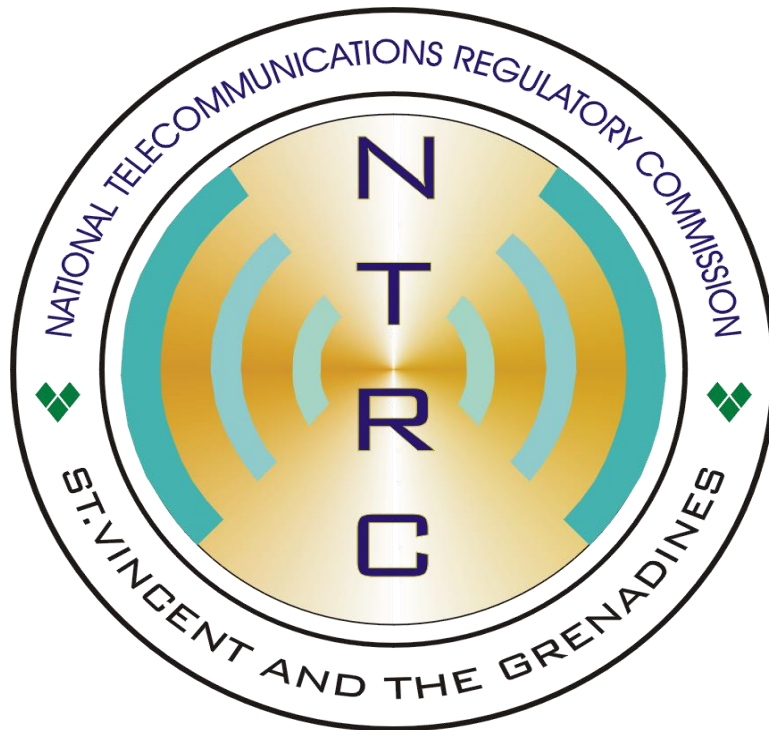


UNIVERSAL SERVICE FUND



OPERATING PLAN 2014

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1.0 INTRODUCTION

The National Telecommunication 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 Universal Service 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 board 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 ending December 31st, 2013, the Universal Service Fund budgeted to receive a total of One Million, Three Hundred and Seventy Three Thousand and Seven Dollars and Thirty Seven Cents (\$1,373, 007.37) from the telecom service providers and interest on revenue was projected to be Two Thousand, and Ninety Four Dollars and Ninety Seven Cents (\$2,094.97). The actual revenues received by the Universal Service Fund in 2013 was One Million, One Hundred and Sixty Seven Thousand, Four Hundred and Sixty Dollars and Eighty Five Cents (\$1,167,460.85) from telecom service providers. A total of Forty Two Thousand, One Hundred and Eighty Four Dollars and Thirty Nine Cents (\$42,184.39) was received as interest on the account. The main reasons for the difference was due to the following:

- **Interest Revenue:** The difference in the amount received for interest was primarily due to the fact that the USF had budgeted to pay out amounts pertaining to the commissioning of projects. These payments were not made in 2013 and remained in the account and gained interest.
- The Universal Service Fund budgeted to receive amounts from Karib Cable pertaining to their cable service in 2013 but this was not received. This is due to the fact that the license was to be granted in 2012 but was not granted until February 2013. Therefore, this amount will be received in 2014 as the payment will become due in 2014 based on the anniversary date of their license.

Expenditure

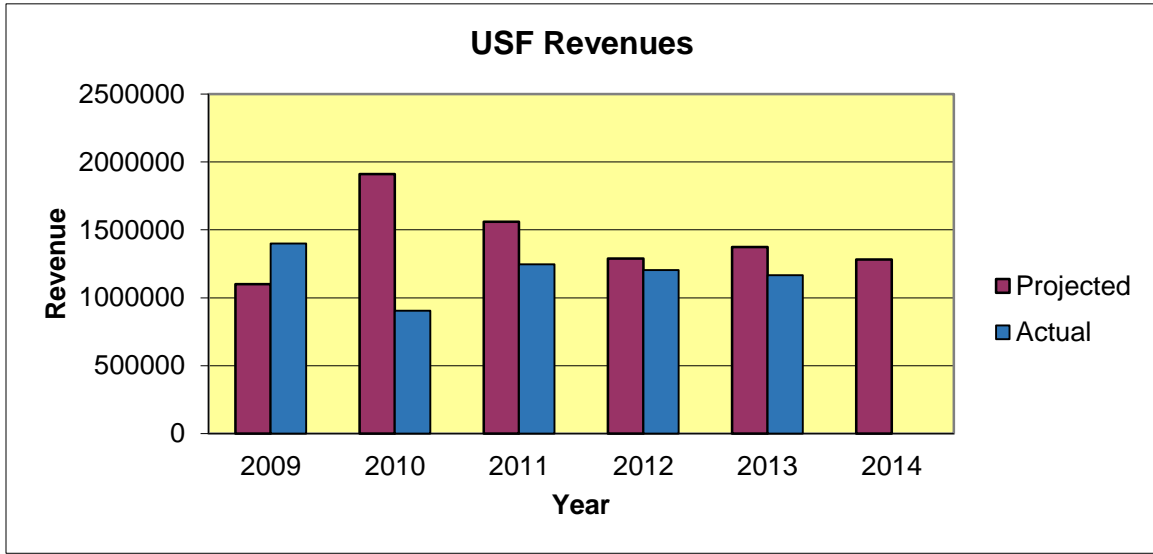
Recurring

For the year ending December 31st, 2013, the USF budgeted to spend \$227,693.64 on recurrent expenditure. However, \$217,027.00 was actually spent. The main reasons for this is because the I-Squared competition was estimated to be completed in December but the finals were moved to January 2014 and the payouts for the competition were done then.

Project

For the year ending December 31st, 2013, the USF budgeted to spend \$2,446,643.55 for payment on projects. However, \$652,125.12 was actually spent. The main reason for this was the USF had estimated that the Police and health center project, the Community center project, the Payphone project and the SMART project would have been commissioned in 2013 hence payments would have been due in 2013.

Figure 1



2.0 Telecommunications in St Vincent and the Grenadines

In 2013, St Vincent and the Grenadines saw development in the telecommunication sector via various projects which are being implemented under the Universal Service Fund and other programs initiated by the Government of St. Vincent and the Grenadines. The country has also seen projects funded by external funding agencies which led to the development of the sector. Some of these projects are as follows:

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.
- 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. All of the equipment has been installed but the payment solution for the wireless billing is expected to be completed, and this project will be commissioned in the beginning of the second quarter of 2014.

- 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 and was commissioned in 2012. 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.
- 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 of 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.
- 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. This project has not been commissioned yet as there have

been some issues with the solution for the Canouan sites. The solution was reengineered and the projects are expected to be commissioned in the second quarter of 2014.

- 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 (\$119,503.27) 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 will also be 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. This project was a follow up project to our first project.
- 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 will be commissioned in the beginning of the second quarter of 2014.

2.2 Improvement in Education through ICT

One such project is the Improvement of Education through the use of Information and Communication Technology. The overall objective of the Education Support is 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. This project, funded under the 9th EDF, commenced in September 2008 and with the exception of the infrastructure development at SVGCC, all the components were completed in March 2012. The SVGCC component was to be completed in December 2013 but was extended to and completed in the first quarter of 2014. This aspect of the project is valued at EC \$4,666.800.00.

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 neighbouring 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.

2.4 SVG-E-NET

Another project by the name of the St. Vincent and the Grenadines E.Net project was also implemented. This project provides 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). This project was launched on March 27th, 2012 and the website is being managed by the media unit in the Ministry of Education and will come to an end in 2014. This 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 labor 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 and equipment, as well as introducing new services and facilities to meet the Caribbean Vocational Education (CVQ) standards. This endeavor is expected to be completed by 2016.

3.0 Summary Market Assessment

In 2013 the NTRC contracted a consultant for the main purpose of getting project ideas that should be undertaken by the USF. The methodology employed by this study included field visits to a number of low-income communities and discussions with individuals and community groups within those communities. These discussions were held to determine, with the help of those residents the ICT needs of those communities visited and to arrive at possible ways of addressing those needs. The discussions included members of the communities as well as community groups in those communities where groups existed and community leaders.

The visitations and consultations occurred over a period of three weeks in the communities of Rose Bank (Cattie), Bottle and Glass in Barrouallie, Clare Valley, Lower Questelles, Lowmans (Buddy Gutter), Ottley Hall, Choppins, Diamonds, Sandy bay, Point and Owia. These communities represent some of the communities with the lowest income levels caused by a number of factors. The communities of Rose Bank, Bottle and Glass, Clare Valley, Lower Questelles and Owia are traditionally fishing villages that occupy coastal areas on the leeward and windward coasts of St. Vincent and the Grenadines. Many of the residents earn a living from small-scale fishing done in a manner that can best be described as ad hoc, and as such the fishermen earn a subsistent living for themselves and their families.

The other communities, namely; Buddy Gutter, Ottley Hall and Diamonds are communities that originated as informal settlements, but while many of the residents are still on unregistered lots of land, other residents have had their situations regularised through purchases of their lots. These residents are however in the minority. These specific communities have underdeveloped infrastructure, such as roads and drainage that present challenges to the organised development of a number of basic amenities.

These communities visited generally do not have public facilities such as a school, clinic, police station, learning resource centre nor community centre that would have been a part of previous NTRC projects under the USF that allowed for internet access to be brought into those communities. The low-income levels of these communities remain the most significant reason for the low level of Internet penetration in homes primarily because of the cost factor of installation and maintenance of the service. This fact, when added to the absence of public facilities that are outfitted with the NTRC Internet, leads to a situation where these communities remained underserved by the Internet. While in the case of all the communities listed above the basic amenities of light and water are present, a number of homes are still unable to have those amenities because of the unregistered nature of the land on which the homes are built.

The focus of the consultation was firstly to ascertain the ICT needs of each of the communities based on its specific peculiarity. One situation that was constant in every community was the prevalence of netbooks by students. These netbooks were distributed by the government of St. Vincent and the Grenadines as a part of the “one laptop per child” project that saw over 15,000 laptops being given to students of primary school age. It was common occurrence in all the communities visited to see children who possess these netbooks to be huddled together in the vicinity of any home that had wireless internet in an effort to access that internet. Although the schools that the pupils attend all have wireless internet as part of the USF project, the ability of the students to access the internet at home to complete assignments and for other purposes is extremely limited.

A number of the residents including parents expressed concerns that the lack of Internet in the homes created a situation where students were absent from home late at nights, exposing

themselves to grave danger. They welcomed any solution that would offer their children the opportunity to access the internet from their homes or as close to their homes as possible.

Out of this consultancy, the following were identified:

- There should be a variety of internet options implemented in the communities since they all have specific conditions and varying levels of infrastructural development.
- That these options include, the installation of wireless Internet in some communities as well the provision of Internet to specific homes at a subsidised cost.
- That the internet that is offered to homes at subsidised cost, wireless access should be left open for the use of other children in the neighbourhood.

Field work activities were also carried out by the Universal Service Fund Administrator on a regular basis to get feedback from persons living in various urban and rural areas. These field work activities are done on a fortnightly basis and several project ideas have been identified. These include the placement of internet access at various community centres which currently do not have any internet access. Additionally the placement of hotspots to provide internet access for the general public in areas which are frequented by the general public.

3.1 Revenue of Telecom Operators

Figure 2 below shows the revenues for the telecommunications operators. The revenue generated by the telecom operators in 2013 decreased by a small margin of 2.7%. 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 2013. This is a direct result of the reduction in the number of calls made internationally.

Figure 2

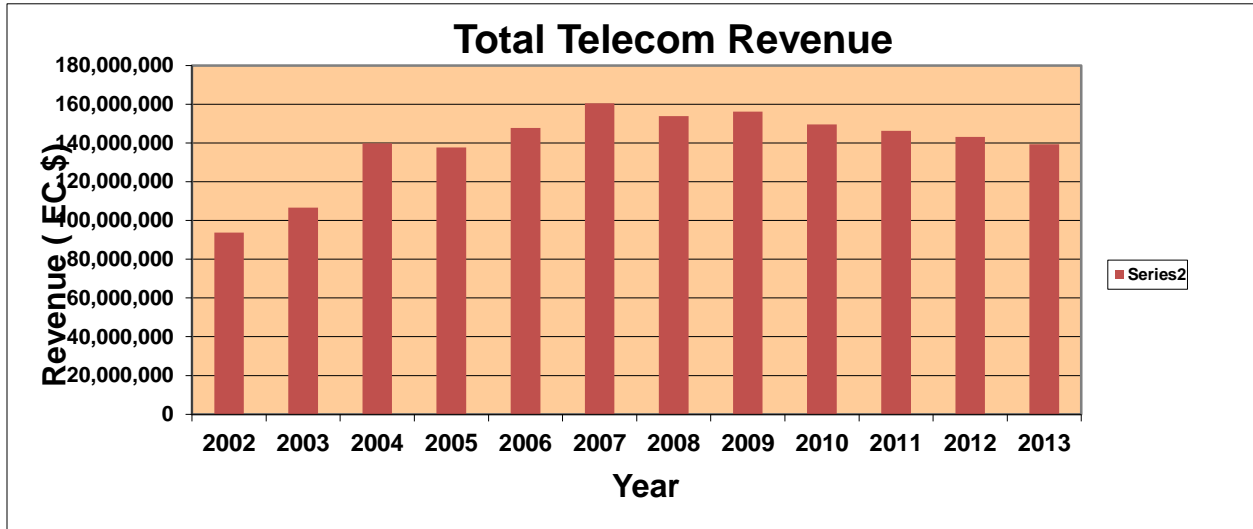


Figure 3 below shows the fixed line subscribers over a five year period. In 2013, there was a decrease in the number of subscribers for both providers. Cable & Wireless has seen their subscription fall from 18,974 to 18,693, a 1.42% decrease. Karib Cable has also seen a reduction in subscribers for this service with a move from 405 to 392 representing a 3.21 % decrease.

Figure 3

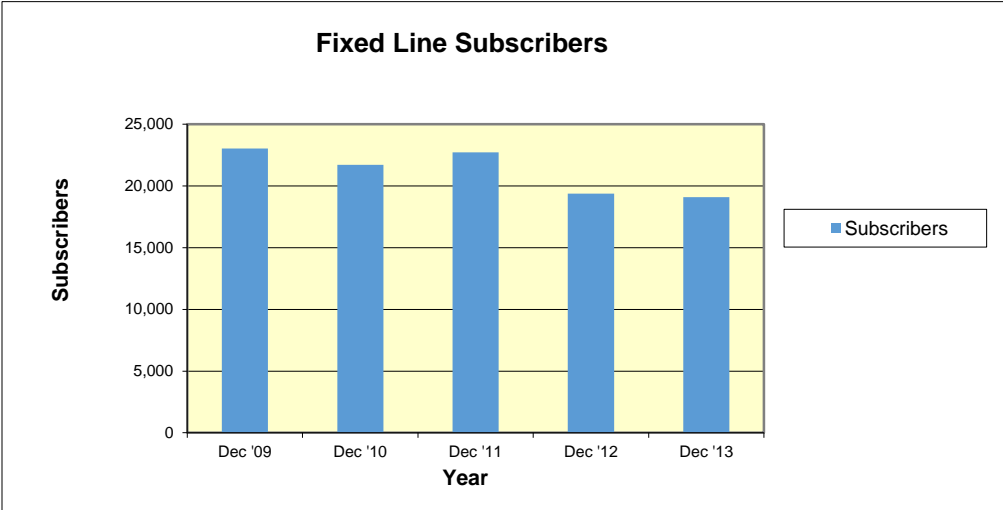
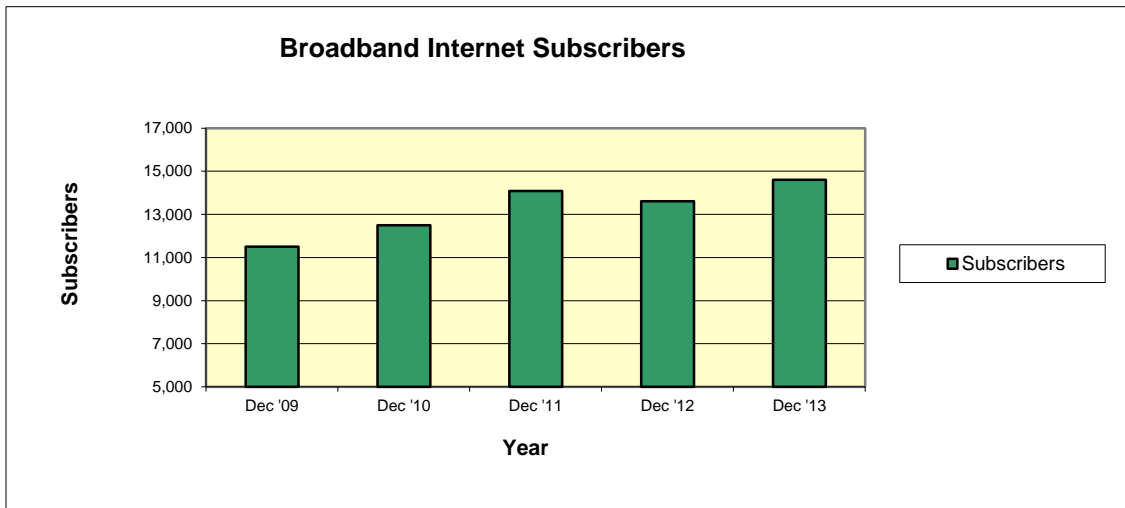


Figure 4 below shows that Broadband Internet subscribers have increased from 2012 to 2013. Cable and Wireless saw an increase in subscription during the year 2013 when compared to 2012's figures while Karib Cable also had an increase. Karib Cable subscribers moved from 4298 to 4749 representing a 10.5% increase and Cable and Wireless subscribers moved from 9542 to 10065 representing a 5.5% increase.

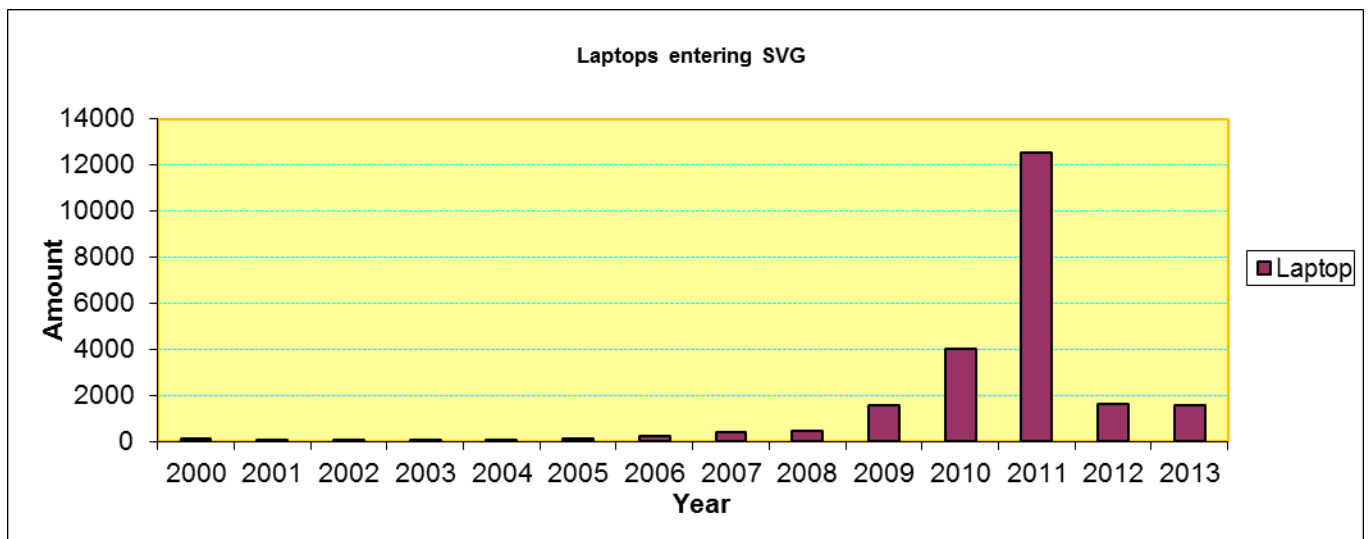
Figure 4



3.2 Laptops entering St Vincent

Figure 5 below indicates the number of laptop computers entering St. Vincent and the Grenadines for 2013. The diagram indicates that there has been a decrease of 2.73% in the total number of portable computers which entered the country in 2013. However, the spike in the figures for 2010 and 2011 were primarily due to the one laptop per child program. This minor decrease in the imports of portable devices in 2013 as compared to 2012 can be attributed to the increased availability of these devices on the local market at various electronics stores.

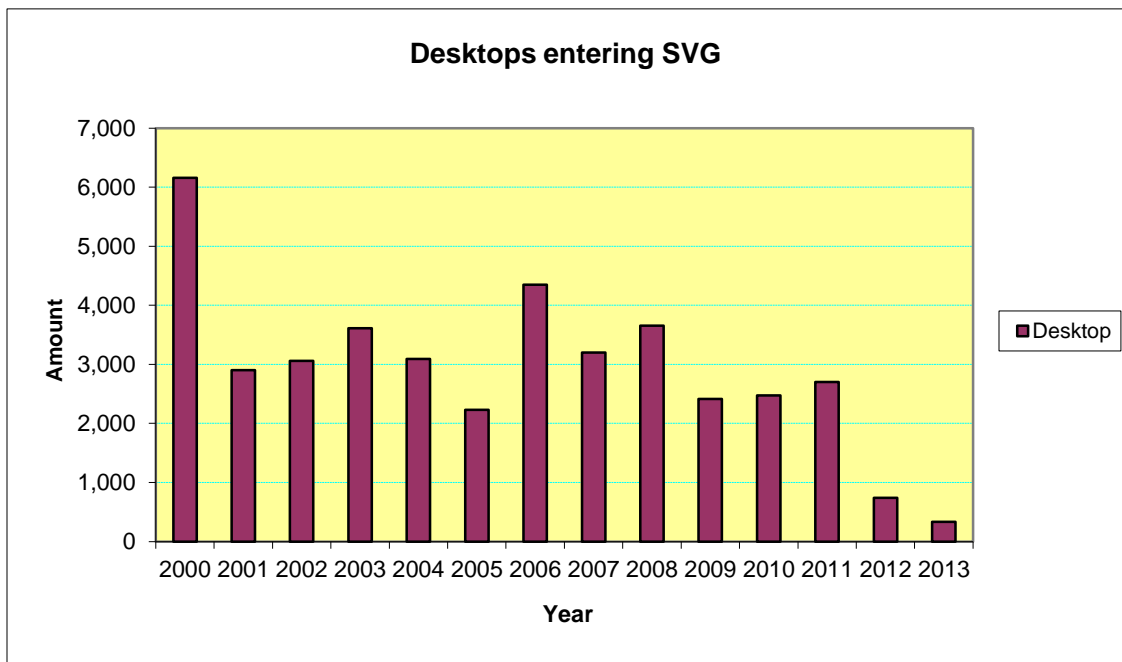
Figure 5



3.3 Desktops entering St Vincent and the Grenadines

Figure 6 below shows the number of desktop computers entering the island for 2013. The graph shows that there has been a decrease of 55% in the number of desktops being imported. There was a change from 742 desktops in 2012 to 333 desktops in 2013. This can be due to the increasing popularity of mobile devices such as tablets and mobile phones. These devices are lightweight, portable and offer the same functionalities as a desktop. Also, more companies such as Google and Microsoft are now manufacturing tablets which have made them more affordable.

Figure 6



4.0 PRIORITY GOALS 2013

The Operating Plan for 2013 outlined a number of priority goals that aimed to address a number of Telecommunications deficiencies that were identified by the NTRC. These priority goals and their statuses are as follows:

- **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 was addressed. A project which will assist in emergency communication during times of natural disasters was developed. This project will be implemented based the availability of funds by the USF to undertake this project. This project could not have been implemented in 2013 due to the fact that since 2012, the actual revenues received by the USF were lower than budgeted for. This caused a short fall in the availability of funds to undertake new projects when taking into consideration the seven projects already being funded by the Fund. No new projects will be able to be implemented unless additional revenue streams are identified as the contribution to the USF by the telecommunications providers have been less than expected. This issue is of critical importance and the Commission will be looking to have the contribution rate paid by the Telecommunication providers to the USF increased before any additional projects are implemented. Once this is done the USF will be able to implement more projects to the benefit of the citizens of the country.

- **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 2013. This project could not have been implemented in 2013 due to the fact that since 2012, the actual revenues received by the USF were lower than budgeted for. This caused a short fall in the availability of funds to undertake new projects when taking into consideration the seven projects already being funded by the Fund. No new projects will be able to be implemented unless additional revenue streams are identified as the contribution to the USF by the telecommunications providers have been less than expected. This issue is of critical importance and the Commission will be looking to have the contribution rate paid by the Telecommunication providers to the USF increased before any additional projects are implemented. Once this is done the USF will be able to implement more projects to the benefit of the citizens of the country..

- **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 2013. This project could not have been implemented in 2013 due to the fact that since 2012, the actual revenues received by the USF were lower than budgeted for. This caused a short fall in the availability of funds to undertake new projects when taking into consideration the seven projects already being funded by the Fund. No new projects will be able to be implemented unless additional revenue streams are identified as the contribution to the USF by the telecommunications providers have been less than expected. This issue is of critical importance and the Commission will be looking to have the contribution rate paid by the Telecommunication providers to the USF increased before any additional projects are implemented. Once this is done the USF will be able to implement more projects to the benefit of the citizens of the country.

- **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 2013 as the project was developed but not implemented. This project could not have been implemented in 2013 due to the fact that since 2012, the actual revenues received by the USF were lower than budgeted for. This caused a short fall in the availability of funds to undertake new projects when taking into consideration the seven projects already being funded by the Fund. No new projects will be able to be implemented unless additional revenue streams are identified as the contribution to the USF by the telecommunications providers have been less than expected. This issue is of critical importance and the Commission will be looking to have the contribution rate paid by the Telecommunication providers to the USF increased before any additional projects are implemented. Once this is done the USF will be able to implement more projects to the benefit of the citizens of the country.

- **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 2013. This project could not have been implemented in 2013 due to the fact that since 2012, the actual revenues received by the USF were lower than budgeted for. This caused a short fall in the availability of funds to undertake new projects when taking into consideration the seven projects already being funded by the Fund. No new projects will be able to be implemented unless additional revenue streams are identified as the contribution to the USF by the telecommunications providers have been less than expected. This issue is of critical importance and the Commission will be looking to have the contribution rate paid by the Telecommunication providers to the USF

increased before any additional projects are implemented. Once this is done the USF will be able to implement more projects to the benefit of the citizens of the country.

- **A project to provide computers and internet access at various community centers throughout St. Vincent and the Grenadines.**

This priority goal was addressed as the Community Center project was signed on November 20th, 2012 and commissioned on March 4th, 2014. This project provided internet access to 12 community centers, the Barrouallie Learning Resource Center and the Salvation Army Children's home.

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

This priority goal was not addressed in its entirety in 2013. This project could not have been implemented in 2013 due to the fact that since 2012, the actual revenues received by the USF were lower than budgeted for. This caused a short fall in the availability of funds to undertake new projects when taking into consideration the seven projects already being funded by the Fund. No new projects will be able to be implemented unless additional revenue streams are identified as the contribution to the USF by the telecommunications providers have been less than expected. This issue is of critical importance and the Commission will be looking to have the contribution rate paid by the Telecommunication providers to the USF increased before any additional projects are implemented. Once this is done the USF will be able to implement more projects to the benefit of the citizens of the country. However, subsidized internet at a subsidized rate of \$10 to qualified individuals under the SMART project signed on November 20th, 2012.

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

This priority goal was not addressed in 2013. This project could not have been implemented in 2013 due to the fact that since 2012, the actual revenues received by the USF were lower than budgeted for. This caused a short fall in the availability of funds to undertake new projects when taking into consideration the seven projects already being funded by the Fund. No new projects will be able to be implemented unless additional revenue streams are identified as the contribution to the USF by the telecommunications providers have been less than expected. This issue is of critical importance and the Commission will be looking to have the contribution rate paid by the Telecommunication providers to the USF increased before any additional projects are implemented. Once this is done the USF will be able to implement more projects to the benefit of the citizens of the country.

- **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 2013. This project could not have been implemented in 2013 due to the fact that since 2012, the actual revenues received by the USF were lower than budgeted for. This caused a short fall in the availability of funds to undertake new projects when taking into consideration the seven projects already being funded by the Fund. No new projects will be able to be implemented unless additional revenue streams are identified as the contribution to the USF by the telecommunications providers have been less than expected. This issue is of critical importance and the Commission will be looking to have the contribution rate paid by the Telecommunication providers to the USF increased before any additional projects are implemented. Once this is done the USF will be able to implement more projects to the benefit of the citizens of the country.

- **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.**

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5.0 USF Priority Goals 2014

Additional projects will not be able to be implemented in 2014 following the seven projects which have already been implemented. As stated previously, due to the fact that since 2012, the actual revenues received by the USF were lower than budgeted for. This caused a short fall in the availability of funds to undertake new projects when taking into consideration the seven projects already being funded by the Fund. No new projects will be able to be implemented unless additional revenue streams are identified as the contribution to the USF by the telecommunications providers have been less than expected. This issue of identifying additional revenue streams and increasing the rate of contribution from the telecommunications providers to the USF will be top priority for the USF. Following this, projects will be implemented on a priority needs basis.

The project listed below are to be addressed at the time when the USF realizes additional revenues where more projects can be implemented;

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

- 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.
- 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.
- A project to provide computers and internet access at subsidized rates to needy individuals throughout St Vincent and the Grenadines.
- A project to outfit community libraries throughout the country with computers and internet access.
- 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.
- 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.
- A project to provide high speed internet access to the specific groups of individuals within targeted communities throughout St Vincent and the Grenadines.
- A project to supply senior citizens with emergency response devices across the country.
- A project to students with disabilities with braille and teleprinter electronic devices at the School for Children with Special Needs Kingstown, St. Vincent and the Grenadines. ‘
- A project to supply areas that are frequently visited with wireless internet access across St. Vincent and the Grenadines

- A project to supply the St. Vincent and the Grenadines Community College Division of Arts, Sciences and General Studies and Division of Technical and Vocational Education with printers.
- A project to provide streaming of events that the Agency for Public Information (API) usually cover.
- A project to provide training in various IT bases programs at various Learning Resource Centres throughout the Country.

6.0 USF BUDGET ESTIMATES

The USF is funded by contributions made by telecommunications providers as specified under the Act and by 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 2014, the Fund is projected to receive just over One Million dollars in 2014. This consists of contributions from the telecom service providers of One Million, Two Hundred and Eighty Two Thousand, Eight Hundred and Seventy Six Dollars and Ninety Nine Cents (\$1,282,876.99) and an interest on the account of Thirty Seven Thousand, Five Hundred Dollars (\$37,500.00).