracted Services	1,053,153	978,422
Bad Debt Expenses	795,799	-
Other Administrative costs	330,030	72,440
Total	<u>3,206,907</u>	<u>1,951,139</u>

14. Surplus

The following have been charged in arriving at the net surplus:

	2008	2007
Staff Costs (See Note 12)	9,295,102	8,936,599
Directors Fees and Expenses (See Note 8)	450,730	365,106
Depreciation (See Note 2)	4,262,728	1,749,357

Notes To The Financial Statements (Cont'd)

For the Period Ended September 30, 2008

15. Contingent Liabilities and Assets, Commitments

(b) Legal Proceedings

- (i) In September 2006, Dr John Prince, Executive Director filed suit against the Authority for alleged breach of Contract of Employment and restraining the Authority from terminating his employment.
- (ii) Proceedings commenced by the Authority under Section 65 of the Act alleging broadcasting without a licence by Radio Vision Limited.
- (iii) TATT vs Sidewalk-TATT commenced proceedings against Sidewalk for breach of concession. As part of the proceedings TATT confiscated a transmitter from Sidewalk which was being used illegally.
- (iv) Sidewalk vs TATT-Sidewalk commenced Judicial Review proceedings against TATT in relation to the matter referred to in item (iii)
- (v) TATT vs Desi Lee Bonterre-TATTk commenced proceedings against Desi Lee Bonterre for the installation and operation of radio communication equipment without a licence.
- (vi) Sidewalk vs TATT-Sidewalk sought Judicial Review of the decision of the Panel in the preliminary hearing of dispute 4/7/07/2 (Trini Bashment vs Sidewalk Radio).

The Authority is a party to the above suits and proceedings. These proceedings except for items (iii) and (viii), (See Note 17), are at various stages of litigation and their outcomes are difficult to predict in Management's opinion. However the disposition of these matters is not likely to have a materially adverse effect on its financial condition or results of operation.

16. Financial Risk Management

(a) Cash flow and fair value interest rate risk

As the Authority has no significant interest bearing assets, the Authority's income and operating cash flows are substantially independent of changes in market interest rates.

(b) Operational Risk

A significant part of The Authority's revenue will be derived from the two leading providers of telecommunications service in the industry.

Notes To The Financial Statements (Cont'd)

For the Period Ended September 30, 2008

17. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Authority makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Legal Proceedings

CV 2006-01897 Dr John Prince v. Telecommunications Authority of Trinidad and Tobago
A Claim against the Authority alleging Breach of Contract of Employment and an Injunction restraining the Authority from terminating his employment.



Telecommunications Authority
of Trinidad and Tobago

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