

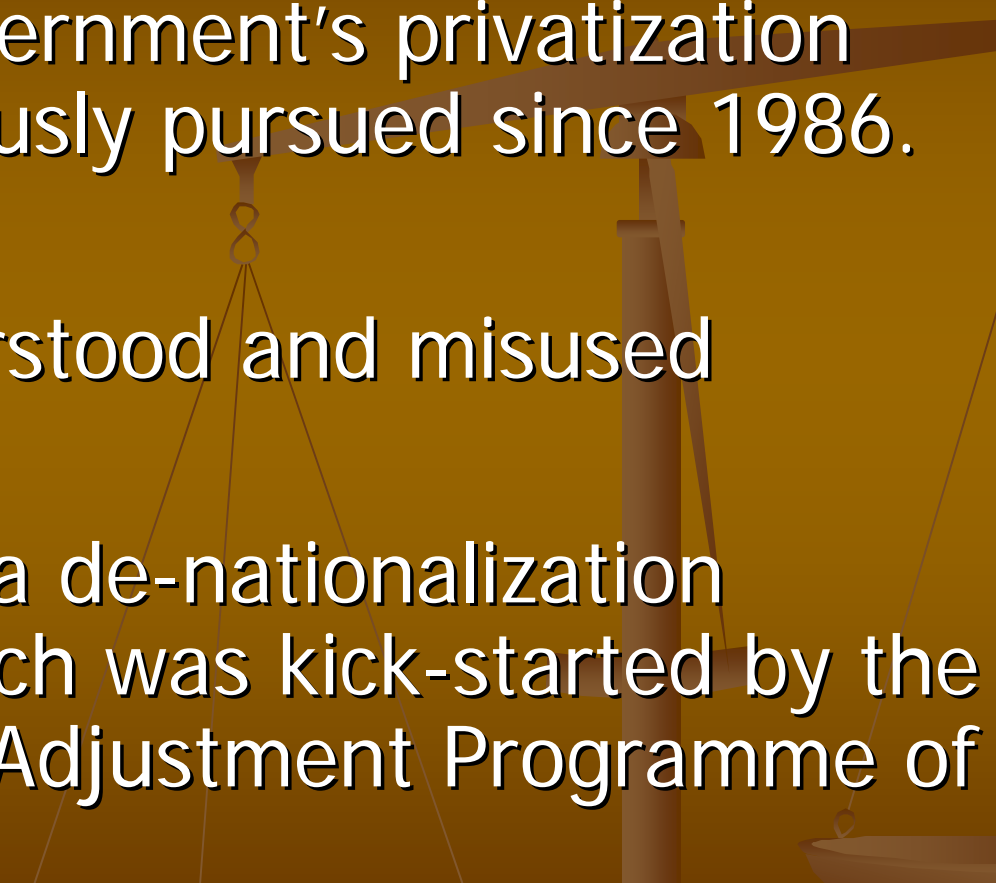


# Utility Regulation and the Jamaican Consumer

- The Jamaican Experience

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Nassau, The Bahamas  
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# Regulation

- Born out of Government's privatization policy and seriously pursued since 1986.
  - Highly misunderstood and misused
  - GOJ undertook a de-nationalization programme which was kick-started by the then Structural Adjustment Programme of the late 1980s.
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# PRIVATIZATION



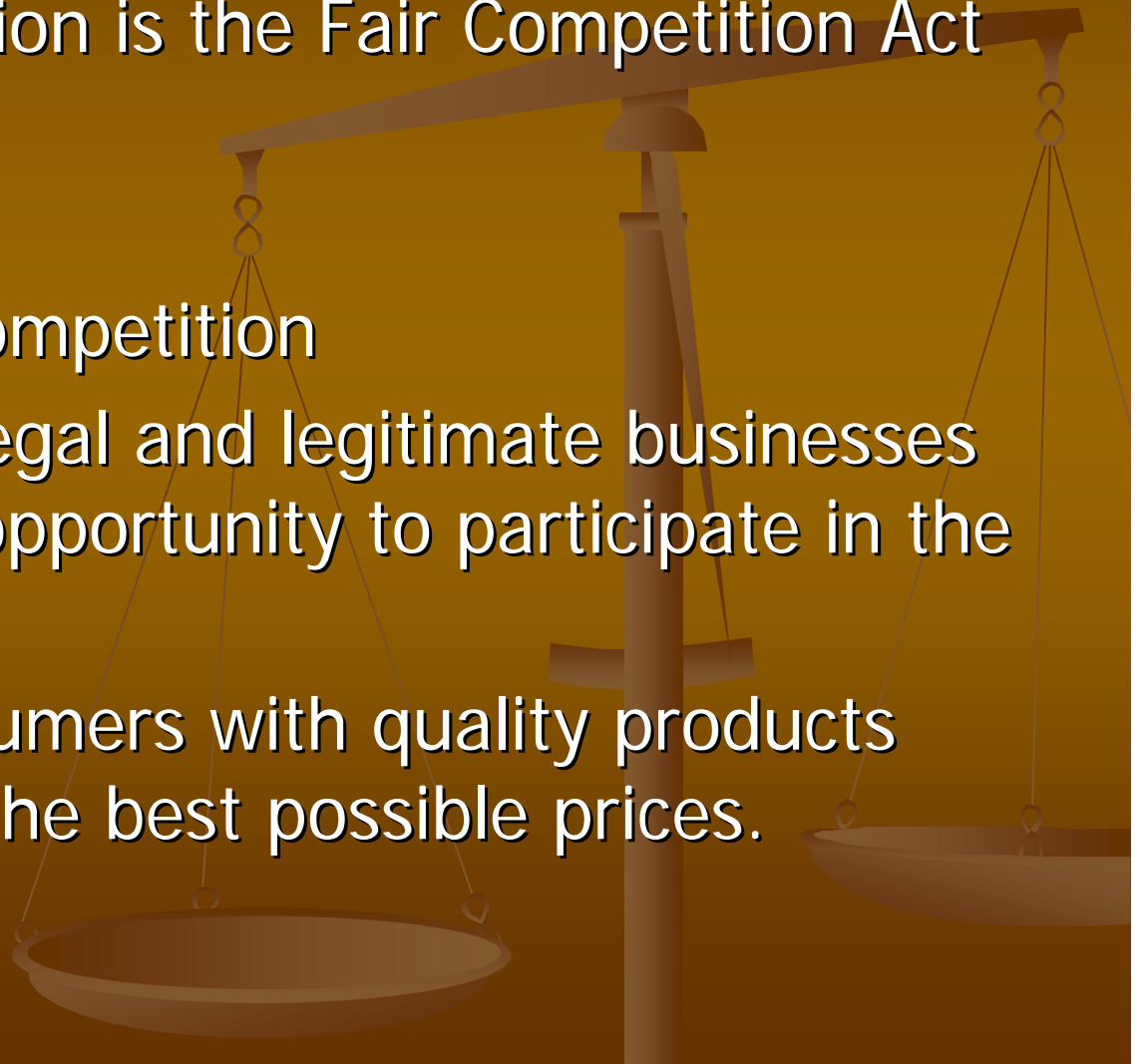
- Started with the sale of majority shares in NCB/CCC and Cable & Wireless.
- Acceleration in 1989 – 12 firms transferred
- 1990-1996 – 66 firms divested at an approx. value of US\$500 million
- 1996 – interesting to note that with the exception of telecommunications, all 'public' utilities remained under government control and ownership – electricity, water air transport, seaport and the oil refinery.
- The regulatory process (as we now know it) was established concurrent with privatization to inject reform and order to the process.

# OFFICE OF UTILITIES REGULATION (OUR)

- Mandated to regulate (with specific exceptions), four sectors considered natural monopolies.
- Role is to process and evaluate the application of licences to operate and then to define and administer the proper regulation of those applications/operators.
- Objectives:
  - MUST BALANCE THE CONSUMERS' ABILITY TO PAY AND AFFORD THE GOOD AND SERVICE WHILE AT THE SAME TIME PROVIDE A REASONABLE RATE OF RETURN TO THE REGULATED FIRMS.
  - MUST ENSURE THAT CONSUMERS ARE AFFORDED AN ACCEPTABLE QUALITY OF SERVICE AT A REASONABLE COST.
  - ESTABLISH AND MAINTAIN TRANSPARENCY, CONSISTENCY AND FAIR RULES FOR THE REGULATED UTILITIES
  - SET, DETERMINE AND SUPERVISE THE STANDARDS UNDER WHICH REGULATED UTILITIES MUST OPERATE.

# FAIR TRADING COMMISSION (FTC)

- Enabling legislation is the Fair Competition Act (FTA)
- Purpose:
  1. To encourage competition
  2. Ensure that all legal and legitimate businesses have the same opportunity to participate in the economy
  3. To provide consumers with quality products and services at the best possible prices.



# Important Facets of Regulation

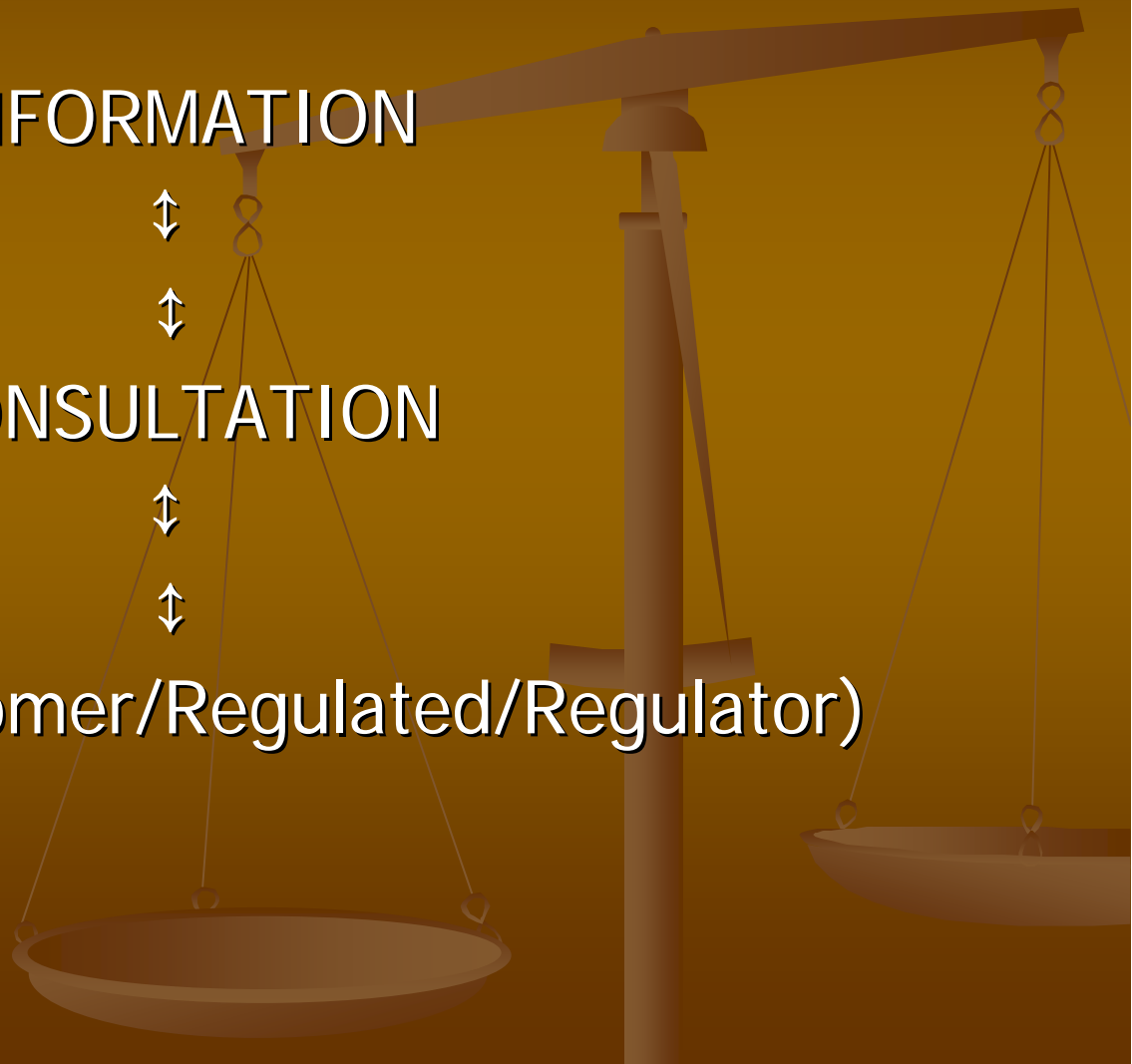
INFORMATION



CONSULTATION



SERVICE (Customer/Regulated/Regulator)



# INFORMATION

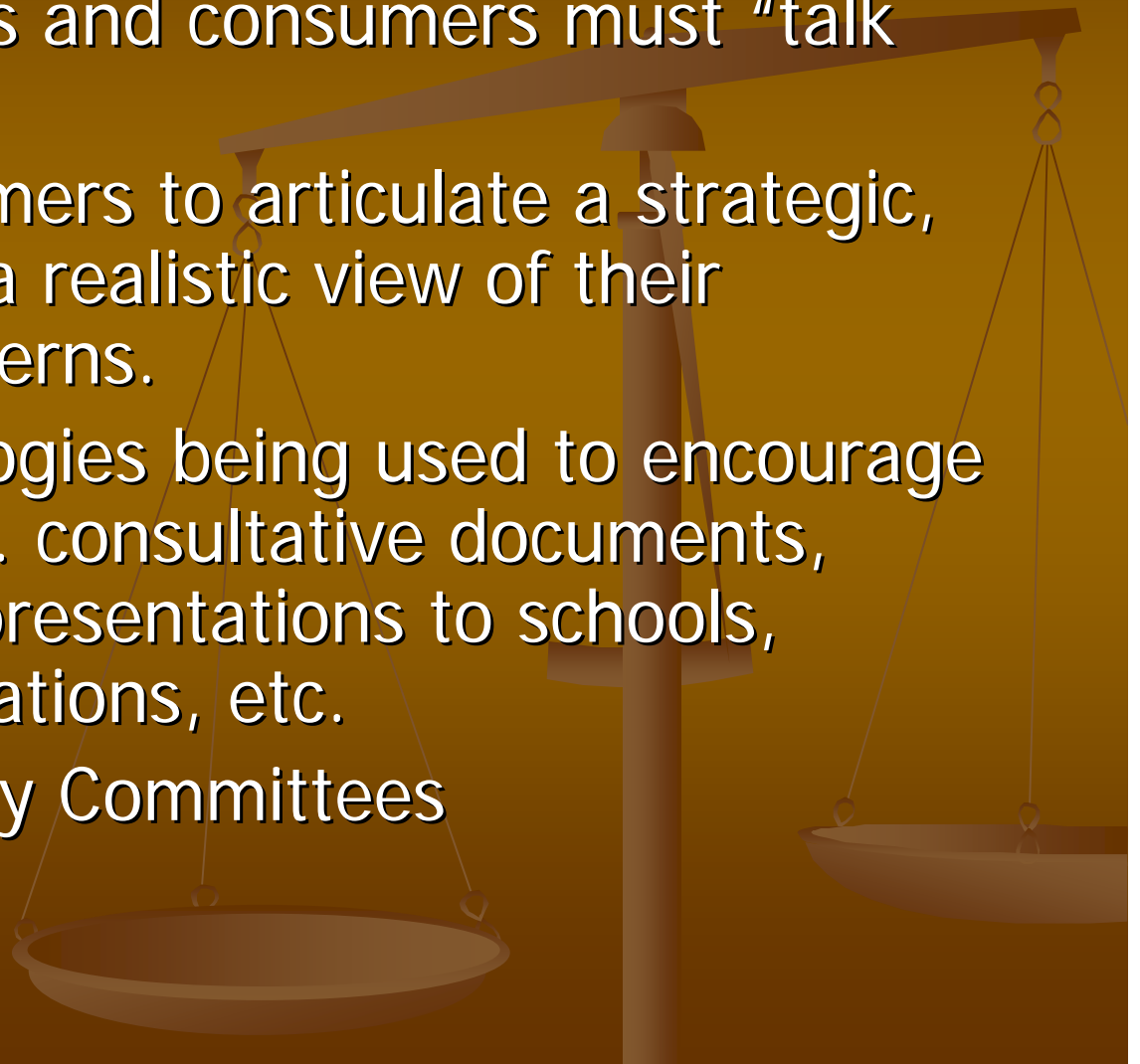


- An informed consumer enhances the effectiveness and efficiency of public utilities and the regulatory machinery.
- Critical in emerging markets
- Assists consumers in making choices, obtain fair deals with utility companies and instilling confidence in the regulatory system.

- Must be designed to raise consumer awareness  
CONSUMERS WANT TO KNOW, NEED TO KNOW  
AND WILL HAVE TO KNOW

# CONSULTATION

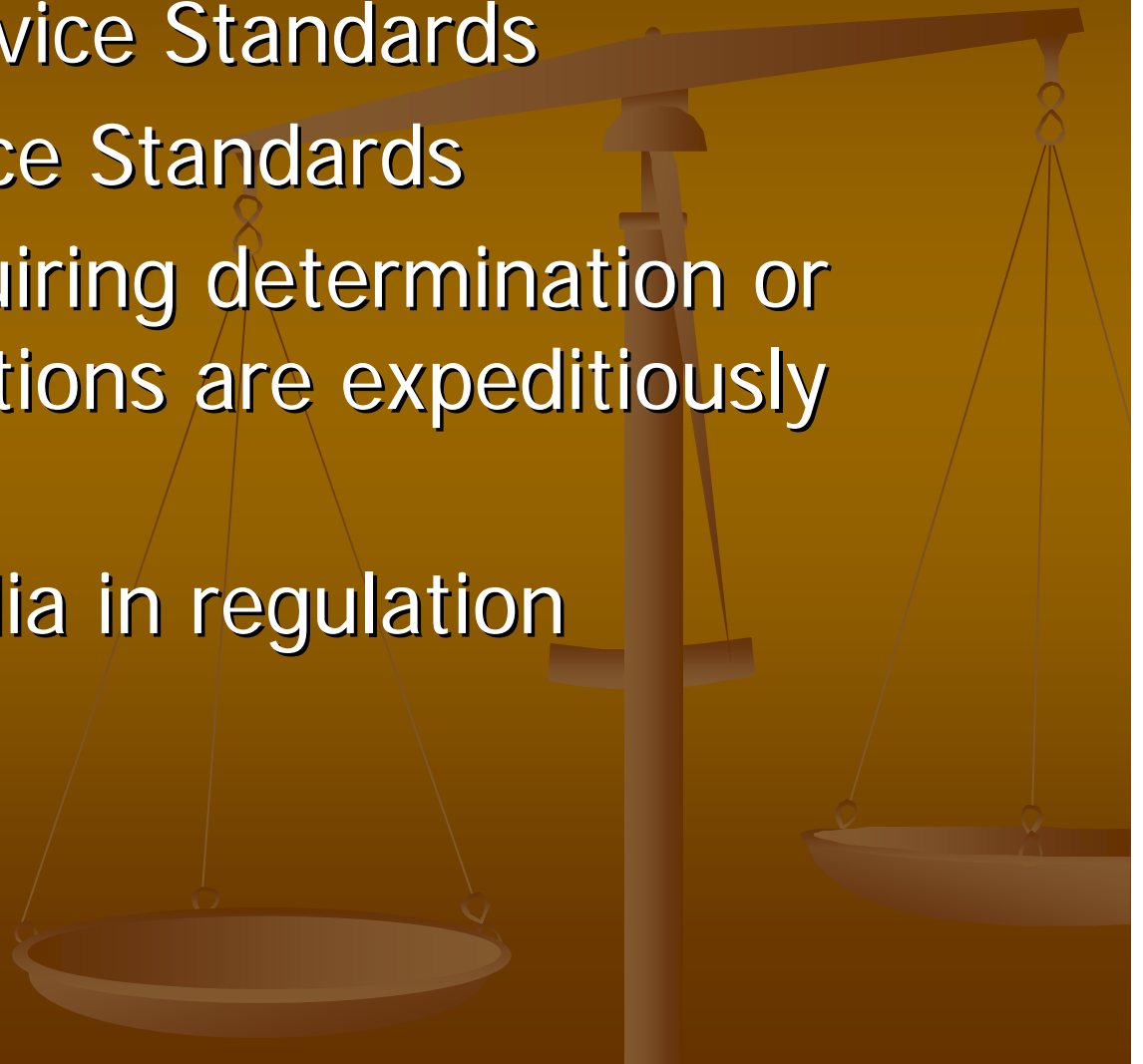
- Utilities, regulators and consumers must “talk with each other”.
- Chance for consumers to articulate a strategic, independent and a realistic view of their opinions and concerns.
- Various methodologies being used to encourage consultation – e.g. consultative documents, public meetings, presentations to schools, community associations, etc.
- Consumer Advisory Committees





# SERVICE

- Guaranteed Service Standards
- Quality of Service Standards
- Complaints requiring determination or enforcement actions are expeditiously dealt with.
- Role of the media in regulation



# Conclusion

As consumers, we now have the best opportunity to strengthen current policy arrangements by properly equipping ourselves to conscientiously participate in OUR regulatory environment.

THANK YOU

